

**MINUTES OF THE REGULAR MEETING
OF THE DIRECTORS OF
NORTH AUGUSTA PUBLIC FACILITIES CORPORATION**

July 8, 2019

Call to Order

A regular meeting of the North Augusta Public Facilities Corporation (the "*Corporation*") was held at 100 Georgia Avenue, North Augusta, South Carolina 29841, at 5:30 p.m. on July 8, 2019.

Present representing the Corporation were Robert A. Pettit, Designated Director of the Corporation and Mayor of the City of North Augusta, Stephen E. Johnston, Elected Director of the Corporation, Dianne G. L'Heureux, Elected Director of the Corporation, Michael W. Pope, Elected Director of the Corporation, and Dale G. Slack, Elected Director of the Corporation. Guests at the meeting included, Todd Glover, City Administrator of the City of North Augusta; Rachelle Moody, Assistant City Administrator of the City of North Augusta, Cammie B. Hayes, Director of Finance of the City of North Augusta, Sharon Lamar, City Clerk of the City of North Augusta, and Josiah C.T. Lucas, Managing Member of Pope Flynn, LLC, counsel to the Corporation.

It was determined that there was no objection to notice of the meeting and that the meeting was duly noticed (or notice thereof properly waived).

A resolution with respect to approval of the agenda, without modification, was unanimously adopted upon motion duly made by Mr. Johnston and seconded by Mr. Slack.

Acknowledge Compliance with FOIA

Pursuant to § 30-4-80, Code of Laws of South Carolina 1976, as amended, notice has been given through the Corporation's normal communication means, and a notice has been posted at the offices of the City of North Augusta, South Carolina located at 100 Georgia Avenue, North Augusta, South Carolina 29841, that a regular meeting of the Board of Directors of the Corporation would be held on Monday, July 8, 2019, at 5:30 p.m.

No members of the press or media outlets were in attendance at the meeting.

The following items of business were considered during the course of the meeting:

Approval of Prior Minutes

The minutes for the Special Meeting of the Board of Directors of the Corporation for November 13, 2017 were presented. A resolution with respect to approval of the prior minutes, without modification, was made, upon motion duly made by Mr. Slack and seconded by Mr. Johnston.

Election or Re-election of Directors and Officers of the Corporation

The Board considered a resolution providing for (1) the confirmation of the Designated Director of the Corporation, Robert Pettit, who shall continue to serve in such capacity for so long

as he holds the office of Mayor of the City of North Augusta, (2) the re-election of the four current Elected Directors of the Board, including Stephen E. Johnston, Dianne G. L'Heureux, Michael W. Pope, and Dale G. Slack, for a term of three (3) years and (3) the election of the officers of the Corporation, including President Michael W. Pope, Treasurer Cammie B. Hayes and Secretary Sharon Lamar, for a term of one (1) year, and (4) other related business, as more fully described in the aforementioned resolution of the Board, a copy of which is included with the records of this meeting. Upon motion duly made by Mr. Pettit and seconded by Ms. L'Heureux, such Resolution, the title of which is set forth below, was unanimously adopted:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH AUGUSTA PUBLIC FACILITIES CORPORATION WITH RESPECT TO THE ELECTION OR RE-ELECTION OF DIRECTORS AND OFFICERS OF THE CORPORATION AND CERTAIN OTHER MATTERS RELATING TO THE FOREGOING.

Update on Project and Financing Matters

President Pope first called on Todd Glover, City Administrator of the City of North Augusta, to provide the Board with an update regarding the development and construction of the Riverside Village Project financed with the proceeds of the Corporation's 2017B Bonds. Mr. Glover reported the status of several projects. The parking garage is expected for completion January of 2020 and will include 575 spaces. Parcel K, formerly planned as Senior Living, has been deemed more appropriate for additional luxury apartments. The riverside park amphitheater plans are underway. Construction of additional single-family homes has begun with the intention of five completions by Masters 2020. The office building is in the design phase and the condominiums over retail project is still pending. Another restaurant lease has recently been executed. Traffic during Greenjackets baseball games is concerning, but work is continuing to accommodate the flow of fans. President Pope then called on Cammie Hayes, Treasurer of the Corporation and Finance Director of the City of North Augusta, to provide a brief update on the financing aspects of the Riverside Village Project. Ms. Hayes reported that quarterly updates are voluntarily being provided to the public. She presented information related to the City's general fund budget, tax collection, and outstanding indebtedness. The identified sources of installment payments are local hospitality taxes, local accommodation taxes, tax increment revenues, MID assessments, parking revenues and stadium revenues.

Other Business

President Pope opened the floor for old business or new business to be conducted by the Board and none was heard.

Adjournment

There being no further business, upon motion by Mr. Johnston duly made, seconded by Mr. Slack, and unanimously adopted, the meeting adjourned at 6:15 p.m.



Secretary

The undersigned directors hereby approve all matters and waive notice of the time, place and purposes of the regular meeting of the Board of Directors of the Corporation held on July 8, 2019, at 5:30 p.m. at 100 Georgia Avenue, North Augusta, South Carolina 29841.

July 8, 2019

Michael W. Pope

July 8, 2019

[Signature]

July 8, 2019

[Signature]

July 8, 2019

Dianne G. L'Heureux

July 8, 2019

[Signature]

Continuing Disclosure Requirements
North Augusta Public Facilities Corporation/City of North Augusta Series 2017B
Voluntary Filing for the Fiscal Quarter Ended March 31, 2019

Assessed Value of Taxable Property

The assessed value of all taxable real and personal property in the City for each of the last five years available is set forth in the following table (record will be updated with the 2018 audit):

Assessed Value of Taxable Property				
Fiscal Year Ended December 31	Tax Year	Real Property	Personal Property ⁽¹⁾	Total
2017	2016	\$ 79,819,959	\$ 26,336,665	\$ 106,156,624
2016	2015	73,065,987	21,623,421	94,689,408
2015	2014	70,710,810	20,984,447	91,695,257
2014	2013	69,161,813	19,735,545	88,897,358
2013	2012	68,404,348	19,032,345	87,436,693

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

Tax Rates

The millage imposed in the City in each of the last five tax years is set forth below:

Tax Rates				
Fiscal Year Ended December 31	Tax Year ⁽¹⁾	Operating Millage	Debt Service Millage	Total City Millage
2019	2018	73.50	-	73.50
2018	2017	73.50	-	73.50
2017	2016	70.50	-	70.50
2016	2015	74.21	-	74.21
2015	2014	74.21	-	74.21

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

(continued)

City General Fund Budget

The General Fund Budget for the year ending December 31, 2019 was adopted on December 3, 2018 by City Council and is shown in the following table:

Annual General Fund Budget for Fiscal Year Ending 12/31/19	
Revenues	
Ad valorem property taxes	\$ 7,283,560
Licenses and Permits	6,455,770
Fines and forfeitures	1,090,000
Charges for services	1,316,954
Intergovernmental	777,451
Miscellaneous	624,967
Transfers	1,235,666
Total Revenues	\$ 18,784,368
Expenditures	
General Government	\$ 5,735,709
Public Safety	8,596,074
Public Works	1,664,371
Parks, Recreation and Tourism	2,788,214
Total Expenditures	\$ 18,784,368

Ten Largest Taxpayers in the City

The ten largest taxpayers in the City, the assessed value for the fiscal year ended December 31, 2017 of the taxable property of each located within the City, and the amount of 2016 taxes paid to the City are as follows (record will be updated with the 2018 audit):

Ten Largest Taxpayers in the City 12/31/2017		
Taxpayer	Assessed Value	Taxes Paid
S.C. Electric & Gas Co.	\$ 3,232,640	\$ 227,901
Allnex Industries, Inc.	2,879,320	202,992
Wal-Mart, Inc.	2,156,900	152,061
SRP Federal Credit Union	1,265,570	89,223
SUSO 3 Augusta, LP	1,111,260	78,344
Halocarbon Chemicals, Inc.	1,072,580	75,617
CVS SC Distribution, Inc.	755,930	53,293
The Kroger Company	650,890	45,888
Lowes Home Centers, Inc.	574,350	40,492
Trailer Train-Hamburg Industries	557,480	39,302

(continued)

Tax Collection Record of the City

The following table shows the amount of taxes levied for City purposes, including additions and abatement, taxes collected as of December 31 of the year following the year in which the levy was made, and the amount of delinquent taxes collected in the City for the fiscal years shown (record will be updated with the 2018 audit):

Tax Collection Record of the City							
Fiscal Year Ended December 31	Tax Year ⁽¹⁾	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2017	2016	\$ 7,484,042	\$ 7,446,013	99.49%	\$ -	\$ 7,446,013	99.49%
2016	2015	7,026,901	6,992,988	99.52%	5,216	6,998,204	99.59%
2015	2014	6,804,705	6,762,260	99.38%	16,911	6,779,171	99.62%
2014	2013	6,597,073	6,565,216	99.52%	10,338	6,575,554	99.67%
2013	2012	6,488,677	6,446,489	99.35%	19,637	6,466,126	99.65%

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

Outstanding Indebtedness

Outstanding Indebtedness 12/31/2017		
General Obligation Debt	\$ -	
Tax Increment Debt	43,437,000	Includes Series 2017A *see note below
Outstanding Installment Purchase Revenue Bonds	69,450,000	Series 2017B Bonds *see note below
Outstanding Lease Purchase Obligations		
2018	893,416	
2019	719,694	
2020	361,157	
2021	176,412	
Subtotal	2,150,679	
Interest	(66,505)	
Present Value of minimum lease payments	2,084,174	
Revenue Debt		
Water and Wastewater Bonds, Series 2014A	11,422,409	Matures February 1, 2035
Water and Wastewater Bonds, Series 2015A	9,560,453	Matures December 1, 2036

*The North Augusta Public Facilities Corporation purchased the City's 2017A TIF Obligation (\$43,412,000 outstanding as of 12/31/2017) pursuant to which the City makes semi-annual payments to the Corporation from TIF Revenues. These payments are assigned to the Trustee for the Series 2017B Bonds and a credit against installment payments due in each year. The City's legal debt margin as of 12/31/2017 equaled \$8,492,530. This record will be updated with the 2018 audit.

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Identified Sources of Installment Payments

General Obligation Bonds The City is authorized by the State Constitution to incur general obligation indebtedness without voter approval in an amount not exceeding eight percent of the assessed value of all taxable property in the City for any corporate purpose of the municipality. The City presently has no general obligation debt outstanding.

General Obligation Bonds	
Fiscal Year	Amount
2019 ⁽¹⁾	\$ -
2018 ⁽¹⁾	-
2017	-
2016	-
2015	-
⁽¹⁾ UNAUDITED	

Local Hospitality Taxes City Council, pursuant to the Local Hospitality Tax Act and the Hospitality Tax Ordinance, established a uniform hospitality tax, which imposed, effective December 1, 1998, a one percent (1%) tax on the sales of prepared meals and beverages, including alcoholic beverages, beer and wine, at businesses within the City. Effective December 1, 2017, the hospitality tax rate was raised to two percent (2%) with collections beginning in January 2018.

Local Hospitality Taxes		
Fiscal Year	City Hospitality Taxes	Increase in Collections over Prior Fiscal Year
2019 1st Qtr ⁽¹⁾	\$ 404,145	N/A
2018 ⁽¹⁾	1,609,103	118.67%
2017	735,845	3.18
2016	713,152	7.27
2015	664,804	9.68
2014	606,121	5.86
2013	572,543	7.53
⁽¹⁾ UNAUDITED		

(continued)

Local Accommodations Taxes City Council, pursuant to the Local Accommodations Tax Act and the Accommodations Tax Ordinance established a local accommodations tax, which imposed, effective December 1, 1998, a three percent (3%) tax on furnishing of accommodations to transients within the City.

Local Accommodations Taxes		
Fiscal Year	City Accommodations Taxes	Increase (Decrease) in Collections over Prior Fiscal Year
2019 1st Qtr ⁽¹⁾	\$ 16,746	N/A
2018 ⁽¹⁾	109,092	98.70%
2017	54,904	7.86
2016	50,904	3.68
2015	49,099	(11.39)
2014	55,410	9.88
2013	50,428	(2.62)
⁽¹⁾ UNAUDITED		

Tax Incremental Revenues The TIF Act authorizes municipalities to incur indebtedness for the purpose of redevelopment in areas which are or which are threatened to become blighted and to fund the debt service of such indebtedness from the additional tax revenues which result from such redevelopment. Under the TIF Act, all property taxes of all taxing jurisdictions imposed and collected within the Redevelopment Project Area in excess of the amount attributable to the "total initial equalized assessed value" of all taxable real property in the Redevelopment Project Area shall be paid to the municipality which shall deposit the taxes into a special tax allocation fund for the purpose of paying redevelopment project costs and discharging the obligations incurred in the payment of such costs. Certain portions of the taxes deposited to or otherwise subject to deposit to the special tax allocation fund are disbursed to overlapping taxing entities in accordance with agreements between the City and political subdivisions pursuant to which they agreed to participate in the TIF on a modified basis.

Tax Incremental Revenues		
Fiscal Year	City TIF Revenues	% Growth
2019 1st Qtr ⁽²⁾	\$ 642,664	N/A
2018 ⁽¹⁾	751,052	22
2017	613,831	19
2016	516,829	14
2015	453,883	9
2014	417,373	N/A
⁽¹⁾ UNAUDITED		
⁽²⁾ UNAUDITED; COUNTY PAYMENT DUE 2nd Qtr		

MID Assessments The municipal improvement district (MID District) consists of parcels owned by the private developers within the TIF District where private improvements will be constructed. The City has imposed a special assessment on the parcels in the MID District owned by the private developers. The special assessment has been set on an annual basis at an amount equal to an estimate of the TIF revenues that will result from the private improvement specified in the Master Development Agreement. There have been no MID assessments through 3/31/2019.

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Parking Revenues Parking revenues are received from the Medac Deck, Hotel Deck and various lots owned by the City. Revenues received are netted against expenditures incurred for operations and maintenance of the parking facilities. Regular operating expenses have occurred during 2019 and parking revenues are expected to be collected beginning in 2nd Quarter.

Parking Revenues		
Fiscal Year	Net Amount	% Growth
2019 1st Qtr ⁽¹⁾	\$ (3,346)	N/A
2018 ⁽¹⁾	108,885	N/A
⁽¹⁾ UNAUDITED		

Stadium Revenues Stadium revenues are received from GreenJackets Baseball for performance license fees, retail space rent, corporate naming rights, and stadium rent. Admissions tax payments are received from the South Carolina Department of Revenue (SCDOR).

Stadium Revenues						
Fiscal Year	Admissions Tax ⁽⁵⁾	Performance License Fees ⁽²⁾	Retail Space Rent ⁽³⁾	Corporate Naming Rights ⁽⁴⁾	Rent ⁽³⁾	Total
2019 1st Qtr ⁽¹⁾	\$ -	\$ 64,884	\$ -	\$ -	\$ -	\$ -
2018 ⁽¹⁾	18,336	-	100,000	100,000	250,000	468,336
⁽¹⁾ UNAUDITED						
⁽²⁾ Revenue stream due 1/31/xx of each year for the prior calendar year						
⁽³⁾ Revenue stream due 4/1/xx of each year						
⁽⁴⁾ Revenue stream due 12/31/xx of each year						
⁽⁵⁾ Payments received throughout the year from SCDOR						

Please refer to the City of North Augusta's Comprehensive Annual Financial Report and Official Statement for additional information about the City.