

CITY OF SENECAORDINANCE NO. 2020-18AN ORDINANCE TO ABANDON UNIMPROVED RIGHT-OF-WAY LOCATED
BETWEEN SOUTH FAIRPLAY STREET AND SOUTH TOWNVILLE STREET

WHEREAS, the City of Seneca may have rights and/or entitlements to an unimproved and unused right-of-way located between South Fairplay Street and South Townville Street; and

WHEREAS, the City of Seneca, South Carolina, finds it desirable and appropriate to abandon the right-of-way insofar as it is not required for either right-of-way or departmental purposes; and

WHEREAS, pursuant to properly published notice, a public hearing was held before City Council on Monday, August 11, 2020, at which time Council provided the opportunity to hear from the public regarding the proposed abandonment; and

WHEREAS, the right-of-way is unimproved and has not been used by the City, its departments, or its utilities, nor has it been improved for, or used by, the public; and

WHEREAS, any interest the City has in the right-of-way will be abandoned and combined with the abutting properties located at 112 E. South 7th Street (Tax Map Number 520-46-01-002), Tax Map Number 520-46-06-003 (no corresponding street address), 710 S. Townville Street (520-46-06-006), Tax Map Number 520-45-06-008 (no corresponding street address), 715 S. Fairplay Street (Tax Map Number 520-46-06-002), and 107 Bell Drive (Tax Map Number 520-46-06-009), in proportion to their abutting property ownership and as reflected on Exhibit A.

NOW, THEREFORE, upon motion of City Council, and BY SENECA CITY COUNCIL, in Council duly assembled, and with a quorum present and voting, BE IT ORDAINED, that the right-of-way which is identified more particularly on Exhibit A shall be abandoned and closed. Further, the abandonment and any subsequent conveyance by way of City quitclaim deed shall be subject to a full width utility easement preserving the currently existing rights and benefits for the present providers of water, sewer, electricity, telephone, and natural gas, if any, including maintenance easements for the same utilities. The City Administrator or Mayor is herewith authorized to execute such documents as reasonable and necessary to implement the purposes of this Ordinance.

THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON FINAL READING.

PROPOSED ORDINANCE APPROVED AS TO FORM this 11th day of August, 2020.

R. BOATNER BOWMAN, City Attorney

APPROVED AND RATIFIED on First Reading this 8th day of August, 2020 by a vote of

8 YES 0 NO 0 ABSTAIN

APPROVED, RATIFIED and ADOPTED on Second and Final Reading this 25th day of August, 2020 by a vote of

_____ YES _____ NO _____ ABSTAIN

_____, Clerk

Attest:

_____, Mayor

ORDINANCE NO. 2020-19

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$2,500,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, OF THE CITY OF SENECA, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Enacted: August 25, 2020

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SENECA, SOUTH CAROLINA,
AS FOLLOWS:

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall have, for all purposes of this Ordinance, the meanings hereinafter specified, with the definitions equally applicable to both the singular and plural forms and vice versa. The term:

“2020 Projects” shall mean various repairs or improvements to City property related to or resulting from damage incurred from the tornado and severe weather which impacted the City on or about April 13, 2020.

“Bondholders” or the term “Holders” or any similar term shall mean the registered owner or owners of any outstanding Bond.

“Bond” or “Bonds” shall mean the General Obligation Bonds, [Taxable] Series 2020 (or year in which issued), of the City of Seneca, South Carolina, with such other descriptive terms as necessary, which may be issued in one or more series (as a single bond for each series or as a bond for each principal maturity within a series) in the aggregate principal amount of not exceeding \$2,500,000 authorized to be issued pursuant to Section 3 hereof.

“City” shall mean the City of Seneca, South Carolina.

“City Administrator” shall mean the City Administrator of the City, or, during any period in which an Interim City Administrator shall be appointed and serving, the Interim City Administrator of the City.

“Code” shall mean the Internal Revenue Code of 1986 as amended.

“Council” shall mean the City Council of the City of Seneca, South Carolina.

“Governmental Obligations” shall mean, to the extent permitted by Section 6-5-10 of the South Carolina Code or any other authorization relating to the investment of funds by the City, any of the following: (1) cash; (2) United States Treasury Obligations – State and Local Government Series; (3) United States Treasury bills, notes, bonds or zero coupon treasury bonds all as traded on the open market; (4) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, including CATS, TIGRS and similar securities; (5) obligations of any agencies or instrumentalities which are backed by the full faith and credit of the United States of America; (6) bonds or debentures issued by any Federal Home Loan Bank or consolidated bonds or debentures issued by the Federal Home Loan Bank Board; (7) obligations of the Federal National Mortgage Association; or (8) any legally permissible combination of any of the foregoing. Government Obligations must be redeemable only at the option of the holder thereof.

“Interest Payment Dates” shall mean March 1 of each year commencing March 1, 2021, or such other date or dates as determined by the Mayor or City Administrator.

“Mayor” shall mean the Mayor of the City, or, in the absence of the Mayor, the Mayor Pro-Tempore of the City.

“Municipal Bond Act” shall mean Title 5, Chapter 21, Article 5, Code of Laws of South Carolina 1976, as amended.

“Ordinance” shall mean this Ordinance.

“Paying Agent” shall mean the paying agent appointed pursuant to this Ordinance.

“Purchaser” shall mean the initial purchaser of the Bond.

“Record Date” shall mean the fifteenth (15th) day of the month immediately preceding each Interest Payment Date on the Bonds or the date of notice of any proposed redemption, if any, of the Bonds.

“Registrar” shall mean the registrar appointed pursuant to this Ordinance.

“South Carolina Code” shall mean South Carolina Code of Laws 1976, as amended.

“State” shall mean the State of South Carolina.

SECTION 2. Findings and Determinations. The Council of the City hereby finds and determines:

(a) The City is an incorporated municipality located in Oconee County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of this State.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”), provides that general obligation debt may be incurred by the governing body of each city of the State for any public purpose and corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such city.

(c) Pursuant to the Municipal Bond Act, the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limit applicable.

(d) The Municipal Bond Act requires that an election be held prior to the issuance of general obligation bonds. Title 11, Chapter 27 of the South Carolina Code as amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act but is not required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor), and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions. Title 11, Chapter 27 further provides that any municipality of the State may issue bonds in fully registered form.

(e) The assessed value of all taxable property in the City as of June 30, 2020 was not less than \$37,000,000. Eight percent (8%) of such sum is \$2,960,000. As of the date hereof, the City has no outstanding general obligation debt subject to the limitation imposed by Article X, Section 14(7)(a) of the Constitution. Thus, the City may incur not exceeding \$2,960,000 of general obligation debt within its applicable constitutional debt limitation.

(f) The proceeds of the Bonds shall be applied to defray all or a portion of the costs of one or more of the 2020 Projects, to pay or reimburse the City for certain operating expenses of the City, and to pay the costs of issuance of the Bonds.

(g) The undertaking of the 2020 Projects and the payment of certain operating expenses of the City from proceeds of the Bonds is necessary and in the best interest of the City. The issuance of the Bonds authorized by this Ordinance for such purposes is necessary and such Bonds will be issued for a corporate purpose and a public purpose of the City.

(h) It is now in the best interest of the City to provide for the issuance and sale of not exceeding \$2,500,000 aggregate principal amount general obligation bonds of the City for the purposes set forth in Section 2(f) above.

SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued in one or more series general obligation bonds of the City (collectively, the "Bonds") to obtain funds for the purposes set forth in Section 2(f) above, including any engineering, architectural, financial and legal fees relating thereto and other incidental costs of issuing the Bonds. The Bonds shall be designated "(principal amount issued) General Obligation Bonds, [Taxable] Series 2020 (or year in which issued), of the City of Seneca, South Carolina (with such other descriptive wording as may be necessary)".

The Bonds shall be issued as fully registered Bonds; shall be registered as to principal and interest in the name of the respective Purchaser; shall be dated as of the date of its delivery or such other date as the Mayor or City Administrator determines; shall be in the aggregate denomination of not exceeding \$2,500,000 or as single bonds in the respective principal amounts maturing in each year; shall bear interest from their date payable on each Interest Payment Date at such rate or rates as may be determined at the time of the sale thereof by the City Administrator; and shall mature in successive annual installments payable on March 1 of each year or such other date or dates as may be determined by the Mayor or City Administrator pursuant to Section 5 hereof. Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, unless otherwise agreed upon by the City Administrator and the respective Purchaser.

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

SECTION 4. Redemption Provisions. The Bonds may be subject to redemption prior to maturity upon such terms and conditions as the City Administrator and the respective Purchaser thereof agree upon.

SECTION 5. Authority to Determine Certain Matters. The Council hereby authorizes the City Administrator to determine the date and time of sale of the Bonds. The Council hereby further authorizes to the Mayor or City Administrator to:

- (a) determine the original issue date of the Bonds;
- (b) determine the aggregate principal amount of the Bonds to be issued if less than authorized by this Ordinance;
- (c) determine whether all or any portion of the Bonds shall be issued on a federal tax-exempt basis;
- (d) to the extent all or any portion of the Bonds are issued on a federal-tax exempt basis, determine whether the Bonds shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct, from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations;
- (e) determine the first Interest Payment Date and the maturity dates and principal amounts maturing on such dates;
- (f) designate the Paying Agent and Registrar for the Bonds;
- (g) determine whether to sell the Bonds at public or private sale in accordance with the provisions of Section 12 herein;

(h) if the Bonds are to be sold at private sale, negotiate with one or more prospective purchasers for the sale of the Bonds, determine the interest rate, redemption terms and other terms and provisions of the Bonds, or to sell the bonds pursuant to a Notice of Sale, and in such event to negotiate the private sale of the Bonds to a purchaser thereof in the event either (1) no bids are received for the purchase of the Bonds pursuant to the Notice of Sale, or (2) all bids for the purchase of the Bonds are rejected;

(i) if the Bonds are to be sold at public sale, to negotiate the private sale of the Bonds to a purchaser thereof in the event either (1) no bids are received for the purchase of the Bonds pursuant to the Notice of Sale, or (2) all bids for the purchase of the Bonds are rejected;

(j) determine the form of the Notice of Sale to be distributed to prospective bidders (if applicable) for the sale of the Bonds if different than that set forth in Section 12 herein, and receive bids for the Bonds on behalf of the City and award the sale of the Bonds to the bidder which provides the most advantageous proposal therefor in accordance with the terms of the Notice of Sale for the Bonds;

(k) negotiate and execute all other contracts and approve any other matters necessary to effect the issuance of the Bonds;

(l) approve any other matters necessary to effect the issuance of the Bonds.

After the sale of the Bonds, the Mayor or City Administrator shall submit a written report to the Council setting forth the results of the sale of the Bonds.

SECTION 6. Registration of the Bonds. The Bonds shall be registered in the name of the initial Purchaser thereof, as the registered owner, at the office of the Registrar, on registration books (the "Books of Registry") to be kept for that purpose, and such registration shall be noted on the registration attached to the Bonds, after which no transfer of such Bonds shall be effective unless made on such Books of Registry by the registered owner in person or its duly authorized legal representative and similarly noted on the Bonds.

With the consent of the initial Purchaser of the Bonds, and notwithstanding any provision to the contrary contained in this Ordinance or in the Bonds, the Bonds may be sold or transferred by the initial Purchaser thereof only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City, in form satisfactory to the City (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Bonds. Such restrictions shall be set forth on the face of the Bonds and shall be complied with by each transferee of the Bonds.

SECTION 7. Execution of Bonds. The Bonds shall be executed in the name of the City with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the Clerk of the City under a facsimile of the seal of the City which shall be impressed or affixed thereon.

SECTION 8. Form of Bonds. The Bonds shall be in substantially the following form:

(FORM OF BOND)

THIS BOND MAY BE SOLD OR TRANSFERRED IN WHOLE OR IN PART ONLY TO A PURCHASER OR TRANSFEREE CONSTITUTING A QUALIFIED INVESTOR (AS SUCH TERM IS DEFINED IN THE HEREAFTER DEFINED ORDINANCE UNDER WHICH THIS BOND IS ISSUED), AND ONLY UPON SUCH QUALIFIED INVESTOR DELIVERING TO THE CITY AN INVESTMENT LETTER IN THE FORM REQUIRED UNDER THE ORDINANCE.

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF SENECA
GENERAL OBLIGATION BOND, [TAXABLE] SERIES 2020

KNOW ALL MEN BY THESE PRESENTS, that the City of Seneca, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to _____, in _____, _____ (the "Bank"), its successors or registered assigns, the principal amount of \$ _____ together with interest on the unpaid principal balance hereof at the rate of ____% per annum. Interest on this Bond is payable on [____ 1] of each year commencing [____ 1, 20__], until final maturity or prior redemption. Principal on this Bond is payable in annual installments on _____ 1 of each of the years and in the principal amounts, as follows:

[Principal repayment schedule]

Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both the principal of and interest on this Bond are payable at the office of [the Paying Agent], as paying agent (the "Paying Agent"), without presentation and surrender of this Bond in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, the Purchaser agrees to surrender this Bond before or within a reasonable time after its final maturity.

This Bond is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. _____ duly enacted on _____, 2020, by the City Council (the "Ordinance").

For the payment of the principal and interest of this Bond as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment thereof, the full faith, credit and taxing power of the City are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes.

[Redemption provisions]. In the event this Bond is called for redemption, the City shall give notice of redemption by first-class mail, postage prepaid, to the registered owner thereof as shown on the books of registry of the City not less than five (5) business days prior to the date fixed for redemption thereof.

This Bond is transferable as provided in the Ordinance, only upon the registration books of the City kept for that purpose at the office of [the Registrar], as Registrar, by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer reasonably satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount, interest rate, and maturity date shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the City, does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and that provision has been made for the levy and collection annually upon all taxable property in the City of an *ad valorem* tax, without limitation as to rate or amount, sufficient for the payment of the principal and interest of this Bond as they respectively mature and for the creation of such sinking fund to aid in the retirement and payment thereof.

IN WITNESS WHEREOF, THE CITY OF SENECA, SOUTH CAROLINA, has caused this Bond to be signed with the (manual or facsimile) signature of the Mayor of the City, attested by the (manual or facsimile) signature of the Clerk of the City under the seal of the City impressed or affixed hereon and this Bond to be dated the ____ day of _____, 2020.

CITY OF SENECA, SOUTH CAROLINA

(SEAL)

ATTEST:

Mayor

Clerk

REGISTRATION

This Bond has been registered in the name of _____ in _____, _____, on the registration books kept by [the Registrar].

SECTION 9. Defeasance. The obligations of the City under this Ordinance and the pledges, covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to the Bonds or any portion thereof, and the Bonds or such portion thereof shall no longer be deemed to be outstanding hereunder when:

(a) such Bonds or such portion shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Paying Agent and are canceled or subject to cancellation by the City or the Paying Agent; or

(b) payment of the principal of and interest on the Bonds or such portion thereof either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided for

by irrevocably depositing with the Paying Agent in trust and irrevocably setting aside exclusively for such payment, (a) moneys sufficient to make such payment, or (b) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Bonds or the applicable portion thereof shall no longer be deemed to be outstanding hereunder, the Bonds or applicable portion thereof shall cease to draw interest from the maturity date thereof and, except for the purposes of any such payment from such moneys or Government Obligations as set forth in (2) above, shall no longer be secured by or entitled to the benefits of this Ordinance.

SECTION 10. Security for Bonds. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment thereof. There shall be levied and collected annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes. The appropriate official of the City shall be notified as to the delivery of and payment for the Bonds and is hereby directed to levy and collect annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount.

SECTION 11. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code, from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 12. Sale of Bonds; Form of Notice of Sale. The Bonds shall be offered for public sale, or, if permitted by the South Carolina Code and so determined by the Mayor or City Administrator, by private sale, on the date and at the time designated by the Mayor or City Administrator.

If the Bonds are to be sold at private sale: (a) the Mayor or City Administrator are authorized to either (1) negotiate the sale of the Bonds with one or more prospective purchasers, or (2) receive proposals for the purchase of the Bonds on behalf of the City, determine the interest rate on the Bonds, and either reject all bids or award the sale of the Bonds to the bidder which provides the most advantageous proposal therefor in accordance with the terms of a Notice of Sale for the Bonds; and (b) not less than seven (7) days prior to the delivery of the Bonds, notice of intention to sell the Bonds at a private sale shall be given by publication in a newspaper of general circulation in the City.

If the Bonds are to be sold at public sale: (x) the Mayor or City Administrator are authorized to receive proposals for the purchase of the Bonds on behalf of the City, determine the interest rate on the Bonds, and either reject all bids or award the sale of the Bonds to the bidder which provides the most advantageous proposal therefor in accordance with the terms of a Notice of Sale for the Bonds; and (y) a summary of such Notice of Sale shall be published in a newspaper having general circulation in the State of South Carolina and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

Notice(s) of Sale shall be in substantially the following form, with such changes as the City Administrator shall approve:

NOTICE OF SALE

\$ _____ GENERAL OBLIGATION BOND,
[TAXABLE] SERIES 2020
OF THE CITY OF SENECA, SOUTH CAROLINA

Bid Date: _____, 2020; __: __ [a.m.][p.m.]

E-Mail: smoulder@seneca.sc.us;
jriches@seneca.sc.us;
bnorris@burr.com;
mburns@burr.com

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of \$ _____ General Obligation Bond, [Taxable] Series 2020 (the "Bond"), of the City of Seneca, South Carolina (the "City"), will be received on behalf of the City by the City Administrator, City of Seneca, 221 East North First Street, Seneca, South Carolina 29678, on _____, 2020, until _____ [a.m.][p.m.], South Carolina Time.

Mailed or Hand-Delivered Proposals: Each mailed or hand-delivered proposal should be enclosed in an envelope marked "Proposal for \$ _____ General Obligation Bond, [Taxable] Series 2020, of the City of Seneca, South Carolina" and should be mailed or delivered to the attention of T. Scott Moulder, City Administrator, at the address in the first paragraph hereof.

E-mail Proposals: E-mail proposals may be e-mailed to the attention of T. Scott Moulder, City Administrator at e-mail address: smoulder@seneca.sc.us, with a copy to Josh Riches, Finance Director at e-mail address: jriches@seneca.sc.us; and Bond Counsel, Brandon T. Norris, Esq. at e-mail address: bnorris@burr.com and Michael W. Burns, Esq. at e-mail address: mburns@burr.com.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, OR BY E-MAIL, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE CITY AT THE PLACE, DATE AND TIME DESIGNATED. THE CITY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

The Bond: The Bond will be issued in fully registered form; will be registered as to principal and interest in the name of the Purchaser thereof; will be dated as of the date of their delivery or such other date as the City Administrator determines; will be in the denomination of \$ _____ if issued as a single bond or as a bond for each maturity as may be requested by the purchaser thereof; will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) payable on [_____] 1] of each year commencing [_____] 1, 20____], until final maturity or prior redemption; and will mature in successive annual installments on [_____] 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
	\$

Redemption: [Redemption provisions]

Bid Requirements: Bids containing terms or covenants in conflict with the provisions of the Bond Ordinance (as defined below) or the requirements of this Notice of Sale may be rejected. Bidders shall specify the single, fixed rate of interest per annum which the Bond is to bear. No variable interest rates will be considered. A BID FOR LESS THAN THE TOTAL PRINCIPAL AMOUNT OF THE BOND, OR A PRICE LESS THAN PAR, WILL NOT BE CONSIDERED. It is preferred that a bidder's proposal not be subject to further credit or underwriting approval. Any fees and costs of the bidder to be paid by the City must be stated in the response to this Notice of Sale.

Bids containing rates of interest which may adjust upon the occurrence of specified events, including changes in the Internal Revenue Code, changes in the bidder's capital requirements or cost

of capital, or for any other reason (other than loss of tax exemption due to the actions or omissions of the City) will be rejected.

Award of Bond: After the proposals are received, they will be evaluated by the officials of the City based on various factors, including, but in no way limited to, financing cost, prepayment penalties or limitations, additional credit or underwriting approval, additional covenants and terms, if any, and other conditions set forth therein. Based on such evaluation, the most advantageous bid, determined in the sole discretion of the City, may be accepted by the City. The selection process will be weighted toward lowest financing cost; however, lowest financing cost is **not** the only factor that may be considered by the City. Any sum named by way of a premium shall be paid in cash as part of the purchase price. Any fees or costs to be paid by the City to or on behalf of the bidder will be treated as additional interest cost. In the case of a tie bid, the winning bid may be awarded by lot. The City reserves the right to reject any and all bids, to waive irregularities in any bid, and to negotiate with the bidder which provides, in the City's sole discretion, the most favorable bid. Bids are anticipated to be accepted or rejected no later than __:__ [a.m.][p.m.], South Carolina time, on the date of the sale.

Adjustment of Principal Amount: If, after final computation of the proposals, the City determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bond is being issued are less than the initial principal amount of the Bond as shown in this Notice of Sale, the City reserves the right to decrease the initial principal amount of the Bond. The award of the Bond will be based, in part, on the bidder's proposal which produces the lowest financing cost solely on the basis of the offered, without taking into account any adjustment in the amount of the Bond pursuant to this paragraph. The successful bidder with respect the Bond may not withdraw its bid as a result of any changes made within these limitations.

Purposes: The Bond is being issued to defray costs related to certain repairs or improvements to City property and certain operating expenses of the City, and to pay costs of issuance of the Bond.

Security: For the payment of the principal and interest of the Bond as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment thereof, the full faith, credit and taxing power of the City are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes.

Initiative and Referendum: Section 5-17-20 of the Code of Laws of South Carolina, 1976, as amended, provides that within 60 days after the enactment of any ordinance authorizing the issuance of general obligation bonds, a petition signed by 15% of the qualified electors of the City may be filed with the City Clerk requesting that the ordinance be repealed. The Ordinance authorizing the Bond was enacted on _____, 2020. In the event that such a petition is filed, the City reserves the right to rescind the award of the sale of the Bond without any liability of or damages due from the City.

Legal Opinion: The issuance of the Bond is subject to the approving opinion of Burr & Forman LLP, Bond Counsel, as to the validity of the issuance of the Bond under the Constitution and laws of the State. Certain legal matters will be passed upon for the City by its counsel, R. Boatner "Bo" Bowman, Esq.

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

Interest on the Bond is not an item for tax preference for purposes of the federal alternative minimum tax.

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

[Interest on the Bond will not be excludable from gross income for federal income tax purposes, and Bond Counsel will express no opinion regarding federal tax law consequences arising with respect to the Bond.]

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

[Bond is "Bank Qualified"]: The City will designate the Bond as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct, from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.]

Investment Letter: If the successful purchaser of the Bond intends to hold the Bond in its own account, it will be requested to execute a letter in substantially the form accompanying this Notice of Sale.

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

Delivery: The Bond will be delivered on or about _____, 2020, in Seneca, South Carolina. The purchase price then due must be paid in federal funds or other immediately available funds. The costs of issuance of the Bond will be borne by the City.

Persons seeking additional information should communicate with:

Josh Riches
Finance Director
City of Seneca
Phone: 864.885.2722
e-mail: jriches@seneca.sc.us

Brandon T. Norris, Esq.
Burr Forman McNair
Phone: 864.271.4940
e-mail: bnorris@burr.com

Michael W. Burns, Esq.
Burr Forman McNair
Phone: 864.271.4940
e-mail: mburns@burr.com

CITY OF SENECA, SOUTH CAROLINA

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

SECTION 14. Deposit and Use of Proceeds. The proceeds of the Bonds shall be deposited in a special fund, separate and distinct from all other funds, and applied solely to the purpose for which the Bonds are issued except that the accrued interest, if any, must be used to discharge in part the first interest to become due on the Bonds.

SECTION 15. Tax Covenants. To the extent that the Mayor or City Administrator determines that all or any portion of the Bonds are to be issued on a federal tax-exempt basis, the City hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds and that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be an "arbitrage bond", as defined in Section 148 of the Code, and to that end the City hereby shall:

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

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

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

The City Administrator or Finance Director, or either of them acting alone, are hereby authorized to adopt written procedures to ensure the City's compliance with federal tax matters relating to the Bonds and to any other bonds or obligations of the City issued on a federal tax-exempt basis.

SECTION 16. Reimbursement. To the extent all or any portion of the Bonds are issued on a federal tax-exempt basis, this Ordinance shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City from a portion of the proceeds of the Bonds for expenditures the City anticipates incurring (the "Expenditures") with respect to the 2020 Projects prior to the issuance of the Bonds. Expenditures which may be reimbursed are limited to Expenditures which are: (a) properly chargeable to capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principals; or (b) certain *de minimis* or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to the 2020 Projects will be general fund moneys and/or funds of the City's combined utility system. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date the 2020 Projects were placed in service, but in no event more than three (3) years after the original Expenditures.

SECTION 17. Miscellaneous. The Council hereby authorizes the Mayor, the City Administrator, the Finance Director, the Clerk of the City, and the City Attorney to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or to make modifications in any documents including but not limited to the form of Bonds or the Notice of Sale.

SECTION 18. Repeal of Conflicting Ordinances. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

SECTION 19. Codification. This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner required by law.

SECTION 20. Effective Date. This Ordinance shall be effective upon its enactment.

[Signature page follows]

(SEAL)

SENECA CITY COUNCIL

Mayor

ATTEST:

Clerk-Treasurer

Date of First Reading: August 11, 2020

Date of Second Reading: August 25, 2020

Approved as to form:

City Attorney, City of Seneca, South Carolina

[Signature page to Ordinance]

RESOLUTION

RELATING TO THE DECLARATION OF INTENT BY THE CITY OF SENECA, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES MADE PRIOR TO THE ISSUANCE OF FEDERAL TAX-EXEMPT COMBINED UTILITY SYSTEM REVENUE BONDS, GENERAL OBLIGATION BONDS OR OTHER FEDERAL TAX-EXEMPT OBLIGATIONS BY THE CITY.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for such projects; and

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure not later than sixty (60) days after the payment of the expenditure; and

WHEREAS, the City of Seneca, South Carolina (the "City"), has incurred and anticipates incurring certain expenditures in an approximate amount of \$7,000,000 to \$9,000,000 (the "Expenditures") with respect to costs of acquisition by construction or purchase and the installation and equipping of certain improvements, additions and replacements to the City's combined utility system and to other property of the City, which improvements, additions and replacements have been or are required by, or have been or are made as a result of, damage from a tornado and severe storms which impacted the City on or about April 13, 2020 (collectively, the "Projects"), prior to the issuance of federal tax-exempt combined utility system revenue bonds, general obligation bonds, or other obligations of the City for such purpose; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council (the "Council") of the City:

Section 1. The Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the City for all or a portion of the Expenditures from the proceeds of federally tax-exempt obligations in the form of combined utility system revenue bonds, general obligation bonds, or other forms of tax-exempt financing approved by City ordinance in connection with the Projects.

Section 2. The City understands that Expenditures which may be reimbursed are limited to Expenditures which are (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation § 1-150-2) under general federal income tax principles; or (b) certain de minimis or preliminary expenditures satisfying the requirements of Regulation § 1.150-2(f).

Section 3. The sources of funds for the Expenditures with respect to the Projects will be the City's available funds of the City's light and water fund and the City's general fund.

Section 4. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were/are paid, or (b) the date the Projects were/are placed in service, but in no event more than three (3) years after the original Expenditures.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the office of the City.

[Execution Page Follows]

Adopted by the City Council of the City of Seneca, South Carolina, this 11th day of August, 2020.

CITY OF SENECA, SOUTH CAROLINA

Mayor

(SEAL)

ATTEST:

Clerk

Approved as to form:

City Attorney
City of Seneca, South Carolina

STATE OF SOUTH CAROLINA)
)
CITY OF SENECA)

RESOLUTION

**EXPRESSING THE INTENT OF THE CITY OF SENECA,
SOUTH CAROLINA, TO PARTICIPATE IN THE RECOVERSC
LOCAL GOVERNMENT LIQUIDITY PROGRAM;
AUTHORIZING THE CITY ADMINISTRATOR AND THE
FINANCE DIRECTOR TO TAKE CERTAIN ACTIONS AND
NEGOTIATE CERTAIN AGREEMENTS; AND OTHER
MATTERS RELATING THERETO**

WHEREAS, the South Carolina Jobs-Economic Development Authority (“**Authority**”) has developed and implemented the RecoverSC Local Government Liquidity Program (“**Program**”) to provide a vehicle for South Carolina cities and counties to bridge potential financial gaps resulting from lost revenues or delayed collections and other financial impacts arising from the COVID-19 pandemic; and

WHEREAS, appropriate representatives of the City of Seneca, South Carolina (“**City**”), have heretofore submitted an application (“**Application**”) to participate in the Program in order to secure funds to continue to provide services to the citizens of City and foster and promote their security and general welfare, and to preserve health, peace, order and good government; and

WHEREAS, in addition to the Application, the Authority requires a non-binding expression of official intent by the City Council of City ("***City Council***") to participate in the Program; and

WHEREAS, the City Council desires to assure the Authority of its intent, subject to certain conditions as provided herein, to diligently pursue the benefits provided under the Program; and

WHEREAS, it is understood by the City Council that, while this Resolution represents its non-binding expression of official intent for City to participate in the Project, the final approval for City to participate in the Program and other matters described herein would be submitted to the City Council for approval by Ordinance;

NOW THEREFORE, be it resolved by the Mayor and City Council of the City as follows:

Section 1. *Expression of Non-binding Official Intent.* Subject to the conditions provided herein, the City Council hereby expresses its non-binding official intent for the City to participate in the Program in order to benefit the citizens of the City.

Section 2. Ratification and Approval. The Application heretofore submitted by certain representatives of City to the Authority is hereby ratified and approved.

Section 3. Authorization and Direction. The City Council hereby authorizes and directs the City Administrator and Finance Director to negotiate the terms of certain agreements to be developed and presented by the Authority with respect to the Program and, after seeking the advice of the City's legal counsel and financial professionals, to present forms of such agreements.

which shall contain all of the relevant financial terms related to City's participation in the Program, and seek authorization for certain representatives of the City to execute such agreements, to the City Council, for approval by Ordinance, which approval shall be a condition of City's participation in the Program.

Section 4. General Repealer. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force from and after its passage and approval.

Adopted at the Seneca City Council meeting held on August _____, 2020.

CITY OF SENECA, SOUTH CAROLINA

Mayor

(SEAL)

ATTEST:

Clerk

Approved as to form:

City Attorney
City of Seneca, South Carolina