

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

January 29, 1991

006694

1468

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

January 29, 1991

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: Donna K. Williams, Assistant Executive Director
SUBJECT: Summary of Board Actions at January 29, 1991, Meeting

This listing of actions is an unofficial **summary** of the Board actions taken at the referenced meeting. The minutes of the meeting are presented in a separate, more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Adopted the agenda after adding a Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds on behalf of the Springs Industries project;
2. Adopted a resolution approving the application of Trident Technical College for the issuance of \$2,640,000 State Institution Bond Anticipation Notes in anticipation of the issuance of State Institution Bonds; and
3. Adopted a resolution approving the Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds, on the condition the required reviews are completed with satisfactory results, after having been advised that further information relating to this proposal will be included on the February 12 agenda.

W

006695

FAX (803) 734-2117

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FAX (803) 734-2117

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

JANUARY 29, 1991

11:00 A. M.

The Budget and Control Board met my means of a telephone conference call at 11:00 a.m. on Tuesday, January 29, 1991, with the call originating from the conference room of the Office of Executive Director, 620 Wade Hampton Building.

The following members participated in the conference call:

Governor Carroll A. Campbell, Jr., Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Representative William D. Boan, Chairman, Ways and Means Committee.

Senator James M. Waddell, Jr., Chairman of the Senate Finance Committee, was not available to participate in the meeting.

Governor Campbell presided over the meeting via telephone. Messrs. Patterson and Morris were present in the conference room. Mr. Boan participated in the meeting via telephone.

The following staff members were present:

| | |
|----------------------------|-------------------------------|
| Jesse A. Coles, Jr., Ph.D. | Executive Director |
| Donna K. Williams | Board Secretary |
| J. Samuel Griswold, Ph.D. | Deputy Executive Director |
| Alan L. Pollack, Ph.D. | Assistant Executive Director |
| Roger D. Poston | Assistant Executive Director |
| Charles H. Smith | Assistant Executive Director |
| Joseph D. Shine | Chief Deputy Attorney General |

Adoption of Agenda

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted the agenda as proposed after adding a Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds on behalf of the Springs Industries project.

Trident Technical College: Issuance of \$2,640,000 State Institution Bond Anticipation Notes (Regular Session #1)

The Board was asked to adopt a resolution approving the issuance of \$2,640,000 State Institution Bond Anticipation Notes on behalf of Trident Technical College.

Board members were advised that, on February 13, 1990, \$2,940,000 of bond anticipation notes were issued to defray a portion of the cost of constructing

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Minutes of Budget and Control Board Meeting
January 29, 1991 -- Page 2

a student center at the Berkeley-Charleston-Dorchester Technical Education Center, also known as Trident Technical College. The notes mature on February 12, 1991.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted a resolution approving the application of Trident Technical College for the issuance of \$2,640,000 State Institution Bond Anticipation Notes in anticipation of the issuance of State Institution Bonds.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Chester County: Industrial Revenue Refunding Bonds (Regular Session #2)

The Board was advised that the required reviews on the following proposal to issue industrial revenue refunding bonds had not yet been completed. The Board also was advised that the project requires approval under State law and that an allocation of a portion of the Ceiling is not required.

| | |
|----------------------|--|
| Issuing Authority: | Chester County |
| Amount of Issue: | \$2,075,000 Industrial REFUNDING Bonds |
| Allocation Amount: | -0- |
| Name of Project: | Springs Industries |
| Employment Impact: | maintain existing |
| Project Description: | textile manufacturing facility |

In 1977, Chester County issued \$25,000,000 Industrial Revenue Refunding Bonds to refund the principal of the bond outstanding from the original 1968 issue of \$35,000,000. The bonds become due March 1, 1991, and Chester County must issue the refunding bonds prior to that date. Conditional approval at the February 12 meeting would not allow the required 20 days response time to the publication of notice of intent to issue the bonds.

The Board was asked to approve the Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds, on the condition the required reviews by the Attorney General's Office, the State Auditor's Office, and the Division of General Services are completed with satisfactory results. The Board also was advised that the Chester County proposal will be included on the February 12 Board agenda to provide information on the results of the reviews.

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Minutes of Budget and Control Board Meeting
January 29, 1991 -- Page 3

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution approving the Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds, on the condition the required reviews are completed with satisfactory results, after having been advised that further information relating to this proposal will be included on the February 12 agenda.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

Adjournment

The meeting was adjourned at 11:07 a.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 3:00 p.m. on Friday, January 25, 1991.]

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EXHIBIT

JAN 29 1991

1

STATE BUDGET AND CONTROL BOARD

MEETING OF January 29, 1991

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 1

AGENCY: Trident Technical College

SUBJECT: Issuance of \$2,640,000 State Institution Bond
Anticipation Notes

The Board is asked to adopt a resolution approving the issuance of \$2,640,000 State Institution Bond Anticipation Notes on behalf of Trident Technical College.

On February 13, 1990, \$2,940,000 of bond anticipation notes were issued to defray a portion of the cost of constructing a student center at the Berkeley-Charleston-Dorchester Technical Education Center, also known as Trident Technical College. The notes mature on February 12, 1991.

BOARD ACTION REQUESTED:

Adopt a resolution approving the application of Trident Technical College for the issuance of \$2,640,000 State Institution Bond Anticipation Notes in anticipation of the issuance of State Institution Bonds.

ATTACHMENTS:

Resolution

006700

0003

EXHIBIT

JAN 29 1991

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STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
Trident Technical College

I, DONNA K. WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable James M. Waddell, Jr., Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, Chairman of the House Ways and Means Committee.

That due notice of a telephone conference call meeting of the Board, called to be held in Columbia, South Carolina, at 11 a.m. on Tuesday, January 29, 1991, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 3:00 p.m. on Friday, January 25, 1991.

That all members of the Board participated in the meeting with the exception of Senator Waddell.

That, at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Morris, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

4

AGAINST MOTION

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That the Chairman thereupon declared the Resolution adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

January 29, 1991

Donna K. Williams

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0004

RESOLUTION BY THE SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD APPROVING THE APPLICATION OF TRIDENT TECHNICAL COLLEGE FOR THE ISSUANCE OF STATE INSTITUTION BOND ANTICIPATION NOTES TO BE ISSUED IN ANTICIPATION OF THE ISSUANCE OF STATE INSTITUTION BONDS OF THE STATE OF SOUTH CAROLINA IN THE PRINCIPAL AMOUNT OF \$2,640,000 AND REQUESTING THE GOVERNOR AND THE STATE TREASURER TO ISSUE SUCH NOTES.

BE IT RESOLVED BY THE SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD,
in Meeting Duly Assembled:

Section 1. Findings of Fact.

As an incident to the adoption of this Resolution, the South Carolina State Budget and Control Board makes the following findings:

1. Pursuant to the provisions of a resolution duly adopted by the South Carolina State Budget and Control Board (the "State Board") on December 20, 1989, the sum of \$2,940,000 Bond Anticipation Notes (the "Outstanding Notes") were issued in anticipation of the issuance of State Institution Bonds of the State of South Carolina. The Outstanding Notes were delivered on February 13, 1990 and were issued in order to defray a portion of the cost of constructing a Student Center at the Berkeley-Charleston-Dorchester Technical Education Center, also known as Trident Technical College ("Trident Technical College").

2. Pursuant to the provisions of a resolution adopted by the State Board for Technical and Comprehensive Education (the "Board") on January 23, 1991, the Board has requested the State Board to authorize the Governor and State Treasurer to issue State Institution Bonds pursuant to the authorizations of Chapter 107 of Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Act") or additional refunding bond anticipation notes pursuant to the authorizations of Chapter 17 of Title 11 of the Code of Laws of South Carolina, 1976, as amended on or before the maturity of the Outstanding Notes which occurs on February 12, 1991.

3. The State Board has determined on the basis of the findings of fact set forth herein to request the Governor and the State Treasurer to issue refunding bond anticipation notes in anticipation of the issuance of State Institution Bonds on behalf of Trident Technical College.

Section 2. Findings Required by the Act.

1. Pursuant to the provisions of Chapter 17 of Title 11 of the Code of Laws of South Carolina, 1976, which authorizes the issuance of bond anticipation notes, the issuer of such notes must determine that all conditions precedent to the issuance of the bonds, in anticipation of the issuance of which such notes are delivered, have been met. The State Board makes the following findings pursuant to Section 59-107-50 of the Act in connection with the application of Trident Technical College for funding in the amount of \$2,640,000 which sum will be used to pay a portion of the principal of the Outstanding Notes:

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(a) There is a definite and immediate need for the issuance of \$2,640,000 refunding bond anticipation notes in order to provide the necessary sums which together with moneys on deposit in the office of the State Treasurer will pay the principal and interest due on the Outstanding Notes;

(b) There are presently outstanding no State Institution Bonds secured by the tuition fees of Trident Technical College;

(c) A pro forma debt service table setting forth annual principal and interest requirements of the proposed State Institution Bonds is set forth on Exhibit A attached hereto. Such Exhibit A also sets forth the sum received by Trident Technical College from Tuition Fees, as such are defined by the Act, for the fiscal year ended June 30, 1990 and establishes that, based upon an average interest rate of 6.50% per annum, the maximum annual debt service of such State Institution Bonds will not be greater than 90% of the Tuition Fees received by Trident Technical College for the fiscal year ended June 30, 1990;

(d) A satisfactory and proper schedule of Tuition Fees is in effect at Trident Technical College; and

(e) Both the Board and the Area Commission (the "Commission"), the governing board of the Trident Technical College, through the Board, have agreed that the schedule of Tuition Fees for Trident Technical College shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the proposed State Institution Bonds and on all outstanding State Institution Bonds issued for Trident Technical College.

Section 3. Debt Limitation.

Section 11-27-30(4) of the Code of Laws of South Carolina, 1976 provides that the debt limitation of State Institution Bonds is the lesser of a) the statutory limitation set forth in Section 59-107-90 of the Act which provides that there shall not be outstanding State Institution Bonds for all State Institutions in excess of \$60 million or b) that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution which provides that the maximum annual debt service of State Institution Bonds may not be greater than 90% of the tuition fees received by such institution for the preceding fiscal year. The table set forth in Exhibit A demonstrates that the debt service of the proposed State Institution Bonds will not exceed the proviso contained in (b) of the preceding sentence. Further, the State Board finds that the total aggregate principal amount of State Institution Bonds to be outstanding, following the issuance of the State Institution Bonds authorized by the provisions of this Resolution, will be the sum of \$11,865,000.

Section 4. Approval of Application; Authorization of Notes.

Upon the examination of this request as provided in Section 59-107-70 of the Act, the Governor and the State Treasurer are hereby authorized and requested to issue Bond Anticipation Notes ("the Notes") pursuant to the provisions of Chapter 17 of Title 11, Code of Laws of South Carolina, 1976, as amended, and in accordance with the following conditions:

(a) The Notes shall be dated and bear interest from the date of delivery thereof, payable upon the stated maturity thereof at the interest rate agreed to by the State Treasurer at the sale thereof and shall mature on such date, not to exceed one year from the issue date thereof, as shall be determined by the State Treasurer.

(b) The Notes shall be numbered from 1 upwards and shall be in the denomination of not less than \$100,000 as requested by the purchaser thereof. The Notes shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of a bank in the City of Columbia, State of South Carolina, designated by the State Treasurer.

(c) The Notes shall be in substantially the form attached hereto as Exhibit B, shall be executed in the name of the State by the Governor and the State Treasurer, and the Great Seal of the State shall be affixed thereon, and the same shall be attested by the Secretary of State of South Carolina, provided at least one of such signatures shall be a manual signature.

(d) The issue of Notes shall be delivered in fully registered or bearer form as specified by the purchaser thereof; provided that once issued, the Notes shall not be reissued in any other form and no exchange shall be made from one form to the other.

Section 5. Security for Notes.

For the payment of the principal of and interest on the Notes as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged and the State Board does hereby authorize the issuance of State Institution Bonds in the principal sum of \$2,640,000, the proceeds of which shall be applied, to the extent necessary, to the payment of the Notes.

Section 6. Covenant to Comply with Requirements of the Internal Revenue Code of 1986.

The Board will comply with all requirements of the Internal Revenue Code of 1986 (the "Code") in order to preserve the tax-exempt status of the Notes, including without limitation, (i) the requirement to file the information report with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the Board covenants to execute any and all agreements or other documentation as it may be advised by Bond Counsel as will enable it to comply with this Section.

Section 7. Covenant to Pay Penalty In Lieu of Rebate.

The Board will comply with the provisions of Section 148(f) of the Code and applicable Treasury Regulations pertaining thereto. The Board anticipates expending the net proceeds of the Notes within two years of the date thereof and in such amounts and within the periods specified in Section 148(f)(4)(C) of the Code. Accordingly, the Board elects to proceed under the provisions of said Section 148(f)(4)(C) in lieu of paying rebate to the United States Government. Should the Board fail to meet such two-year expenditure test, the Board will pay to the United States Government a penalty in lieu of payment of the rebatable amount equal to 1.5% of the amount of the net proceeds of the issue which, as of the close of a relevant quarter of the two-year period, are not spent as required.

EXHIBIT A

TABLE SHOWING MATURITY SCHEDULE AND (PRO FORMA) DEBT SERVICE OF A PROPOSED ISSUE OF \$2,640,000 STATE INSTITUTION BONDS FOR TRIDENT TECHNICAL COLLEGE, AT AN ASSUMED INTEREST RATE OF 6.50%.

Principal and interest payments on State Institution Bonds of \$2,640,000 with interest calculated at 6.50% per annum would be as set forth below.

Tuition fees remitted for the fiscal year ending June 30, 1990, amounted to \$512,610.

Applying the 90% test required by Article X, Section 13 of the South Carolina Constitution, it is seen that debt service in any year may not exceed \$461,349.

It will therefore be possible to structure a maturity schedule in compliance with the constitutional test.

| <u>Fiscal Year</u> | <u>Principal Due March 1</u> | <u>Interest Due March 1</u> | <u>Interest Due September 1</u> | <u>Total Due</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------------|----------------------|
| 1992 | \$150,000.00 | \$85,800.00 | \$85,800.00 | \$321,600.00 |
| 1993 | 175,000.00 | 80,925.00 | 80,925.50 | 336,850.00 |
| 1994 | 200,000.00 | 75,237.50 | 75,237.50 | 350,475.00 |
| 1995 | 225,000.00 | 68,737.50 | 68,737.50 | 362,475.00 |
| 1996 | 250,000.00 | 61,425.00 | 61,425.00 | 372,850.00 |
| 1997 | 275,000.00 | 53,300.00 | 53,300.00 | 381,600.00 |
| 1998 | 300,000.00 | 44,362.50 | 44,362.50 | 388,725.00 |
| 1999 | 325,000.00 | 34,612.50 | 34,612.50 | 394,225.00 |
| 2000 | 350,000.00 | 24,050.00 | 24,050.00 | 398,100.00 |
| <u>2001</u> | <u>390,000.00</u> | <u>12,675.00</u> | <u>12,675.00</u> | <u>415,350.00</u> |
| TOTAL | \$2,640,000.00 | \$541,125.00 | \$541,125.00 | \$3,722,250.00 |

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
STATE INSTITUTION BOND ANTICIPATION NOTE

NO.

\$100,000

KNOW ALL MEN BY THESE PRESENTS THAT THE STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to BEARER the principal sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) at the principal office of [BANK] [ADDRESS], on the ____ day of _____, 1991, and to pay interest on said principal sum from the date hereof, at the rate of _____ per centum (___%) per annum, payable upon the maturity of this Note.

Both the principal of and the 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 (the Notes), issued by the State of South Carolina pursuant to the authorizations of Chapter 17, Title 11, Code of Laws of South Carolina, 1976, in anticipation of the receipt of the proceeds to be derived from the sale of State Institution Bonds of the State of South Carolina to be issued pursuant to Chapter 107 of Title 59, Code of Laws of South Carolina, 1976, as amended. The Notes are in denomination of _____ each and are numbered from 1 to ____ inclusive. The full faith, credit and taxing power of the State of South Carolina and the proceeds to be derived from the sale of the bonds, in anticipation of which the Notes are issued, are pledged for the payment of the principal of and interest on this Note and the issue of which it is one.

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, general or special, 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, and the issue of which it is one, 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 signature of the Governor of South Carolina and by the signature of the State Treasurer of South Carolina, the Great Seal of the State to be reproduced hereon, the same to be attested by the signature of the Secretary of State of South Carolina, and this Note to be dated the __ day of _____, 1991.

Governor of the State of South Carolina

(SEAL)

State Treasurer

Attest:

Secretary of State

EXHIBIT

B - 2

JAN 29 1991

1

STATE BUDGET & CONTROL BOARD

006707

EXHIBIT

JAN 29 1991 2

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 1991

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER

2

AGENCY: Chester County

SUBJECT: Industrial Revenue Refunding Bonds

The required reviews on the following proposal to issue industrial revenue refunding bonds have not yet been completed.

The project requires approval under State law. An allocation of a portion of the Ceiling is not required.

| | |
|----------------------|--|
| Issuing Authority: | Chester County |
| Amount of Issue: | \$2,075,000 Industrial REFUNDING Bonds |
| Allocation Amount: | -0- |
| Name of Project: | Springs Industries |
| Employment Impact: | maintain existing |
| Project Description: | textile manufacturing facility |

In 1977, Chester County issued \$25,000,000 Industrial Revenue Refunding Bonds to refund the principal of the bond outstanding from the original 1968 issue of \$35,000,000.

The bonds become due March 1, 1991, and Chester County must issue the refunding bonds prior to that date. Conditional approval at the February 12 meeting would not allow the required 20 days response time to the publication of notice of intent to issue the bonds (see §4-29-140, attached).

The Board is asked to approve the Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds, **on the condition the required reviews by the Attorney General's Office, the State Auditor's Office, and the Division of General Services are completed with satisfactory results.** The Chester County proposal will be included on the February 12 Board agenda to provide information on the results of the reviews.

BOARD ACTION REQUESTED:

Approve the Chester County proposal to issue \$2,075,000 Industrial Revenue Refunding Bonds, **on the condition the required reviews by the Attorney General's Office, the State Auditor's Office, and the Division of General Services are completed with satisfactory results.**

ATTACHMENTS:

006708

EXHIBIT

MINUTES OF BUDGET AND CONTROL BOARD MEETING JAN 29 1991

2

NOVEMBER 1, 1977

STATE BUDGET & CONTROL BOARD

State Auditor William T. Putnam and Assistant State Auditor William A. McInnis on this date completed a poll of the following Budget and Control Board members on the item of business described below:

Governor James B. Edwards
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr. (through secretary Abston)
Representative Tom G. Mangum
Senator Rembert C. Dennis

INDUSTRIAL REVENUE REFUNDING BONDS - CHESTER COUNTY - Budget and

Control Board members were advised that a Petition had been received from Chester County requesting approval of the issuance of Industrial Revenue Refunding Bonds on behalf of Springs Mills, Inc. in an amount sufficient to refund the principal of the bonds outstanding from an original \$35,000,000 Industrial Revenue Bond issue approved on January 9, 1968 by the Budget and Control Board. The amount of the proposed issue is estimated to be \$25,000,000. The refunding is to be accomplished by the issuance by the County of the Refunding Bonds and deposit of the proceeds thereof in an irrevocable escrow deposit fund created pursuant to an escrow deposit agreement. The funds deposited in the escrow deposit fund will be used to purchase United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series which, together with the interest to be paid thereon, and the balance of the sum deposited, will be sufficient to pay the interest on the outstanding bonds as they shall become due to and including the maturity dates and to pay the principal of the outstanding bonds on such maturity dates. The Budget and Control Board members polled were assured that the legal documents pertaining to this issue had been reviewed by the Office of the Attorney General and that satisfactory financial data had been received and was, at the time of the poll, under review by the State Auditor's Office.

006709

2 - 11/1/77

The Budget and Control Board members polled adopted a Resolution approving the Chester County proposal to issue Industrial Revenue Refunding Bonds in an amount presently estimated to be \$25,000,000 on behalf of Springs Mills, Inc., pursuant to 1976 Code Sections 4-29-10 et seq., and particularly Code Section 4-29-110, subject to a satisfactory financial review.

(SECRETARY'S NOTE: Subsequent to the completion of the poll, the State Auditor's Office review of the financial information submitted was completed with satisfactory results.)

Information relating to this matter has been retained in these files and is identified as Exhibit I.

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EXHIBIT

INDUSTRIAL DEVELOPMENT PROJECTS

§ 4-29-150

2

CASE NOTES

Quoted in Powell v Chapman (1973)
260 SC 516, 197 SE2d 287.

JAN 29 1991
STATE BUDGET & CONTROL BOARD

§ 4-29-140. State Board shall approve proposal of governing board; petition shall be filed; investigation; notice of approval; challenging validity of approval.

No bonds shall be issued pursuant to the provisions of this chapter until the proposal of the governing board to issue the bonds shall receive the approval of the State Board. Whenever any governing board shall propose to issue bonds pursuant to the provisions of this chapter, it shall file its petition to the State Board setting forth: (a) A brief description of the project proposed to be undertaken and its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto; (b) a reasonable estimate of the cost of the project; and (c) a general summary of the terms and conditions of the financing agreement and security agreement to be made, including a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60. Upon the filing of the petition the State Board shall, as soon as practicable, make such independent investigation as it deems advisable, and if it finds that the project is intended to promote the purposes of this chapter and is reasonably anticipated to effect such result, it shall be authorized to approve the project and at any time following such approval, the governing board may proceed with the acquisition and financing of the project. Notice of the approval of any project by the State Board shall be published at least once by the State Board in a newspaper having general circulation in the county where the project is to be located.

Any interested party may, within twenty days after the date of the publication of such notice, but not afterwards, challenge the validity of such approval by action de novo in the court of common pleas in the county where the project is to be located.

HISTORY: 1962 Code § 14-399.34; 1967 (55) 120; 1980 Act No. 518, § 10B.

§ 4-29-150. Chapter provisions are cumulative; governing board may act at regular or special meeting without notice of proceedings.

Neither this chapter nor anything herein contained shall be construed as a restriction or limitation upon any powers which a county or incorporated municipality might otherwise have under any laws of this State, but shall be construed as cumulative. Subject to the limitations and requirements of Chapter 9, Title 4,

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006711

RESOLUTION

STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

WHEREAS, heretofore the Chester County Council (the "County Council") did, pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, 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 Council pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the financing by the County Council of the cost of refunding a portion of the \$35,000,000 Chester County, South Carolina Industrial Revenue Bonds, Textile Series 1968 (the "Prior Bonds"), which were originally issued by Chester County, South Carolina to assist Springs Mills, Inc., a predecessor of Springs Industries, Inc. (the "Company") in financing the acquisition, construction and equipping of facilities for a textile plant; and

WHEREAS, in order to defray the cost of refunding the Prior Bonds and the Project, the County Council proposes to provide for the issuance of \$2,075,000 County of Chester, South Carolina, Industrial Development Refunding Revenue Bonds, (Springs Industries, Inc. Project) (the "Bonds") pursuant to the Act, payable from the payments derived pursuant to a lease agreement entered into between the County and the Company (the "Financing Agreement") and additionally secured by a trust indenture between the County and _____, as Trustee (the "Trust Indenture"); and

WHEREAS, the proceeds of the Bonds are to be used by the Company in consideration of the Company's agreement to refund the Prior Bonds by making payments sufficient to provide for the payment of the Bonds and costs and expenses resulting from the issuance thereof, which obligations of the Company will be evidenced by the Financing Agreement; and

WHEREAS, the form of the Financing Agreement and the Trust Indenture have been considered by this State Board.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED, as follows:

1. It has been found and determined by the State Board:

(a) That the statement of facts set forth in the recitals to this Resolution are in all respects true and correct.

(b) That the County Council has filed a proper petition to the State Board establishing a brief description of the refunding of the Prior Bonds and the Project proposed to be undertaken and its anticipated effect upon the economy of the County in which the Project is located and of the areas adjacent thereto, a reasonable estimate of the cost of the refunding of

the Prior Bonds and a general summary of the terms and conditions of the Financing Agreement and the Trust Indenture.

(c) That the Project has resulted and will continue to result in employment and has been of benefit and will continue to be of benefit to Chester County and adjoining areas.

(d) That the refunding of the Prior Bonds and the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings, the proposed undertaking of the County Council to finance the cost of the refunding of the Prior Bonds and the Project through the issuance of Bonds, payable from the rental repayments to be derived pursuant to the Financing Agreement, and additionally secured by the Trust Indenture, all pursuant to the Act (including 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 Chester County described in paragraph 2, supra, shall be published in the manner provided in the Act.

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

EXHIBIT A

NOTICE PURSUANT TO TITLE 4, CHAPTER 29, CODE OF
LAWS OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given that following the filing of a petition by the Chester County Council (the "County Council") 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 (included 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 Council of the cost of the refunding a portion of the \$35,000,000 Chester County, South Carolina Industrial Revenue Bonds (Textile Series 1968) (the "Prior Bonds"), which were originally issued by Chester County (the "County") to assist Springs Mills, Inc., a predecessor to Springs Industries, Inc. (the "Company") in financing the acquisition, construction and equipping of facilities for a textile plant (the "Project"). To finance the cost of the refunding of the Prior Bonds and the Project, the County will issue not more than \$2,075,000 of Chester County, South Carolina, Industrial Development Refunding Revenue Bonds (Springs Industries, Inc. Project) (the "Bonds") pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, the proceeds of which will be used by the Company. The bonds of the County will be payable solely from the rental repayments to be paid to the County by the Company, which will irrevocably covenant and agree to pay when due all sums required for the principal and interest thereon, and such Bonds will be additionally secured by a trust indenture.

Notice is further given that any interested party may at any time, within twenty (20) days after the date of the publication of this notice, challenge the validity of the action of the State Board in approving the undertaking of the County Council for action de novo instituted in the Court of Common Pleas for Chester County.

STATE OF SOUTH CAROLINA BUDGET AND
CONTROL BOARD

By _____
Secretary

Publication Date: _____, 1991

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EXHIBIT

JAN 29 1991

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STATE BUDGET & CONTROL BOARD

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