

Sponsor(s) : County Council
First Reading : March 4, 2025
Committee Referral : N/A
Committee Consideration Date : N/A
Committee Recommendation : N/A
Second Reading : March 18, 2025
Public Hearing : April 1, 2025
Third Reading : April 1, 2025
Effective Date : Immediately

I, Danielle Murdaugh,
Council Clerk, certify that this
Ordinance was advertised for
Public Hearing on March 13, 2025.

ORDINANCE NO. 25-O-02

COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR COLLETON COUNTY

[Authorizing a Lease-Purchase Financing Arrangement in the Amount of Not Exceeding \$1,500,000 for the Construction of a Fuel Farm at the Lowcountry Regional Airport; the Execution and Delivery of Certain Instruments, Including a Lease-Purchase Agreement and an Intergovernmental Agreement by Colleton County; and Other Matters Relating Thereto.]

WHEREAS, Colleton County, South Carolina, a body politic and corporate and a political subdivision organized and existing under the laws of the State of South Carolina (the "County"), acting by its governing body, the County Council of Colleton County ("County Council"), is authorized to enact ordinances in relation to health and order in Colleton County or respecting any subject as appears to County Council necessary and proper for the security, general welfare, and convenience of Colleton County or for preserving health, peace, order, and good government in Colleton County; and

WHEREAS, the County is authorized to acquire and lease personal property (the "Property") by means of lease-purchase financing; and

WHEREAS, real property and permanent improvements thereon acquired by means of lease-purchase financing shall count against the County's limitation set forth in Article X, Section 14, paragraph 7(a) of the South Carolina Constitution and Section 11-27-110 of the Code of Law of South Carolina 1976, as amended; and

WHEREAS, County Council have determined that it is in the best interest of the County to finance the construction of a fuel farm at the Lowcountry Regional Airport (the "Airport"), to be financed by means of a lease-purchase arrangement pursuant to which all lease payments are made with respect to all Property so financed and secured by a security interest in such Property so financed and the County Council acknowledge that the amount so financed will count against the limitation set forth above; and

WHEREAS, Article X, Section 14, Paragraph 7 of the Constitution of the State of South Carolina authorizes the County Council to issue general obligation bonds, subject to the 8% constitutional debt limit; and

WHEREAS, the assessed value of all taxable property in the County as of June 30, 2024, was \$223,703,871; the County has outstanding bonded indebtedness in the amount of \$4,871,051 which counts against its 8% constitutional debt limit; consequently, the County may incur without an election \$13,025,259 of additional general obligation indebtedness and lease-purchase financing for real property improvements; and

WHEREAS, County Council have received a proposal for the lease-purchase financing from SouthState Bank, N.A., attached hereto as Schedule A, which the County Council have determined to be in the best interest of the County; and

WHEREAS, County Council intend that any additional, specific terms of such lease-purchase financing arrangement, including the final principal amount to be financed, and certain other financing terms, will be approved by the Interim County Administrator without further action of County Council, upon the advice of counsel; and

WHEREAS, the Airport has imposed a fuel surcharge on fuel sales at the Airport by which the Airport shall collect and remit to the County the fuel surcharge revenues over time until the County has been fully reimbursed for the cost of the lease-purchase financing (the "Reimbursement Arrangement"); and

WHEREAS, the terms of the lease-purchase financing arrangement are to be set forth in a lease purchase agreement (the "Lease Purchase Agreement") and the terms of the Reimbursement Arrangement are to be set forth in an intergovernmental agreement (the "Intergovernmental Agreement"), as approved by the Interim County Administrator upon the advice of counsel.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF COLLETON COUNTY, SOUTH CAROLINA,

Section 1. The proposal of SouthState Bank, N.A. for the lease-purchase financing, attached hereto as Schedule A, has been deemed by the County Council to be in the best interest of the County.

Section 2. The lease purchase of the Property by the County pursuant to the terms set forth in Schedule A, and as further set forth in the Lease Purchase Agreement is hereby approved. The Interim County Administrator is hereby authorized and directed to execute and deliver the Lease Purchase Agreement, in form and substance satisfactory to her upon the advice of counsel, her execution being conclusive evidence of her approval.

Section 3. The Reimbursement Arrangement shall be reflected in the Intergovernmental Agreement, the final terms of which shall be approved by the Interim County Administrator and/or Financing Director, upon the advice of counsel.

Section 4. The consummation of all transactions contemplated by the Lease Purchase Agreement and the Intergovernmental Agreement are hereby approved.

Section 5. The Chairman, the Interim County Administrator, and all other appropriate officials and employees of the County are hereby authorized to execute, deliver, and receive any other agreements and documents as may be required by the County in order to carry out, give effect to, and consummate the transactions contemplated by the Lease Purchase Agreement and the Intergovernmental Agreement.

Section 6. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 7. This Ordinance shall become effective immediately upon approval after third reading by County Council.

Section 8. The provisions of this Ordinance are hereby declared to be severable and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, that declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereof.

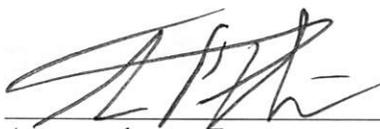
Section 9. All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

Attest:


Danielle Murdaugh, Clerk to Council

Signed:


Scott Biering, Chairman


Approved as to Form
Sean P. Thornton, County Attorney

Council Vote: **UNANIMOUS**
Opposed:

Schedule A

Lease Purchase Proposal
See South State Non-Binding Term Sheet



SouthState
NON-BINDING TERM SHEET

March 14, 2025

Colleton County, South Carolina
Jon Carpenter, Finance Director – jcarpenter@colletoncounty.org
Alan B. Linkous, bond attorney, Howell, Linkous & Nettles, LLP – alanlinkous@bond-law.com
109 Benson Street, POB 157
Walterboro, South Carolina 29488

**Re: Colleton County, South Carolina (the “Borrower” or the “County”)
\$1,400,000, 5-year Lease Purchase (the “Loan”)**

SouthState Bank, N.A. (the “Bank”) is pleased to submit the following summary of terms and conditions, for discussion purposes only, in order to facilitate further discussion regarding the above referenced transaction. This non-binding term sheet is intended only as an outline of certain material terms of the requested Loan and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in any definitive documentation for the requested Loan and does not represent a commitment to extend credit or advance funds.

Since this request was circulated to the Bank directly by the County, we are proceeding under the assumption that the County is conducting a qualified competitive solicitation or a negotiated placement on its own behalf. As such, we assume no role as or responsibility for providing ‘advice’ as would be construed under any securities regulations and are merely providing loan terms in response to the request.

A. FINANCING DESCRIPTION

Borrower: Colleton County, South Carolina
Amount: Not to exceed \$1,400,000
Facility Type: Bank Qualified Tax-Exempt – Lease Purchase
Purpose: The County will use proceeds of the Loan to finance the replacement of two 12,000 gallon fuel tanks located at the Colleton County airport.

B. FINANCING TERMS

Interest Rate: The rate below assumes that the Loan will display the features incorporated in this Term Sheet, to include the Security cited below, and such rate will be held through the anticipated closing date of April 2, 2024.
4.29%

Maturity: 60 months from the Closing date.

Repayment: Semi-annually Lease payments due each October 1 and April 1, commencing October 1, 2025. All unpaid principal and accrued interest due at Maturity.

Interest Calculation: 30 / 360

Origination Fee: None

C. OTHER TERMS AND CONDITIONS

Prepayment: Fully prepayable without penalty.

Security: The Loan shall constitute a binding general obligation of the County and the full faith, credit, resources and taxing power of the County are irrevocably pledged for the payment of the Loan.

Documentation: The Bank anticipates and accepts Borrower-prepared Loan documents, subject to Bank Counsel review. The Bank requires Proof of insurance coverage on the leased equipment. Please list SouthState Bank as Loss Payee as follows:

- **Loss Payee Clause:** (N.A. must appear after the Bank name)
 - o SouthState Bank, N.A.
 - o PO Box 118068
 - o Charleston SC 29423

Financial Covenants:

Reporting Requirements: Annual financial statements or Comprehensive Annual Financial Reports (CAFR's) are due within 270 days of fiscal year end and budgets are due within 30 days prior to each fiscal year. Notice to lessor of any decision to not appropriate (non-appropriation clause).

Default Rate: The interest rate otherwise applicable to the Loan plus 6% (subject to maximum rate permitted by law).

Determination of Taxability: The tax-exempt interest rate will be subject to gross up upon an event of taxability or loss of bank qualified status resulting from any action or inaction on the part of the Borrower.

Bond Counsel Opinion: The Bank shall receive an opinion of Bond Counsel relating to the Loan that is satisfactory to the Bank.

Premise of Lending: For the purposes of this bid, the Bank is making a commercial loan to the Borrower. Several conditions exist and are relied upon to determine that this

is a commercial loan. Among other conditions, (i) no official statement or other offering materials have been furnished, (ii) the Bank is both knowledgeable and experienced in these financial and business matters and is capable of evaluating the merits and risks of making a commercial loan to be evidenced by the Loan and is financially able to bear the economic risk of holding the Loan, (iii) no CUSIP number will be obtained for the Loan, and (iv) the Bank intends to extend the Loan solely for its own account with no intent to distribute or resell the Loan or any portion thereof.

Municipal Advisor Disclosure:

The terms of the Loan described herein have been prepared by the Bank solely for information purposes. The Bank is not recommending an action or providing any advice to the Borrower. The Bank is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in their own interest. The Borrower is expected to seek the advice of the IRMA and any other professional advisors which they deem appropriate for the credit facility described herein, especially with respect to any legal, regulatory, tax or accounting treatment.

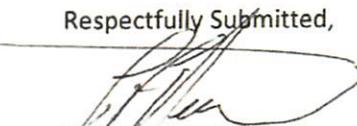
Regulatory Oversight:

Based on the Premise of Lending above and the Bank's role in this transaction (not as an advisor, underwriter or placement agent), it should be understood that the Bank, as lender, is regulated by the Officer of the Comptroller of the Currency (OCC) and not by any body having oversight in the municipal securities industry.

Confidentiality:

The terms of this Term Sheet are confidential and, except for disclosure on a confidential basis to the Borrower's financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisors to any other person or entity without the Bank's prior written consent. If this Term Sheet is being delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'J. J. [unclear]', written over a horizontal line.

Senior Vice President
SouthState Bank, N.A

AFFIDAVIT OF PUBLICATION IN

The Press and Standard

1025 Bells Highway | Walterboro, SC 29488

843-549-2586 | walterborolive.com

PERSONALLY appeared before me, Amanda R. Mosley, who being duly sworn, says that she is the General Manager of The Press and Standard, published on Thursday of each week in Walterboro, County of Colleton, State of South Carolina; that the notice, of which a printed copy is hereby attached, was published in The Press and Standard for **One (1)** issues, and publication commencing on 3/13, **2025** and ending on 3/13, **2025**.

SWORN to before me

this 13 day of March, 2025

Tammy B. Hiott

Tammy B. Hiott

Notary Public for South Carolina

Commission Expires November 20, 2033.

Amanda R. Mosley

Amanda R. Mosley

PUBLIC NOTICE

Colleton County Council will conduct a Public Hearing on April 1, 2025 at 6:00 PM in Council Chambers, Old Jail Building, 109 Benson Street, Walterboro, SC. Public comments will be heard on the following:

Ordinance 25-0-01, To Amend Title 2 - Administration and Personnel, Chapter 2.30 - County Council, Section 2.30.060 - Committees, Paragraph F of the Colleton County Code of Ordinances

Ordinance 25-0-02, Authorizing a Lease-Purchase Financing Arrangement in the Amount of Not Exceeding \$1,500,000 for the Construction of a Fuel Farm at the Lowcountry Regional Airport; the Execution and Delivery of Certain Instruments, including a Lease-Purchase Agreement by Colleton County; and Other Matters Relating Thereto

The proposed Ordinances are available at the County Council Office, 109 Benson Street, Walterboro, SC 29488.