

MINUTES OF BUDGET AND CONTROL BOARD MEETING

OCTOBER 10 1974

The State Budget and Control Board met at 10:00 a. m. on Thursday, October 10, 1974, for the purpose of hearing the budget requests of the following Agencies.

Arts Commission
Solicitors' Association
State Housing Authority
Employment Security Commission
State Personnel Division
State Employees' Association
Forestry Commission

In addition to the budget hearings, the following business was conducted.

WILDLIFE RESOURCES DEPARTMENT - SELECTION OF ARCHITECTS -

The Board was informed by the Wildlife Resources Department that renovations and improvements to a number of their facilities scattered over the State are being planned. In most instances these individual situations are relatively small projects, in which case it appears impractical to follow the prescribed formal procedure for the selection of architects for the small amount of professional services required. It was accordingly proposed that the Budget and Control Board approve the Department's selecting, by advertisement, a panel of architects who would be interested in providing services for relatively minor situations and from which the Department would, from time to time, make a selection for each individual project. It was further proposed that the advertisement requesting an indication of interest in participating in such a panel would include a general description of the types of projects to be considered. It was further proposed that the Department would rotate its selection of firms from the panel so as to give as nearly equal benefit to all qualified members. The panel would remain available for a period of one year, at the end of which time a new panel would be constituted.

The Board was informed that this proposed method of accommodating the Department's requirements had been reviewed with a committee representing the South Carolina Chapter of the American Institute of Architects, and the committee had agreed to the practicality of such a procedure in this instance.

The Board gave its consent to the Department to proceed as requested.

CAPITAL IMPROVEMENT BONDS - ANTICIPATION NOTES - The Budget and Control Board approved the issuance of Capital Improvement Bond Anticipation Notes in the amount of \$20,000,000. These Notes will be dated October 23, 1974, and will mature on December 16, 1974. Interest will be paid at 5.4 percent per annum.

A copy of this Resolution has been retained in these files and is identified as Exhibit I.

CAPITAL IMPROVEMENT BOND FUNDS ALLOCATIONS - 1974-75 - Mr. P. C. Smith presented a report of Capital Improvement Bond funds requests of the various agencies along with a recommendation for the allocation of such funds for the fiscal year 1974-75. He advised that the amounts recommended could be met without exceeding the \$65,000,000 limitation imposed upon the issuing of Capital Improvement Bonds during the fiscal year 1974-75.

Governor West discovered that the allocation of \$56,400 for renovations to the President's Home at the Citadel had been omitted and all members agreed that this item should be restored. With this correction, the Board approved the recommendation as submitted.

A copy of this report, with the addition of the item for the President's Home at the Citadel, has been retained in these files and is identified as Exhibit II.

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INDUSTRIAL REVENUE BONDS - On July 23, 1974, the Budget and

Control Board had approved an Industrial Revenue Bond Petition of Lexington County for the issuing of \$3,500,000 of bonds on behalf of Canron Inc., a New York Corporation. Subsequently, it was found that certain legal difficulties would be encountered if the New York Corporation entered into a lease agreement in this State. Therefore, a Corporation known as Canron of South Carolina, Inc., has been formed and it is proposed that this Organization be substituted as the lessee of the improvements to be financed by the bond issue. The parent Corporation, Canron Inc., has agreed to guarantee the lease payments.

The Budget and Control Board approved the supplemental Petition of Lexington County.

Data pertaining to this matter has been retained in these files and is identified as Exhibit III.

There being no further business, the meeting was adjourned.

OCT. 10, 1974

EXHIBIT I

OCT. 10, 1974

A RESOLUTION

AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES OF THE STATE OF SOUTH CAROLINA IN ANTICIPATION OF THE ISSUANCE OF STATE CAPITAL IMPROVEMENT BONDS OF THE STATE OF SOUTH CAROLINA.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF THE STATE OF SOUTH CAROLINA:

SECTION 1.

As an incident to the adoption of this Resolution and the issuance of the Bond Anticipation Notes herein authorized, the State Budget and Control Board of the State of South Carolina (the State Board) finds:

1. By the provisions of Act No. 1377 of the Acts of the General Assembly of the State of South Carolina, entitled "AN ACT TO PROVIDE FOR THE ISSUANCE BY THE STATE OF SOUTH CAROLINA OF ITS STATE CAPITAL IMPROVEMENT BONDS; TO PRESCRIBE THE CONDITIONS UNDER WHICH SUCH BONDS MAY BE ISSUED; TO MAKE PROVISION FOR THE PAYMENT THEREOF; AND TO AMEND ACT NO. 487 of 1965, RELATING TO STUDENT AND FACULTY REVENUE BONDS OF SOUTH CAROLINA STATE COLLEGE, SO AS TO INCREASE THE AMOUNT WHICH MAY BE ISSUED," approved the 24th day of June, 1968, as amended (Act 1377), the Governor and the State Treasurer of South Carolina, when requested by the State Board, are duly authorized and empowered to issue State Capital Improvement (General Obligation) Bonds for the purposes set forth in Act 1377.

For the payment of the principal of and interest on the bonds issued pursuant to Act 1377 there are to be pledged the full faith, credit and taxing power of the State of South Carolina, and in addition thereto and subject to the limitations set forth in Act 1377, all of the revenues that the State shall, from time to time, realize from the tax imposed by Chapter 5, Title 65, Code of Laws of South Carolina, 1962, now or hereafter amended (State Income Tax).

SECTION 2.

The constitutionality of Act 1377 was upheld by an opinion of the Supreme Court of the State of South Carolina in a test case, entitled "MIMS, ET AL v. McNAIR, ET AL," filed January 7, 1969,

SECTION 3.

Because of contractual commitments under the Capital Improvement Program of the State of South Carolina, it is necessary to issue State Capital Improvement Bonds in an amount in excess of \$20,000,000 in the very near future. Pending the issuance of said bonds, the State must obtain \$20,000,000 to meet costs incurred and to be incurred on construction contracts prior to the sale and delivery of said bonds and it has been decided that Bond Anticipation Notes shall be issued in anticipation of the issuance of the State Capital Improvement Bonds.

The State Board is authorized by Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965, as amended (Act 116), to issue Bond Anticipation Notes in anticipation of receiving the proceeds of the State Capital Improvement Bonds hereafter to be issued.

SECTION 4.

Negotiations have been conducted by the State Treasurer pursuant to the authorization of the State Board with Morgan Guaranty Trust Company of New York, which negotiations have resulted in agreement on the part of Morgan Guaranty Trust Company of New York to purchase \$20,000,000 Bond Anticipation Notes of the State of South Carolina, to be dated October 23, 1974, to mature December 16, 1974, and to bear interest at the rate of 5.40% per annum, payable on the maturity of the Notes.

SECTION 5.

Accordingly, it is the purpose of this Resolution to:

(a) Authorize and empower the Governor and the State Treasurer to issue State Capital Improvement Bonds of the State of South Carolina, in the aggregate principal amount sufficient to provide for the payment, when due, of all Bond Anticipation Notes heretofore or herein authorized, which shall be dated as of an occasion which will permit the use of the proceeds thereof to meet the payment of the Bond Anticipation Notes at the maturities thereof;

(b) obligate the State of South Carolina to effect the issuance of such State Capital Improvement Bonds;

(c) authorize the Governor and State Treasurer to effect the issuance of the Bond Anticipation Notes hereinabove set forth; and

(d) direct the application of the proceeds of the Bond Anticipation Notes for payment of construction costs under the State Capital Improvement Program.

SECTION 6.

It is hereby determined that temporary financing pursuant to Act 116, to the extent of \$20,000,000 in anticipation of the issuance of State Capital Improvement Bonds, shall be immediately undertaken in accordance with the recitals hereinabove set forth, and that authorization should be given to the Governor and State Treasurer which would enable such officers to effect such temporary borrowing.

SECTION 7.

That there shall be issued by the State of South Carolina Bond Anticipation Notes of the State of South Carolina, in the aggregate principal amount of \$20,000,000, which shall bear date October 23, 1974, and shall be expressed to mature on December 16, 1974.

SECTION 8.

The said Notes shall be numbered from 1 to 200, inclusive, each in the denomination of \$100,000, shall be payable, both principal and interest, at the principal office of Morgan Guaranty Trust Company of New York, in the City of New York, New York.

SECTION 9.

The said Notes shall bear interest from date at the rate of 5.40% per annum, payable upon the stated maturity.

SECTION 10.

The said Notes shall be executed on behalf of the State of South Carolina by the facsimile signature of the Governor and by the manual signature of the State Treasurer, and the Great Seal of the State of South Carolina shall be reproduced thereon, and the same shall be attested by the facsimile signature of the Secretary of State.

SECTION 11.

The said Notes shall be substantially in the form attached hereto as "EXHIBIT A."

SECTION 12.

For the payment of the principal of and interest on the said Notes, as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged, and in addition thereto so much of the principal proceeds of the State Capital Improvement Bonds authorized by Section 13, infra, as are necessary therefor, are hereby pledged, and the State Treasurer, upon receipt of the proceeds of said State Capital Improvement Bonds be, and he is hereby authorized to apply such proceeds to such payment.

SECTION 13.

This Board authorizes the issuance of State Capital Improvement Bonds of the State of South Carolina in an aggregate

principal amount sufficient to provide for the retirement of all Bond Anticipation Notes heretofore or herein authorized to be issued.

SECTION 14.

The said Bond Anticipation Notes shall be forthwith prepared, executed in the manner hereinabove set forth, and thereafter delivered to the purchaser thereof, upon receipt of the proceeds thereof. The proceeds shall be paid to the State Treasurer and applied for the State Capital Improvement Program.

SECTION 15.

In adopting this Resolution, making provision for the issuance of the Bond Anticipation Notes in the amount heretofore stated and in authorizing the issuance of State Capital Improvement Bonds in an amount sufficient to pay such Bond Anticipation Notes, this Board has found and hereby certifies that the actual receipts for the preceding fiscal year from the tax levied pursuant to Chapter 5, Title 65, exceeded 150% of the maximum annual debt service requirements for all State Ports Bonds (as such term is defined in Act 1377 now outstanding and all State Capital Improvement Bonds to be issued to provide funds for the payment of the Bond Anticipation Notes issued in anticipation of the issuance of such bonds, and that the estimate made indicates that collections in future fiscal years will not be less than 150% of maximum annual principal and interest requirements of all State Ports Bonds and all State Capital Improvement Bonds thereafter to be outstanding, including those issued to provide funds for the payment of the Bond Anticipation Notes.

SECTION 16.

A certified copy of this Resolution shall be transmitted to each of the Governor and the State Treasurer, as a means of authorizing the issuance of said Notes and apprising them of the action taken by this Board as above set forth.

EXHIBIT "A"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
BOND ANTICIPATION NOTE
(ISSUED PURSUANT TO ACT NO. 116 OF THE ACTS OF 1965, AS AMENDED)

No. _____ \$100,000.00

KNOW ALL MEN BY THESE PRESENTS That the STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to the BEARER hereof, the sum of

ONE HUNDRED THOUSAND DOLLARS

at the principal office of Morgan Guaranty Trust Company of New York, in the City of New York, State of New York, on the 16th day of December, 1974, and to pay interest on said principal sum from the date hereof, at the rate of 5.40% per annum, payable upon the maturity of this Note.

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

THIS NOTE is one of an issue of Bond Anticipation Notes, aggregating \$20,000,000, issued by the State of South Carolina, pursuant to the authorizations of Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965, as amended, in anticipation of the proceeds to be derived from the sale of State Capital Improvement Bonds of the State of South Carolina to be issued pursuant to the statutory authorization set forth in the resolution authorizing the issuance of this Note. For the payment of the principal of and interest on this Note, the full faith, credit and taxing power of the State of South Carolina are pledged and in addition, the proceeds to be derived from the sale of bonds, in anticipation of which this Note is issued.

THIS NOTE and the interest hereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

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, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this Note to be signed by the facsimile signature of the Governor of South Carolina and by the manual signature of the State Treasurer of South Carolina, and the Great Seal of the State to be reproduced hereon, and attested by the facsimile signature of the Secretary of State of South Carolina, and this Note to be dated the 23rd day of October, A. D. 1974.

By _____
Governor

(SEAL)
Attest:

By _____
State Treasurer

Secretary of State

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EXHIBIT II
OCT. 10, 1974

CAPITAL IMPROVEMENT BOND FUNDS, 1974-75

(Summary)

	<u>Requested</u>		<u>Recommended</u>	
	<u>(Projects)</u>	<u>Amount</u>	<u>(Projects)</u>	<u>Amount</u>
<u>UNDER CONSTRUCTION</u>				
Projects	(61)	44,303,155.54	(61)	43,803,155.54
<u>NOT UNDER CONSTRUCTION</u>				
Projects Authorized Initially in 1972 or Prior	(16)	11,338,637.70	(13)	9,910,637.70
Projects Authorized Initially in 1973	(25)	15,618,624.81	(20)	13,416,800.50
Projects Authorized Initially in 1974	(45)	25,430,240.00	(28)	9,509,400.00
Mental Health Projects	(2)	1,290,000.00	(1)	1,140,000.00
Mental Retardation Projects	(11)	4,649,119.16	(7)	3,649,119.16
Not Under Construction Sub-Total	(99)	58,326,621.67	(69)	37,625,957.36
ESTIMATE FOR PARKS, RECREATION & TOURISM	(?)	1,990,400.00?	(?)	1,000,000.00
TOTAL	(160)	104,620,177.21	(130)	82,429,112.90

Capital Improvement Bond Funds, 1974-75

Available Funds

Unallocated funds on hand, July 1, 1974 11,014,908

Bonds authorized for issuance in 1974-75 65,000,000

*Bonds exempt from limitation:

1) Employment Security Commission 1,710,000
2) Wildlife & Marine Resources Dept. 1,850,000

3,560,000

Total Available 79,574,908

Recommended for Allocation

Total Requested 104,620,177
Deferred 22,191,064

Recommended 82,429,113

Balance (2,854,205)

* Amounts required for issuance in 1974-75.

Capital Improvement Bond Funds, 1974-75

Agency Summary

2262

<u>Agency</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
1. Adjutant General's Office	205,000.00	0	205,000.00	205,000.00
2. Budget & Control Board	3,710,000.00	0	3,710,000.00	2,805,000.00
3. University of South Carolina	8,750,000.00	6,900,000.00	1,850,000.00	7,525,000.00
4. Clemson University	8,641,608.71	4,081,608.71	4,560,000.00	7,651,608.71
5. Medical University	5,880,340.00	2,576,500.00	3,303,840.00	4,017,500.00
6. The Citadel	1,556,400.00	0	1,556,400.00	1,306,400.00
7. Winthrop College	1,006,000.00	0	1,006,000.00	490,000.00
8. State College	1,859,158.61	1,559,158.61	300,000.00	1,859,158.61
9. Francis Marion College	2,705,000.00	1,461,388.70	1,243,611.30	2,650,000.00
10. College of Charleston	6,672,200.00	2,768,200.00	3,904,000.00	4,898,200.00
11. Lander College	1,237,355.98	233,355.98	1,004,000.00	1,237,355.98
12. Dept. of Education - Voc. Ed.	7,962,267.00	7,962,267.00	0	7,962,267.00
13. Technical & Comprehensive Ed.	2,562,306.00	1,216,388.00	1,345,918.00	2,087,306.00
14. Opportunity School	63,000.00	0	63,000.00	63,000.00
15. Educational Television Commission	3,428,150.00	2,470,000.00	958,150.00	3,228,150.00
16. School for the Deaf & the Blind	957,720.38	957,720.38	0	957,720.38
17. Dept. of Archives & History	500,000.00	0	500,000.00	500,000.00
18. Dept. of Mental Health	2,225,616.59	935,616.59	1,290,000.00	2,075,616.59
19. Dept. of Mental Retardation	5,408,768.27	759,649.11	4,649,119.16	4,408,768.27
20. John de la Howe School	885,000.00	885,000.00	0	885,000.00
21. Commission for the Blind	1,919,505.25	0	1,919,505.25	1,919,505.25
22. Dept. of Corrections	5,278,000.00	865,000.00	4,413,000.00	2,078,000.00
23. Dept. of Youth Services	1,923,212.65	56,180.00	1,867,032.65	1,923,212.65
24. Dept. of Agriculture	293,700.00	0	293,700.00	293,700.00
25. Wildlife & Marine Resources Dept.	2,605,000.00	0	2,605,000.00	2,455,000.00
26. Forestry Commission	180,000.00	0	180,000.00	180,000.00
27. Dept. of Parks, Recreation & Tourism	1,990,400.00?	?	?	1,000,000.00?

Capital Improvement Bond Funds, 1974-75

2263

Agency Summary

<u>Agency</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
28. Aeronautics Commission	920,609.05	47,784.74	872,824.31	547,784.74
29. Employment Security Commission	1,710,000.00	0	1,710,000.00	1,710,000.00
30. State Highway Dept.	200,000.00	0	200,000.00	0
31. State Ports Authority	21,131,672.00	8,315,151.00	12,816,521.00	13,256,672.00
32. Public Railways Commission	252,186.72	252,186.72	0	252,186.72
 Total	 104,620,177.21	 44,303,155.54*	 58,326,621.67*	 82,429,112.90

* Detail for P.R.T. not available.

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2264

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
1. <u>Adjutant General's Office</u>	205,000.00	0	205,000.00	205,000.00
1. Armory - Andrews			100,000.00	100,000.00
2. Armory - Lockhart			105,000.00	105,000.00
2. <u>Budget & Control Board</u>	3,710,000.00	0	3,710,000.00	2,805,000.00
1. Blatt & Gressette Bldgs.			2,525,000.00	2,525,000.00
2. Lace House Land Acquisition			220,000.00	220,000.00
3. Senate St. Parking Deck			905,000.00	0
4. State House Remodeling			60,000.00	60,000.00
3. <u>University of South Carolina</u>	8,750,000.00	6,900,000.00	1,850,000.00	7,525,000.00
1. Library (27-84)		3,800,000.00		3,800,000.00
2. Horseshoe Renovation (27-90)		2,100,000.00		1,600,000.00
3. Classrooms Renovation			800,000.00	400,000.00
4. Social Science Bldg.			400,000.00	400,000.00
5. Coastal Branch - Campus Dev.			250,000.00	125,000.00
6. Spartanburg Br. - Lib. & Classrooms			400,000.00	200,000.00
7. Booker T. Washington H. S. Acq. (27-98)		1,000,000.00		1,000,000.00
4. <u>Clemson University</u>	8,641,608.71	4,081,608.71	4,560,000.00	7,651,608.71
1. Fike Recreation Center (9-86)		883,941.63		883,941.63
2. Addition to Lee Hall (9-88)		579,672.20		579,672.20
3. University Union (9-97)		164,221.23		164,221.23
4. Biological Sciences Bldg. (9-102)			1,300,000.00	1,300,000.00
5. Ag. Adm. & Forest & Rec. Res. Fac. (9-103)		1,721,455.06		1,721,455.06
6. Relocate Poultry Facilities (9-109)		152,865.60		152,865.60
7. Dairy Science Research Center			800,000.00	800,000.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2265

<u>Agency/Project (Project #)</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
4. Clemson University (Cont'd)				
8. Ag. Eng. Bldg. Improvements			1,000,000.00	1,000,000.00
9. Animal Res. Fac. & Chemical Storage			220,000.00	220,000.00
10. Utility System - Exp. & Imp. (9-30?)			740,000.00	250,000.00
11. Cooper Library Renovation			200,000.00	0
12. Sirrine Hall Renovation			300,000.00	0
13. Camp for Handicapped (9-106)		500,000.00		500,000.00
To reimburse advances to projects		79,452.99		79,452.99
5. Medical University	5,880,340.00	2,576,500.00	3,303,840.00	4,017,500.00
1. Lab. Animal Facility (19-59)		33,600.00		33,600.00
2. Clinical Science Bldg. (19-61)		772,900.00		772,900.00
3. Land Acquisition (19-63)		250,000.00		250,000.00
4. Hospital Renovation (19-64)		520,000.00		520,000.00
5. Quadrangle Renovation (19-65)			150,000.00	150,000.00
6. Student & Cont. Ed. Center (19-66)			91,000.00	91,000.00
7. Business Service Bldg. (19-67)			600,000.00	600,000.00
8. Inst. for Human Development (19-69)			800,000.00	0
9. Radiology, Labs & Clin. Science II (19-70)			200,000.00	110,000.00
10. Allied Health Sciences Bldg. (19-71)			490,000.00	490,000.00
11. Eye Institute (19-72)		1,000,000.00		1,000,000.00
12. Renovation & Equipment			732,840.00	0
13. Lib. Adm. & Clin. Science Bldgs. - Additions			240,000.00	0
6. The Citadel	1,556,400.00	0	1,556,400.00	1,306,400.00
1. Physical Education Bldg. (8-51)			1,000,000.00	1,000,000.00
2. Barracks Improvement (8-52)			500,000.00	250,000.00
3. President's House Renovation			56,400.00	56,400.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

226's

<u>Agency/Project (Project #)</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
7. <u>Winthrop College</u>	1,006,000.00	0	1,006,000.00	490,000.00
1. Swimming Pool & Enclosure (31-80)			400,000.00	400,000.00
2. Outside Physical Education Fac.			90,000.00	90,000.00
3. Renovations			516,000.00	0
8. <u>State College</u>	1,859,158.61	1,559,158.61	300,000.00	1,859,158.61
1. Men's Dormitory (25-27)		1,360,000.00		1,360,000.00
2. Planetarium			300,000.00	300,000.00
3. Auditorium - Arts - Science Center (25-25)		199,158.61		199,158.61
9. <u>Francis Marion College</u>	2,705,000.00	1,461,388.70	1,243,611.30	2,650,000.00
1. Campus Development (42-5)		153,201.68		153,201.68
2. College Center (42-7)		706,012.76		706,012.76
3. Stokes Hall Renov. Phase II (42-8?)			288,660.80	288,660.80
4. Outdoor Athletic Facilities (42-9)		38,001.34		38,001.34
5. Classroom/Faculty Office Bldg. (42-12)		430,466.85		430,466.85
6. Warehouse (42-13)			129,950.50	129,950.50
7. Campus Development 1974 (42-14)		425,000.00		425,000.00
8. Media Learning Center (42-15)			700,000.00	700,000.00
9. Campus Development (42-16)			55,000.00	0
10. Rogers Library Renovation (42-17)			70,000.00	70,000.00
Cash on Hand, 7-1-74		(291,293.93)		(291,293.93)
10. <u>College of Charleston</u>	6,672,200.00	2,768,200.00	3,904,000.00	4,898,200.00
1. Student Services Center (43-7)		578,200.00		578,200.00
2. Education Center			64,000.00	0
3. Adm. Bldg. Renovation (43-12)			630,000.00	630,000.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2267

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
10. College of Charleston (Cont'd)				
4. Library Addition (43-11)		1,240,000.00		1,240,000.00
5. Outdoor Activity Fac.			300,000.00	300,000.00
6. Faculty & Adm. Fac.		600,000.00		600,000.00
7. Botanical Greenhouse			60,000.00	0
8. Central Energy Fac. (Increment 2)			750,000.00	500,000.00
9. Utilities, Fire, Lighting, Security Systems			200,000.00	200,000.00
10. Central Maint. & Warehouse Fac.		350,000.00		350,000.00
11. Fine Arts Center (Increment 1)			1,250,000.00	0
12. Marine Bio. Lab Exp. (43-9)			500,000.00	500,000.00
13. Craig Union Renovation			150,000.00	0
11. Lander College	1,237,355.98	233,355.98	1,004,000.00	1,237,355.98
1. Library (3-2)			884,000.00	884,000.00
2. Parking Facilities			120,000.00	120,000.00
3. Office & Maint. Bldg. (3-1)		233,355.98		233,355.98
12. Dept. of Education - Voc. Ed.	7,962,267.00	7,962,267.00	0	7,962,267.00
1. Construction - Voc. Schools		6,309,000.00	0	6,309,000.00
2. Equipment - Voc. Schools		1,653,267.00	0	1,653,267.00
13. Technical & Comp. Education	2,562,306.00	1,216,388.00	1,345,918.00	2,087,306.00
1. Beaufort TEC - Renovation			370,918.00	370,918.00
2. Equipment - Technical Education Centers		1,450,000.00		1,450,000.00
3. Denmark TEC - Classroom/Shop Complex		23,466.00		23,466.00
4. Beaufort TEC - Phase II (6-15)		30,000.00		30,000.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2268

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
13. Technical & Comp. Education (Cont'd)				
5. Midlands (Airport Campus) - Classroom Bldg. (6-16)		40,000.00		40,000.00
6. Beaufort TEC - Phase I (6-12)		55,828.00		55,828.00
7. Denmark TEC - Adm., Classroom/Shop Complex (6-13)		75,228.00		75,228.00
8. Beaufort TEC - Library/Learning Lab.			800,000.00	500,000.00
9. Midlands (Airport Campus) - Lab/Shop Bldg.			75,000.00	0
10. Midlands (Airport Campus) - Library			50,000.00	0
11. Denmark TEC - Student Svcs./Auditorium Bldg.			50,000.00	0
Cash on Hand, 7-1-74		(458,134.00)		(458,134.00)
14. Opportunity School	63,000.00	0	63,000.00	63,000.00
1. Air-conditioning Dormitories			63,000.00	63,000.00
15. Educational Television Commission	3,428,150.00	2,470,000.00	958,150.00	3,228,150.00
1. Open Circuit Trans. Fac. Exp. (39-5 & 6)		2,470,000.00		2,470,000.00
2. New ETV Facility			958,150.00	758,150.00
16. School for the Deaf & the Blind	957,720.38	957,720.38	0	957,720.38
1. Gymnasium & Swimming Pool (10-12)		957,720.38		957,720.38
17. Dept. of Archives & History	500,000.00	0	500,000.00	500,000.00
1. Records Center			500,000.00	500,000.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2269

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
18. Dept. of Mental Health	2,225,616.59	935,616.59	1,290,000.00	2,075,616.59
1. CFSH - Bldg. Renovation # 2 (26-73)		5,969.59		5,969.59
2. Energy Fac., Utilities & Lake (26-78)		150,000.00		150,000.00
3. Alcohol & Drug Addiction Center (26-80)		379,647.00		379,647.00
4. Info. Center & Fire Alarm System (26-81)			1,140,000.00	1,140,000.00
5. Village "B"			150,000.00	0
6. Warehouse		400,000.00		400,000.00
19. Dept. of Mental Retardation	5,408,768.27	759,649.11	4,649,119.16	4,408,768.27
1. WV - Fire Alarm & Lighting Systems (37-28)			112,222.00	112,222.00
2. WV - Renovations & Improvements (37-33)			176,153.55	176,153.55
3. WV - Dormitory Renovations (37-34)			228,038.61	228,038.61
4. MC - Work Activities Bldg. (37-35)		197,000.00		197,000.00
5. WV - Chapel (37-36)		532,649.11		532,649.11
6. CC - Adm. & Classroom Bldgs. (37-42)			754,000.00	754,000.00
7. WV - Med/Dental Clinic & Canteen (37-43)			423,800.00	423,800.00
8. PD - Master Plan (37-44)		30,000.00		30,000.00
9. MC - Phase II Fac. (37-45)			1,004,905.00	1,004,905.00
10. PD - Chapel Renovation			230,000.00	0
11. PD - Purchase Nursing Home			950,000.00	950,000.00
12. WV - Sewage Treatment Fac.			210,000.00	0
13. WV - Dormitory Air-conditioning			400,000.00	0
14. MC - Dormitory Air-conditioning			160,000.00	0

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2270

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
20. <u>John de la Howe School</u>	885,000.00	885,000.00	0	885,000.00
1. Laundry & School Facilities (18-26)		885,000.00		885,000.00
21. <u>Commission for the Blind</u>	1,919,505.25	0	1,919,505.25	1,919,505.25
1. Adult Adjustment & Training Center (44-3)			1,919,505.25	1,919,505.25
22. <u>Dept. of Corrections</u>	5,278,000.00	865,000.00	4,413,000.00	2,078,000.00
1. Women's Security Complex (21-45)			1,200,000.00	1,000,000.00
2. Relocation of C.C.I.			3,000,000.00	0
3. Youth Corrections Center Add. (21-44)		80,000.00	213,000.00	293,000.00
4. Men's Max. Security Complex (21-46)		1,258,865.00		1,258,865.00
Cash on Hand, 7-1-74		(473,865.00)		(473,865.00)
23. <u>Dept. of Youth Services</u>	1,923,212.65	56,180.00	1,867,032.65	1,923,212.65
1. Reception & Evaluation Center (11-1,3 & 4)		73,859.51		73,859.51
2. East Campus Facility (11-5)			1,867,032.65	1,867,032.65
Cash on Hand, 7-1-74		(17,679.51)		(17,679.51)
24. <u>Dept. of Agriculture</u>	293,700.00	0	293,700.00	293,700.00
1. Agriculture Laboratory (32-19)		0	293,700.00	293,700.00
25. <u>Wildlife & Marine Resources Dept.</u>	2,605,000.00	0	2,605,000.00	2,455,000.00
1. Marine Food Technology Lab			1,850,000.00	1,850,000.00
2. Cooperative Marine Research Fac. (30-49)			305,000.00	305,000.00
3. Dennis Wildlife Center, Phase II			350,000.00	250,000.00
4. John D. Long Lake			100,000.00	50,000.00

Capital Improvement Bond Funds, 1974-75

By Individual Projects

221

<u>Agency/Project (Project #)</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
26. <u>Forestry Commission</u>	180,000.00	0	180,000.00	180,000.00
1. Residences for Tower Operators	180,000.00	0	180,000.00	180,000.00
27. <u>Dept. of Parks, Recreation & Tourism</u>	1,990,400.00?	?	?	1,000,000.00
28. <u>Aeronautics Commission</u>	920,609.05	47,784.74	872,824.31	547,784.74
1. Airport Improvements		47,784.74	872,824.31	547,784.74
29. <u>Employment Security Commission</u>	1,710,000.00	0	1,710,000.00	1,710,000.00
1. Administrative Bldg.			1,710,000.00	1,710,000.00
30. <u>State Highway Dept.</u>	200,000.00	0	200,000.00	0
1. Beach Erosion Control			200,000.00	0

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2272

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
31. State Ports Authority	21,131,672.00	8,315,151.00	12,816,521.00	13,256,672.00
1. Union Pier - Imp. & Site Prep. (23-136)		36,092.00		36,092.00
2. Wando - Site Acquisition (23-145)		28,582.00		28,582.00
3. N. Charleston - Trailer Svc. & Storage (23-147)		93,227.00		93,227.00
4. N. Charleston - Site Improvements (23-148)		126,320.00		126,320.00
5. N. Charleston & Columbus St. - Equipment (23-150)		43,938.00		43,938.00
6. N. Charleston - Maint. Shed & Parking (23-153)		266,393.00		266,393.00
7. Union Pier - Dock Ext., Shed, Storage Area (23-154)		6,148,910.00		6,148,910.00
8. Columbus St. - Container Crane (23-155)		415,689.00		415,689.00
9. Columbus St. - Truck Assembly Areas (23-158)		506,000.00		506,000.00
10. Union Pier - Land Purchase (23-159)		55,808.00		55,808.00
11. State Pier - Container Storage Fac. (23-160)		820,221.00		820,221.00
12. N. Charleston - Site Imp. & Cont. Storage (23-162)		500,000.00		500,000.00
13. Columbus St. - Dock Balance (B-1)			71,521.00	71,521.00
14. Union Pier - Fill & Paving (D-8)			230,000.00	230,000.00
15. N. Charleston or Columbus St. - Site Imp. (D-1b)			610,000.00	0
16. Georgetown - Equipment (A-12b)			718,000.00	0
17. Victoria Bluff - Rail & Dock Fac. (A-13)			100,000.00	0
18. Wando Terminal			3,037,000.00	0
19. Union Pier - Warehouse (20)			870,000.00	870,000.00
20. Union Pier - Warehouse (21)			610,000.00	610,000.00
21. Columbus Street - Container Crane (22)			900,000.00	900,000.00
22. Columbus Street - Warehouse (23)			900,000.00	0

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2272-A

Agency/Project (Project #)	Requested			Recommended
	Total	Under Construction	Not Under Construction	
31. State Ports Authority (Cont'd)				
23. Columbus Street - Property Purchase (24)			1,000,000.00	1,000,000.00
24. LASH Barge Facility - Coal Tipple Prop (25)			500,000.00	0
25. N. Charleston - Container Crane (26)			900,000.00	900,000.00
26. N. Charleston - Remove Tanks & Gen. Pavement (27)			670,000.00	0
27. N. Charleston - Prop. Purchase & Imp. (28)			1,340,000.00	0
28. N. Charleston - Fill Areas for Containers (29)			360,000.00	360,000.00
Cash on Hand, 7-1-74		(726,029.00)		(726,029.00)
32. Public Railways Commission	252,186.72	252,186.72	0	252,186.72
1. Renov. of Fac. & Equipment Purchase		258,362.64		258,362.64
Cash on Hand, 7-1-74		(6,175.92)		(6,175.92)
Total	102,629,777.21	44,303,155.54	58,326,621.67	81,429,112.90
Estimate for P.R.T.	1,990,400.00	?	?	1,000,000.00
Grand Total	104,620,177.21			82,429,112.90

Capital Improvement Bond Funds, 1974-75

By Individual Projects

2292-A

<u>Agency/Project (Project #)</u>	<u>Requested</u>			<u>Recommended</u>
	<u>Total</u>	<u>Under Construction</u>	<u>Not Under Construction</u>	
31. State Ports Authority (Cont'd)				
23. Columbus Street - Property Purchase (24)			1,000,000.00	1,000,000.00
24. LASH Barge Facility - Coal Tipple Prop (25)			500,000.00	0
25. N. Charleston - Container Crane (26)			900,000.00	900,000.00
26. N. Charleston - Remove Tanks & Gen. Pavement (27)			670,000.00	0
27. N. Charleston - Prop. Purchase & Imp. (28)			1,340,000.00	0
28. N. Charleston - Fill Areas for Containers (29)			360,000.00	360,000.00
Cash on Hand, 7-1-74		(726,029.00)		(726,029.00)
32. Public Railways Commission	252,186.72	252,186.72	0	252,186.72
1. Renov. of Fac. & Equipment Purchase		258,362.64		258,362.64
Cash on Hand, 7-1-74		(6,175.92)		(6,175.92)
Total	102,629,777.21	44,303,155.54	58,326,621.67	81,429,112.90
Estimate for P.R.T.	1,990,400.00	?	?	1,000,000.00
Grand Total	104,620,177.21			82,429,112.90

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

OCT 10
EXHIBIT III
OCT. 10, 1974

TO THE STATE BUDGET AND CONTROL)	
)	
BOARD OF SOUTH CAROLINA)	<u>SUPPLEMENTAL PETITION</u>
)	

The Supplemental Petition of the County Council of Lexington County (the County Board), respectfully shows:

1. The County Board is the governing body of Lexington County, South Carolina, as established by law, and such is the County Board referred to in Act No. 103 of the 1967 Acts of the South Carolina General Assembly, as amended (the Act).
2. The County Board by its Petition dated June 26, 1974, has heretofore sought the State Board's approval of the financing of the enlargement, improvement and expansion of certain manufacturing facilities in Lexington County through the issuance of \$3,500,000 Lexington County, South Carolina, First Mortgage Industrial Revenue Bonds to be issued pursuant to the Act.
3. By Resolution adopted July 23, 1974, the State Board approved the aforesaid financing and notice of such approval was duly published in THE STATE on July 31, 1974, and in THE DISPATCH-NEWS on August 1, 1974, and no action has been filed challenging the said action of the State Board in approving the proposed financing by the County Board.
4. Under the proposal heretofore approved, the enlargement, improvement and expansion was to be leased to Canron Inc., a New York corporation, and the Bonds were expected to bear an interest rate of approximately eight per centum (8%) per annum, and were to be sold to McCarley & Company, Inc., the underwriter, at a price of not less than 96% of par.

5. The County Board is now advised:

(a) By Canron Inc. that because of restrictions contained in certain outstanding loan agreements, the said Canron Inc. cannot be the Lessee as proposed, but that Canron Inc. will form a South Carolina corporation to be known as "Canron of South Carolina, Inc." which will be the Lessee of the proposed enlargement, improvement and expansion in lieu of the said Canron Inc.; and

(b) By McCarley & Company, Inc. that the Bonds may bear an estimated maximum rate of interest of up to nine and one-half per centum (9 1/2%) per annum, and will be sold to McCarley & Company, Inc. at a price of not less than 95% of par.

6. The proposed financing as set forth in the County Board's Petition dated June 26, 1974, will now be consummated in accordance with the provisions of the said Petition dated June 26, 1974, with the modifications thereof hereinabove set forth in this Supplemental Petition and, except for those modifications hereinabove set forth, the County Board's undertaking as originally proposed to the State Board in the said Petition dated June 26, 1974, is unchanged.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Supplemental Petition herewith presented and that it do thereafter and as soon as practicable, make its independent investigation with respect to the modifications hereinabove set forth and that thereafter the State Board make a finding that the proposed Project (as defined in the County Board's Petition dated June 26, 1974) with the modifications hereinabove

set forth, will promote the purposes of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that the State Board approve the Project and the proposed financing thereof, with the aforesaid modifications (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), and give published notice of its approval in the manner set forth in Section 14 of the Act.

Respectfully submitted,

LEXINGTON COUNTY, SOUTH CAROLINA

By L. Clyde Rawah
Chairman, County Council of
Lexington County

(SEAL)

Attest:

Dorothy K. Wingard
Secretary, County Council of
Lexington County

September 23, 1974.

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

September 25, 1974

The Honorable P. C. Smith
State Auditor
200 Hampton Office Building
P. O. Box 11333
Columbia, S. C. 29202

Re: \$3,500,000 Lexington County, South Carolina
First Mortgage Industrial Revenue Bonds,
Series 1974 (Canron Inc. - Lessee)

Dear Mr. Smith:

Thank you for taking the time yesterday to discuss with me the questions which you had concerning the changes sought for the Canron Limited financing.

The Canadian lawyers who represent Canron Limited had raised the question of whether Canron Inc., a New York corporation and a restricted subsidiary of Canron Limited, could properly incur funded debt. There was no problem with Canron Limited guaranteeing the lease rental obligation of a restricted subsidiary; however, the basic agreement between the County and Canron Inc. although designated a lease is, in our opinion, and in the opinion of Canron's South Carolina counsel, actually a financing arrangement, or funded debt. For this reason only it was determined that the proper way to proceed would be to form a South Carolina corporation which would not be a "restricted subsidiary" of Canron Limited and the debt of which Canron Limited could guarantee. The credit rated continues to be Canron Limited and the rating agencies' ratings are based upon the financial strength of that entity.

We are advised that the interest rate has changed solely as a result of the adverse market conditions now existing, and does not in any way reflect a diminution in the obligation guaranteed by Canron Limited; however, by courtesy copy of this letter to Thomas H. Kepley of McCarley & Company, Inc., the investment banker handling this matter, and Francis P. Mood, South Carolina Counsel for Canron, we ask them to be present to answer any questions the State Board may have concerning the changes requested in this financing.

2276

SINKLER GIBBS SIMONS & GUÉRARD, P. A.

The Honorable P. C. Smith
September 25, 1974
Page 2

We are advised that the Company wishes to use the name "Canron Southern" for the South Carolina corporation because it contemplates a broader range of activities for that subsidiary.

We are very hopeful that the State Board will have an opportunity to consider this matter on October 1 as the rapidly changing market situation dictates an early delivery date for these Bonds.

Respectfully yours,

M. William Youngblood, Jr.

M. William Youngblood, Jr.

MWY:jap

cc: Mr. Thomas H. Kepley
Francis P. Mood, Esq.

2277

RAWL, PURCELL & HARMAN
ATTORNEYS AT LAW
204 E. MAIN STREET
P. O. BOX 856
LEXINGTON, S. C. 29072

September 23, 1974

T. H. RAWL, JR.
E. B. PURCELL, JR.
ARCHIE L. HARMAN

TELEPHONE
359-2517
AREA CODE 803

Honorable Pat C. Smith
State Auditor
P. O. Box 11333
Columbia, S. C. 29211

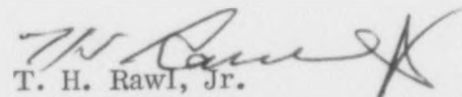
Re: \$3,500,000 Lexington County, South Carolina First Mortgage
Industrial Revenue Bonds, Series 1974

Dear Mr. Smith:

We forward herewith the Supplemental Petition in the above entitled
matter.

With best regards, I am

Yours very truly,


T. H. Rawl, Jr.
Attorney for Lexington County

THR/ddc

Encl.

CC: Theodore Guerard, Esq.

SUPPLEMENTAL RESOLUTION

STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore, the County Council of Lexington County (the County Board) did, pursuant to Act No. 103 of the General Assembly of the State of South Carolina for the year 1967, as amended (the Act), petition the State Budget and Control Board of South Carolina (the State Board) seeking the approval of the State Board to an undertaking by the County Board pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the County Board financing the enlargement, improvement and expansion of the existing facilities for the manufacture of railway track maintenance equipment owned and operated by Canron Inc., a New York corporation, in Lexington County by the construction of building additions to the existing facilities and the acquisition and installation of additional equipment; and the County Board has agreed to acquire that portion of the existing plant site on which the additions are to be constructed, and to finance the proposed enlargement, improvement and expansion (the said portion of the plant site and the building additions and machinery and equipment constituting the enlargement, improvement and expansion being hereinafter referred to as the Project) through the issuance of \$3,500,000 industrial revenue bonds pursuant to the Act; and

WHEREAS, the proposed undertaking was approved by the State Board at its meeting held on July 23, 1974; and

WHEREAS, the County Board has now advised the State Board by Supplemental Petition that the original undertaking has been modified (i) so as to substitute a South Carolina corporation as Lessee in lieu of Canron Inc., a New York corporation;

(ii) so as to increase the maximum rate of interest which the proposed Bonds may bear to nine and one-half per centum (9 1/2%) per annum; and (iii) so as to increase the maximum discount at which the Bonds may be sold to 5%; and

WHEREAS, except as so modified, the provisions of the original undertaking remain the same,

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

1. It has been found and determined by the State Board that the statement of facts set forth in the recitals of this Resolution are in all respects true and correct.

2. On the basis of the foregoing findings the proposed undertaking of the County Board to finance the enlargement, improvement and expansion of the existing facilities of Canron Inc. through the construction of additions to the said existing facilities, and the acquisition and installation of additional equipment and machinery, to lease the Project to a South Carolina corporation and to finance the cost of the Project through the issuance of \$3,500,000 Lexington County First Mortgage Industrial Revenue Bonds payable from the revenues to be derived from the leasing of the Project, including any payments made by Canron Limited, a Canadian corporation, under a Lease Guaranty Agreement, and additionally secured by a Trust Indenture, all pursuant to the Act, as more fully set forth in the County Board's Petition dated June 26, 1974, and Supplemental Petition dated September 23, 1974, (including any changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken by the State Board in giving approval to the undertaking of Lexington County above described in paragraph 2, supra, shall be published in THE STATE and in THE DISPATCH-NEWS, both of which are newspapers having general circulation in Lexington County.

4. That notice to be published shall be in form substantially as set forth as Exhibit "A" of this Resolution.

NOTICE PURSUANT TO ACT NO. 103 OF
THE ACTS OF THE GENERAL ASSEMBLY
SOUTH CAROLINA FOR THE YEAR
1967, AS AMENDED

Notice is hereby given that following the filing of a Petition and Supplemental Petition by the County Council of Lexington County (the County Board) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including any changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz:

The financing by the County Board of the enlargement, improvement and expansion of the existing facilities for the manufacture of railway track maintenance equipment owned and operated by Canron Inc., a New York corporation, in Lexington County by the construction of building additions to the existing facilities and the acquisition and installation of additional equipment. The County Board has agreed to acquire that portion of the existing plant site on which the additions are to be constructed, and to finance the proposed enlargement, improvement and expansion (the said portion of the plant site and the building additions and machinery and equipment constituting the enlargement, improvement and expansion, being hereinafter referred to as the Project), through the issuance of \$3,500,000 industrial revenue bonds pursuant to Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended (the Act). To finance the Project, the County Board will issue \$3,500,000 of Lexington

County, South Carolina, First Mortgage Industrial Revenue Bonds (the Bonds) pursuant to the Act. The County Board will lease the Project to a South Carolina corporation (the Lessee) under a Lease Agreement and the Bonds of Lexington County will be payable solely from the rentals to be paid to the County by the Lessee, which will irrevocably covenant and agree to pay when due, all sums required for the principal and interest thereon, and the Bonds will be additionally secured by a Trust Indenture which will constitute a forecloseable lien upon the Project. The performance of the obligations of the Lessee under the Lease Agreement, including the payments and other amounts due thereunder, will be unconditionally guaranteed by Canron Limited, a Canadian corporation.

In addition, the Lessee will agree to pay as additional rentals to Lexington County, the School District, and all other political units wherein the Project is located, in lieu of taxes, such amounts as would result from taxes levied on the Project by Lexington County, the said School District, and the said other political units wherein the Project is situate, if the Project were owned by the Lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the Lessee if it were the owner of the Project.

The Lease by which Lexington County will lease the Project to the Lessee will provide that the Lessee shall purchase the Project for One Dollar (\$1.00) upon the payment in full of the Bonds.

The existing facilities of the said Canron Inc. now provide employment for approximately 550 persons. When completed, it is estimated that the Project will provide employment for approximately 250 persons in addition to those now employed.

The undertaking hereinabove described is a modification of an undertaking of the County Board heretofore approved by the State Board whereby the Project to be financed from the proceeds of the Bonds was to be leased to the said Canon Inc., a New York corporation. The modifications of the original undertaking consist of the substitution of a South Carolina corporation as lessee in place of the said Canon Inc., and an increase in the estimated maximum rate of interest which the Bonds are to bear, and an increase in the estimated discount at which the Bonds are to be sold.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County Board by action de novo instituted in the Court of Common Pleas for Lexington County.

THE STATE BUDGET AND CONTROL BOARD

By: P. C. SMITH, Secretary

PUBLICATION DATE:

_____, 1974

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

September 20, 1974

Honorable Pat C. Smith
State Auditor
Post Office Box 11333
Columbia, South Carolina 29211

Dear Pat:

Re: \$3,500,000 Lexington County, South Carolina,
First Mortgage Industrial Revenue Bonds,
Series 1974

The captioned financing was approved by the State Board at its meeting on July 23, 1974. Since that time, interest rates have increased and Canron Inc. has concluded that restrictions contained in certain loan agreements prohibit its being the lessee of the proposed facilities. Consequently, the financing has been modified so as to provide that the lessee will be a South Carolina corporation to be formed by Canron Inc. and to provide for the possibility of an increase to 9 1/2% in the 8% rate of interest originally estimated and to 5% in the 4% discount originally estimated. The proposed lessee will be a subsidiary of Canron Inc., but the proposed lessee will have no assets and Canron Inc. will not be obligated on the Lease. However, the guarantee of Canron Limited will remain as originally proposed, to guarantee the obligations of the new lessee. Otherwise, the financing remains the same as originally proposed and approved.

You should receive on Monday, September 23, 1974, from T. H. Rawl, County Attorney, the Supplemental Petition of the County Council of Lexington County approving the aforesaid modifications and seeking State Board approval thereof. Accordingly, I enclose the original and ten copies of a Resolution to be considered by the State Board approving such modifications. When this Resolution has been adopted, please return ten certified copies to me.

Sincerely,

Maag

TBG:jr
Encs.

CC: Francis P. Mood, Esq.
Raymond Crevier, Esq.
Thomas H. Kepley, Esq.
Bart T. Tiernan, III, Esq.

Larry M. Caldwell, Esq.
Granville D. Hooper, Esq.
William D. Moncur, Esq.
T. H. Rawl, Jr., Esq.

2285

OCT 10

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

September 20, 1974

T. H. Rawl, Jr., Esq.
Attorney at Law
Post Office Box 856
Lexington, South Carolina 29072

Re: \$3,500,000 Lexington County, South Carolina
First Mortgage Industrial Revenue Bonds,
Series 1974

Dear Tuck:

Enclosed you will find the original and ten copies of a Supplemental Resolution to be considered by the County Council approving certain changes in the captioned financing as originally proposed. When the resolution has been adopted, please return ten certified copies to me and place the original in the county's records.

I also enclose a blue back with original Supplemental Petition authorized by the supplemental resolution. When the resolution has been adopted, please have the Supplemental Petition executed as indicated. It is my understanding that you will see to it that the executed Supplemental Petition is delivered to Bill Putnam at the State Auditor's Office on Monday, September 23 so that it can be considered at the State Board's meeting scheduled for Tuesday, September 24.

Thanks for your assistance, I remain

Sincerely,

T. H. Rawl, Jr.

TBG:ly

Enclosures

cc: William Putnam
Francis P. Mood, Esq.
Mr. Larry M. Caldwell
Raymond Crevier, Esq.
Mr. Granville D. Hooper
Mr. Thomas H. Kepley
Mr. William D. Moncur
Bart T. Tiernan, III, Esq.

2286

A RESOLUTION

APPROVING CERTAIN MODIFICATIONS IN THE FINANCING OF THE ENLARGEMENT, IMPROVEMENT AND EXPANSION OF CERTAIN MANUFACTURING FACILITIES IN LEXINGTON COUNTY, SOUTH CAROLINA, THROUGH THE ISSUANCE OF \$3,500,000 LEXINGTON COUNTY, SOUTH CAROLINA, FIRST MORTGAGE INDUSTRIAL REVENUE BONDS, SERIES 1974, PURSUANT TO ACT NO. 103 OF 1967, AS AMENDED, HERETOFORE APPROVED, AND AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH MODIFICATIONS.

WHEREAS, the County Council of Lexington County (the County Board) by Resolution adopted on June 26, 1974, approved the financing of the enlargement, improvement and expansion of certain manufacturing facilities in Lexington County, South Carolina, through the issuance of \$3,500,000 Lexington County, South Carolina, First Mortgage Industrial Revenue Bonds, pursuant to Act No. 103 of the 1967 Acts of the South Carolina General Assembly, as amended; and

WHEREAS, in the financing so approved, the enlargement, improvement and expansion was to be leased to Canron Inc., a New York corporation, and it was estimated that the Bonds would bear interest at a rate of approximately eight per centum (8%) per annum, and would be sold at a price of not less than 96% of par; and

WHEREAS, the aforesaid financing was duly approved by the State Budget and Control Board of South Carolina (the State Board) at its meeting held on July 23, 1974; and

WHEREAS, Canron Inc. has now advised the County Board that restrictions contained in certain outstanding loan agreements prevent Canron Inc from being the Lessee as originally proposed, and that Canron Inc. is, therefore, forming a South Carolina corporation to be known as "Canron of South Carolina, Inc." which will be the Lessee of the aforesaid enlargement, improvement and expansion in lieu of Canron Inc., as originally proposed; and

WHEREAS, McCarley & Company, Inc., the underwriter which is purchasing the Bonds, has advised the County Board that in the current bond market the Bonds may bear an interest rate of up to nine and one-half per centum (9 1/2%) per annum, and will be sold at not less than 95% of par to the underwriter; and

WHEREAS, it is now desirable that the County Board approve of the modifications set forth above in the financing heretofore approved, and authorize a supplemental petition to the State Board seeking the State Board's approval of such modifications,

NOW, THEREFORE, BE IT RESOLVED by the County Council of Lexington County in meeting duly assembled:

1. That the matters hereinbefore set forth in the recitals are true and correct.

2. That the undertaking heretofore approved by the County Board by the aforesaid Resolution adopted on 1974, modified (i) so as to substitute Canron of South Carolina, Inc., a South Carolina corporation, as Lessee in lieu of Canron Inc., a New York corporation, (ii) so as to increase the maximum rate of interest which the proposed Bonds may bear to nine and one-half per centum (9 1/2%); and (iii) so as to increase the maximum discount at which the Bonds may be sold to 5%, be and the same is hereby approved, and the County Board reaffirms its determination to finance the Project as defined in the Resolution adopted on June 26, 1974, and to authorize the sale of \$3,500,000 Lexington County, South Carolina, First Mortgage Industrial Revenue Bonds in accordance with the provisions of the said Resolution adopted on June 26, 1974, modified as hereinabove set forth in this paragraph 2.

3. That the Supplemental Petition in the form substantially as attached hereto be presented to the State Board to seek its approval of the aforesaid modifications; and that the said Petition shall be duly executed by the Chairman and attested by the Secretary of the County Board.

DONE this ____ day of _____, A. D. 1974.

(SEAL)

Chairman, County Council of Lexington
County

Attest:

Secretary, County Council of
Lexington County

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

SUPPLEMENTAL PETITION

The Supplemental Petition of the County Council of Lexington County (the County Board), respectfully shows:

1. The County Board is the governing body of Lexington County, South Carolina, as established by law, and such is the County Board referred to in Act No. 103 of the 1967 Acts of the South Carolina General Assembly, as amended (the Act).

2. The County Board by its Petition dated June 26, 1974, has heretofore sought the State Board's approval of the financing of the enlargement, improvement and expansion of certain manufacturing facilities in Lexington County through the issuance of \$3,500,000 Lexington County, South Carolina, First Mortgage Industrial Revenue Bonds to be issued pursuant to the Act.

3. By Resolution adopted July 23, 1974, the State Board approved the aforesaid financing and notice of such approval was duly published in THE STATE on July 31, 1974, and in THE DISPATCH-NEWS on August 1, 1974, and no action has been filed challenging the said action of the State Board in approving the proposed financing by the County Board.

4. Under the proposal heretofore approved, the enlargement, improvement and expansion was to be leased to Canron Inc., a New York corporation, and the Bonds were expected to bear an interest rate of approximately eight per centum (8%) per annum, and were to be sold to McCarley & Company, Inc., the underwriter, at a price of not less than 96% of par.

5. The County Board is now advised:

(a) By Canron Inc. that because of restrictions contained in certain outstanding loan agreements, the said Canron Inc. cannot be the Lessee as proposed, but that Canron Inc. will form a South Carolina corporation to be known as "Canron of South Carolina, Inc." which will be the Lessee of the proposed enlargement, improvement and expansion in lieu of the said Canron Inc.; and

(b) By McCarley & Company, Inc. that the Bonds may bear an estimated maximum rate of interest of up to nine and one-half per centum (9 1/2%) per annum, and will be sold to McCarley & Company, Inc. at a price of not less than 95% of par.

6. The proposed financing as set forth in the County Board's Petition dated June 26, 1974, will now be consummated in accordance with the provisions of the said Petition dated June 26, 1974, with the modifications thereof hereinabove set forth in this Supplemental Petition and, except for those modifications hereinabove set forth, the County Board's undertaking as originally proposed to the State Board in the said Petition dated June 26, 1974, is unchanged.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Supplemental Petition herewith presented and that it do thereafter and as soon as practicable, make its independent investigation with respect to the modifications hereinabove set forth and that thereafter the State Board make a finding that the proposed Project (as defined in the County Board's Petition dated June 26, 1974) with the modifications hereinabove

set forth, will promote the purposes of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that the State Board approve the Project and the proposed financing thereof, with the aforesaid modifications (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), and give published notice of its approval in the manner set forth in Section 14 of the Act.

Respectfully submitted,

LEXINGTON COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Lexington County

(SEAL)

Attest:

Secretary, County Council of
Lexington County

_____, 1974.

STATE OF SOUTH CAROLINA,
COUNTY OF LEXINGTON.

I, the undersigned, Secretary of the County Council of
Lexington County, South Carolina, DO HEREBY CERTIFY:

That the foregoing is a true, correct and verbatim copy
of the Resolution unanimously adopted by the said County Council
of Lexington County at a duly called and regularly held meeting
at which the following members attended and remained throughout
on September 23, 1974: _____

That the said Resolution was offered by Councilman
_____, and was seconded by Councilman
_____, and the same is now in full force and
effect and has not been modified, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my Hand and the
Seal of the said County Council of Lexington County, South
Carolina, this 23rd day of September, A. D. 1974.

(SEAL)

Secretary of the County Council of
Lexington County

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