

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

July 20, 2020

**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 20, 2020.

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, Cammie B. Hayes, Treasurer of the Corporation and Director of Finance of the City of North Augusta, and Sharon Lamar, Secretary of the Corporation and City Clerk of the City of North Augusta,. Guests at the meeting included, Rachelle Moody, Interim City Administrator 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.

A resolution with respect to approval of the agenda, without modification, was unanimously adopted upon motion duly made by Stephen E. Johnston and seconded by Dianne G. L'Heureux.

**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 20, 2020, 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 Regular Meeting of the Board of Directors of the Corporation for July 8, 2019 were presented. A resolution with respect to approval of the prior minutes, without modification, was made, upon motion duly made by Stephen E. Johnston and seconded by Dianne G. L'Heureux.

**Confirmation of Designated Director, Acceptance of Resignation of an Elected Director and Election or Re-election of Officers of the Corporation**

The Board considered a written resolution providing for (1) the confirmation of the Designated Director of the Corporation, Robert A. 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 resignation of Elected Director of the Board Dale G. Slack, 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. Prior to asking for a motion on the resolution, President Pope led a brief discussion regarding the replacement of Mr. Slack as an Elected Director and the consensus of the existing Directors was to take the issue under advisement and consider a replacement in due course, without haste, with any replacement to be elected in accordance with the Corporation's Bylaws. Upon motion duly made by Dianne G. L'Heureux and seconded by Stephen E. Johnston, 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 CONFIRMATION OF THE DESIGNATED DIRECTOR, ACCEPTANCE OF RESIGNATION OF AN ELECTED DIRECTOR, AN ELECTION OR RE-ELECTION OF OFFICERS OF THE CORPORATION AND CERTAIN OTHER MATTERS RELATING TO THE FOREGOING.**

**Update on Project and Financing Matters**

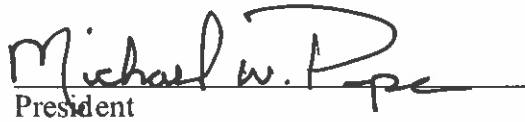
President Pope first called on Rachelle Moody, Interim City Administrator of the City of North Augusta, to provide the Board with an update regarding the development and construction of the Riverside Village Project financed with the proceeds of the Corporation's 2017B Bonds. Ms. Moody reported the status of several projects. The construction of the stadium parking garage is complete; however, it has not opened to date due to the cancellation of the 2020 minor league baseball season. The developer is waiting until a big event to open the facility. The City of North Augusta has completed the construction of the amphitheater. A recent grand opening and ribbon cutting for the amphitheater was held with the City Council and members of the public in attendance. The City has met all of its development requirements at Riverside Village. Parcel K, formerly planned as Senior Living, has been deemed more appropriate for additional luxury apartments. The planned apartments will be similar to the existing Ironwood and Club House apartments. 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. Some streams of revenues are lagging due to the COVID-19 pandemic. The City is waiting on the MID payment to be made and is currently in the penalty period.

### 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 Stephen E. Johnston duly made, seconded by Dianne G. L'Heureux, and unanimously adopted, the meeting adjourned at 5:44 p.m.

  
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President

  
\_\_\_\_\_  
Secretary

**Continuing Disclosure Requirements**  
**North Augusta Public Facilities Corporation/City of North Augusta Series 2017B**  
**Voluntary Filing for the Fiscal Quarter Ended June 30, 2020**

**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:

| <b>Assessed Value of Taxable Property</b> |             |               |                                     |                |
|---|-------------|---------------|-------------------------------------|----------------|
| Fiscal Year Ended<br>December 31          | Tax<br>Year | Real Property | Personal<br>Property <sup>(1)</sup> | Total          |
| 2019                                      | 2018        | \$ 83,448,499 | \$ 31,654,277                       | \$ 115,102,776 |
| 2018                                      | 2017        | 82,341,248    | 27,375,296                          | 109,716,544    |
| 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     |

<sup>(1)</sup> 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:

| <b>Tax Rates</b>                 |                            |                      |                         |                       |
|----------------------------------|----------------------------|----------------------|-------------------------|-----------------------|
| Fiscal Year Ended<br>December 31 | Tax<br>Year <sup>(1)</sup> | Operating<br>Millage | Debt Service<br>Millage | Total City<br>Millage |
| 2020                             | 2019                       | 73.50                | -                       | 73.50                 |
| 2019                             | 2018                       | 73.50                | -                       | 73.50                 |
| 2018                             | 2017                       | 73.50                | -                       | 73.50                 |
| 2017                             | 2016                       | 70.50                | -                       | 70.50                 |
| 2016                             | 2015                       | 74.21                | -                       | 74.21                 |

<sup>(1)</sup> 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 fiscal year ending December 31, 2020 was adopted on December 2, 2019 by City Council and is shown in the following table:

| <b>Annual General Fund Budget for Fiscal Year Ending 12/31/20</b> |                      |
|---|----------------------|
| <b>Revenues</b>   |                      |
| Ad valorem property taxes   | \$ 7,498,967         |
| Licenses and Permits  | 6,351,000            |
| Fines and forfeitures   | 1,120,000            |
| Charges for services  | 1,371,963            |
| Intergovernmental   | 750,648              |
| Miscellaneous   | 713,323              |
| Transfers   | 1,308,967            |
| <b>Total Revenues</b>   | <b>\$ 19,114,868</b> |
| <b>Expenditures</b>   |                      |
| General Government  | \$ 5,711,790         |
| Public Safety   | 8,843,667            |
| Public Works  | 1,650,089            |
| Parks, Recreation and Tourism                                     | 2,909,322            |
| <b>Total Expenditures</b>   | <b>\$ 19,114,868</b> |

A budget adjustment has been proposed for City Council's consideration to adopt on July 20, 2020 in response to the current outbreak of the 2019 Novel Coronavirus Disease ("COVID-19"). The proposal reduces General Fund Revenues for Charges for services to \$646,828 and Miscellaneous to \$698,323. It also reduces General Fund Expenditures for General Government to \$5,557,825, for Public Safety to \$8,716,761, for Public Works to \$1,647,218 and Parks, Recreation and Tourism to \$2,452,929. The proposed adjustment totals \$740,135 and takes into consideration the cancellations and modifications of athletic and other programs as well as cancellations to rental of City facilities.

**Ten Largest Taxpayers in the City**

The ten largest taxpayers in the City, the assessed value for the fiscal year ended December 31, 2019 of the taxable property of each located within the City, and the amount of 2018 taxes paid to the City are as follows:

| <b>Ten Largest Taxpayers in the City 12/31/2019</b> |                |            |
|---|----------------|------------|
| Taxpayer  | Assessed Value | Taxes Paid |
| S.C. Electric & Gas Co.                             | \$ 3,449,210   | \$ 253,517 |
| Allnex Industries, Inc.                             | 2,602,230      | 191,264    |
| Wal-Mart, Inc.                                      | 2,512,010      | 184,633    |
| SUSO 3 Augusta, LP                                  | 1,224,300      | 89,986     |
| SRP Federal Credit Union                            | 1,111,850      | 81,721     |
| Halocarbon Chemicals, Inc.                          | 1,076,300      | 79,108     |
| CVS SC Distribution, Inc.                           | 724,870        | 53,278     |
| NHC Healthcare                                      | 712,590        | 52,375     |
| Lowe's Home Centers, Inc.                           | 580,550        | 42,670     |
| The Kroger Company                                  | 562,320        | 41,331     |

(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:

| Tax Collection Record of the City |                         |                                 |   |                       |                                    |                           |                       |
|-----------------------------------|-------------------------|---------------------------------|---|-----------------------|------------------------------------|---------------------------|-----------------------|
| Fiscal Year Ended<br>December 31  | Tax Year <sup>(1)</sup> | Taxes Levied<br>for Fiscal Year | Collected within the Fiscal<br>Year of the Levy |                       |                                    | Total Collections to Date |                       |
|                                   |                         |                                 | Amount  | Percentage<br>of Levy | Collections in<br>Subsequent Years | Amount                    | Percentage<br>of Levy |
| 2019                              | 2018                    | \$ 8,460,054                    | \$ 8,404,331                                    | 99.34%                | \$ -                               | \$ 8,404,331              | 99.34%                |
| 2018                              | 2017                    | 8,064,166                       | 8,018,222                                       | 99.43%                | 14,731                             | 8,032,953                 | 99.61%                |
| 2017                              | 2016                    | 7,484,042                       | 7,446,013                                       | 99.49%                | 8,288                              | 7,454,301                 | 99.60%                |
| 2016                              | 2015                    | 7,026,901                       | 6,992,988                                       | 99.52%                | 9,980                              | 7,002,968                 | 99.66%                |
| 2015                              | 2014                    | 6,804,705                       | 6,762,260                                       | 99.38%                | 21,510                             | 6,783,770                 | 99.69%                |

<sup>(1)</sup> 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 12/31/2019            |            |   |
|--|------------|---|
| General Obligation Debt                        | \$ -       |   |
| Tax Increment Debt                             | 43,437,000 | Includes Series 2017A Bonds *see note below |
| Outstanding Installment Purchase Revenue Bonds | 69,450,000 | Series 2017B Bonds *see note below          |
| Outstanding Lease Purchase Obligations         |            |   |
| 2020   | 848,264    |   |
| 2021   | 663,520    |   |
| 2022   | 487,109    |   |
| 2023   | 270,634    |   |
| Subtotal                                       | 2,269,527  |   |
| Interest                                       | (113,076)  |   |
| Present Value of minimum lease payments        | 2,156,451  |   |
| Revenue Debt                                   |            |   |
| Water and Wastewater Bonds, Series 2014A       | 10,290,474 | Matures February 1, 2035                    |
| Water and Wastewater Bonds, Series 2015A       | 8,599,506  | Matures December 1, 2036                    |

\*The North Augusta Public Facilities Corporation purchased the City's 2017A TIF Obligation (\$43,412,000 outstanding as of 12/31/2019) 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 provide a credit against installment payments due in each year. The City's legal debt margin as of 12/31/2019 equaled \$9,208,222.

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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. As of 6/30/20 the City's entire eight percent capacity is available.

On November 6, 2018, a favorable bond referendum was held in the City of North Augusta authorizing the City to issue not exceeding \$10,250,000 of general obligation bonds as part of a favorable Capital Projects Sales Tax referendum. These bonds were issued in 2020 to construct and equip a public safety headquarters and bond payments will be made from revenues collected from the capital projects sales tax.

| General Obligation Bonds |               |
|--------------------------|---------------|
| Fiscal Year              | Amount        |
| 2020 <sup>(1)</sup>      | \$ 10,250,000 |
| 2019                     | -             |
| 2018                     | -             |
| 2017                     | -             |
| 2016                     | -             |
| <sup>(1)</sup> 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 the maximum of two percent (2%) with collections beginning in January 2018.

| Local Hospitality Taxes           |                        |  |
|-----------------------------------|------------------------|--|
| Fiscal Year                       | City Hospitality Taxes | Increase in Collections over Prior Fiscal Year |
| 2020 1st & 2nd Qtr <sup>(1)</sup> | \$ 814,135             | N/A  |
| 2019                              | 1,788,174              | 11.13%   |
| 2018                              | 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   |
| <sup>(1)</sup> 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 |
| 2020 1st & 2nd Qtr <sup>(1)</sup> | \$ 53,473                 | N/A   |
| 2019                              | 229,047                   | 109.96%   |
| 2018                              | 109,092                   | 98.70   |
| 2017                              | 54,904                    | 7.86  |
| 2016                              | 50,904                    | 3.68  |
| 2015                              | 49,099                    | (11.39)   |
| 2014                              | 55,410                    | 9.88  |
| <sup>(1)</sup> UNAUDITED          |                           |   |

**Tax Increment 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. As of 6/30/20, no funds had been disbursed to overlapping taxing entities.

| Tax Increment Revenues            |                   |          |
|-----------------------------------|-------------------|----------|
| Fiscal Year                       | City TIF Revenues | % Growth |
| 2020 1st & 2nd Qtr <sup>(1)</sup> | \$ 1,464,507      | N/A      |
| 2019                              | 804,992           | 7%       |
| 2018                              | 751,052           | 22       |
| 2017                              | 613,831           | 19       |
| 2016                              | 516,829           | 14       |
| 2015                              | 453,883           | 9        |
| 2014                              | 417,373           | N/A      |
| <sup>(1)</sup> UNAUDITED          |                   |          |

(continued)



**MID Assessments** The municipal improvement district (MID District) consists of certain 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. 2020 is the first year the special assessments were billed and payable. These assessments are due to the City no later than May 1 in the year the special assessments are billed to avoid penalty. Penalties have been assessed on all outstanding MID special assessments.

| MID Assessments               |          |                 |              |
|-------------------------------|----------|-----------------|--------------|
| Fiscal Year Ended December 31 | Tax Year | MID Assessments | MID Receipts |
| 2020 1st & 2nd                | 2019     | \$ 1,183,327    | \$ 364,548   |
| <sup>(1)</sup> UNAUDITED      |          |                 |              |

**Parking Revenues** Parking revenues are received from certain parking facilities owned or operated by the City including 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.

| Parking Revenues                  |            |          |
|-----------------------------------|------------|----------|
| Fiscal Year                       | Net Amount | % Growth |
| 2020 1st & 2nd Qtr <sup>(1)</sup> | \$ 9,639   | N/A      |
| 2019                              | 128,499    | 18%      |
| 2018                              | 108,885    | N/A      |
| <sup>(1)</sup> UNAUDITED          |            |          |

**Stadium Revenues** Stadium revenues are received from GreenJackets Baseball for performance license fees, retail space rent, corporate naming rights, and stadium rent. The GreenJackets Baseball 2020 season was canceled on June 30, 2020 along with all Minor League Baseball teams. Admissions tax payments are received from the South Carolina Department of Revenue (SCDOR).

| Stadium Revenues   |                               |   |                                  |  |                     |           |
|--|-------------------------------|---|----------------------------------|--|---------------------|-----------|
| Fiscal Year  | Admissions Tax <sup>(5)</sup> | Performance License Fees <sup>(2)</sup> | Retail Space Rent <sup>(3)</sup> | Corporate Naming Rights <sup>(4)</sup> | Rent <sup>(3)</sup> | Total     |
| 2020 1st & 2nd Qtr <sup>(1)</sup>  | \$ 12,294                     | \$ 74,894                               | \$ -                             | \$ -                                   | \$ 100,000          | \$187,188 |
| 2019   | 71,244                        | 64,884                                  | 100,000                          | 100,000                                | 250,000             | 586,128   |
| 2018   | 18,336                        | -                                       | 100,000                          | 100,000                                | 250,000             | 468,336   |
| <sup>(1)</sup> UNAUDITED   |                               |   |                                  |  |                     |           |
| <sup>(2)</sup> Revenue stream due 1/31/xx of each year for the prior calendar year |                               |   |                                  |  |                     |           |
| <sup>(3)</sup> Revenue stream due 4/1/xx of each year                              |                               |   |                                  |  |                     |           |
| <sup>(4)</sup> Revenue stream due 12/31/xx of each year                            |                               |   |                                  |  |                     |           |
| <sup>(5)</sup> Payments received throughout the year from SCDOR                    |                               |   |                                  |  |                     |           |

Please refer to the City of North Augusta’s Comprehensive Annual Financial Report and Official Statement with respect to the Series 2017B Bonds for additional information about the City. Please also refer to the City’s additional voluntary disclosure related to the Coronavirus (COVID-19) Outbreak.