

RESOLUTION NO. ____

AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE AGREEMENTS WITH THE GREENS OF ROCK HILL, LLC RELATING TO THE DESIGN OF A VELODROME; DECLARING THE CITY'S INTENT TO REIMBURSE EXPENDITURES PAID IN CONNECTION THEREWITH FROM THE PROCEEDS OF CERTAIN OBLIGATIONS ISSUED PURSUANT TO THE AMERICAN REINVESTMENT AND RECOVERY ACT; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCK HILL, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings.

The City Council ("City Council") of the City of Rock Hill, South Carolina (the "City"), hereby finds and determines:

(a) The City is an incorporated municipality located in York County, and as such possesses all powers granted to municipalities by the Constitution and general laws of the State of South Carolina. Pursuant to Section 5-5-10 of the Code of Laws of South Carolina 1976, as amended, the City has selected the Council-Manager form of government and is governed by the City Council which is composed of a Mayor and six (6) council members which constitute the governing body of the City.

(b) The Greens of Rock Hill, LLC (the "Developer") is currently the sole owner of the approximately 1,008 acre property currently identified as York County Tax Map Numbers 665-00-00-003 and 663-00-00-001 located in the City (the "Property") and has expressed to the City its intent to develop a mixed-use project, including the construction of residential, retail, office, hospitality and industrial improvements thereon.

(c) The City has previously issued its \$10,500,000 original principal amount Tax Increment Bond (Red River Redevelopment Projects), Series 2009, dated October 23, 2009 (the "2009 TIF Bond") to defray a portion of the costs of certain publicly-owned projects on the Property including, but not limited to, the design, engineering and construction of bicycle tracks and other cycling facilities.

(d) The City and the Developer have previously entered into a Financing Agreement, dated as of September 1, 2009, which provides, among other things, for the Developer to undertake the design, acquisition and construction of certain projects on the Property and dedicate those projects to the City, and for the City to make periodic disbursements to the Developer from proceeds of the 2009 TIF Bond to pay the costs of construction of such publicly-owned projects. The Development Agreement provides that, subject to approval by the City prior to December 31, 2010, in its discretion, the City may construct facilities for competitive bicycle events and related training activities on the Property, including a velodrome (the "Velodrome").

(e) The City desires to enter into one or more agreements with the Developer whereby the Developer agrees to undertake or obtain the design work (including, but not limited to, preliminary architectural and engineering work) in connection with the Velodrome (the "Design Agreements"). The City further desires to utilize a portion of the proceeds from the 2009 TIF Bond to pay for amounts due to the Developer under the Design Agreements.

(f) The City intends to issue certain obligations prior to December 31, 2010 (the “2010 Obligations”) to defray a portion of the costs of designing, constructing and equipping the Velodrome. The 2010 Obligations are anticipated to be designated as Recovery Zone Economic Development Bonds under Sections 1400U-1 and 1400U-2 to the Internal Revenue Code of 1986, as amended (the “Code”), and are anticipated to utilize New Market Tax Credits available under Section 45(D) of the Code. The City intends to use a portion of the proceeds of the 2010 Obligations to reimburse the City for amounts it will expend in connection with the Design Agreements prior to the issuance of the 2010 Obligations.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Rock Hill, South Carolina, as follows:

Section 1. Approval of Design Documents. The Mayor and the City Manager, or either of them acting alone, are hereby authorized and empowered to negotiate, execute and deliver the Design Agreements, in the name and on behalf of the City, with the Developer. Such Design Agreements shall be in the form approved by the official of the City executing the same. The Mayor and the City Manager, or either of them acting alone, are further authorized and empowered to execute any subsequent amendments or revisions to the Design Documents. A portion of the proceeds of the City’s 2009 TIF Bond may be used to pay amounts due from the City under the Design Documents prior to the issuance of the 2010 Obligations.

Section 2. Reimbursement. This Resolution 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 2010 Obligations for expenditures it anticipates incurring in an approximate amount of not exceeding \$300,000 (the “Expenditures”) with respect to design work for the Velodrome prior to the issuance of the 2010 Obligations. Expenditures which are 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 (2) 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 design work for the Velodrome will be the proceeds of the 2009 TIF Bond. 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 such Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 3. Further Actions. The Mayor and the City Manager, or either of them acting alone, for and on behalf of the City, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of such other documents and certificates necessary to effectuate and perform the intentions of this Resolution and all obligations of the City under and pursuant to the Design Agreements.

Section 4. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 5. Repeal of Conflicting Resolutions. All orders, resolutions and parts thereof in conflict herewith 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.

[Execution Page Follows]

Adopted by the City Council of the City of Rock Hill, South Carolina, this 11th day of October, 2010.

CITY OF ROCK HILL, SOUTH CAROLINA

A. Douglas Echols, Jr., Mayor

John A. Black III

Susie B. Hinton

Kathy Pender

James C. Reno, Jr.

Osbey Roddey

Kevin Sutton

(SEAL)
ATTEST:

David B. Vahaun
Municipal Clerk