

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF October 13, 2020

ITEM NUMBER 11

AGENCY: Midlands Technical College

SUBJECT: Not Exceeding \$10,300,000 General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$10,300,000 General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020.

The proceeds of the bonds will be used to defray \$10 million of the planned \$30 million cost to construct, reconstruct, improve, furnish and refurbish a facility comprising classroom, lab, office and other space parking and related infrastructure to be known as the Center for QuickJobs Training and Workforce Development to be located on the Beltline Campus of the College, and to demolish the Lindau Engineering and Technology Building and the Engineering Lab building to provide a site for the project.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$10,300,000 General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020.

ATTACHMENTS:

Pope September 3, 2020 letter; Resolution; NDIF



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1111 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
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September 3, 2020

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re Not Exceeding \$10,300,000 of General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College) of the State of South Carolina (the "Bonds")

Dear Delbert:

On behalf of Midlands Technical College, in connection with the authorization of the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for October 13, 2020, we respectfully enclose the following for consideration by the Authority:

1. a Bond Transmittal Form;
2. a resolution adopted by the Midlands Technical College Commission on July 22, 2020, making application to the Authority in connection with the Bonds;
3. a proposed form of opinion of Bond Counsel; and
4. a proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

A handwritten signature in blue ink, appearing to read "G. T. Pope, Jr.", is written over the typed name.

Gary T. Pope, Jr.

c: Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Debbie Walker, Vice President for Business Affairs, Midlands Technical College
Enclosures

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
 State Fiscal Accountability Authority
 600 Wade Hampton Building (29201)
 P.O. Box 12444
 Columbia, SC 29211

DATE: 9/3/2020

Submitted for SFAA Meeting on:
 10/13/2020

FROM: Pope Flynn, LLC
 1411 Gervais Street
 Suite 300
 Columbia, SC 29201

RE: Not Exceeding \$10,300,000 of General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020

Project Issue Date: Spring 2021

Project Name: Center for QuickJobs Training and Workforce Development (Project # 6140)

Project Description: The bonds will defray \$10 million of the planned \$30 million cost to construct, reconstruct, improve, furnish and refurbish a facility comprising classroom, lab, office, and other space, parking, and related infrastructure, to be known as the Center for QuickJobs Training and Workforce Development to be located on the Beltline Campus of the College, and to demolish the Lindau Engineering Technology Building and the Engineering Lab building to provide a site therefor.

Employment as a result of the project: N/A

	YES	NO	AMOUNT
Ceiling Allocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution ~~and Public Notice~~ *(original)*
Plus 5 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter
- G. Processing Fee

Amount: \$ Click or tap here to enter text. *Check No:* Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. No Private Participant will be known at the time the Authority considers this agenda item.
- J. This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel: Gary T. Pope, Jr.
Typed Name of Bond Counsel

By: _____
Signature

SFAA 06/19/2020

STATE OF SOUTH CAROLINA
MIDLANDS TECHNICAL COLLEGE

A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING TEN
MILLION THREE HUNDRED THOUSAND DOLLARS (\$10,300,000)
AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION
STATE INSTITUTION BONDS ON BEHALF OF MIDLANDS
TECHNICAL COLLEGE PURSUANT TO CHAPTER 107, TITLE 59,
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

July 22, 2020

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A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING TEN MILLION THREE HUNDRED THOUSAND DOLLARS (\$10,300,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS ON BEHALF OF MIDLANDS TECHNICAL COLLEGE PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE MIDLANDS TECHNICAL COLLEGE COMMISSION IN A MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Resolution, the Midlands Technical College Commission (the "Commission"), the governing body of Midlands Technical College (the "College"), hereby finds and determines as follows:

(a) This Resolution is adopted by the Commission pursuant to Title 59, Chapter 107, Code of Laws of South Carolina 1976, as amended (the "Enabling Act").

(b) Pursuant to Section 59-107-40 of the Enabling Act, the Commission is authorized to make application to the South Carolina State Fiscal Accountability Authority (the "State Authority") for the issuance of General Obligation State Institution Bonds ("State Institution Bonds"), the proceeds of which may be used: (i) to construct, reconstruct, maintain, improve, furnish, and refurnish the buildings of and other permanent improvements to the College; (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of the College; and (iii) to reimburse the College for expenses incurred in anticipation of the issuance of such bonds.

(c) The Commission has determined that a current need exists to construct, reconstruct, improve, furnish and refurnish a facility comprising classroom, lab, office, and other space, parking, and related infrastructure, to be known as the Center for QuickJobs Training and Workforce Development to be located on the Beltline Campus of the College, and to demolish the Lindau Engineering Technology Building and the Engineering Lab building to provide a site therefor (the "Project").

(d) The College estimates that the total cost of the Project will be approximately \$30,000,000. In order to fund a portion of the projected costs of the Project, and taking into account other available resources, the Commission now desires to make application to the State Authority to issue not exceeding Ten Million Three Hundred Thousand Dollars (\$10,300,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College) of the State of South Carolina (the "Bonds") pursuant to the Enabling Act, on the basis that a definite and immediate need exists for constructing, reconstructing, improving, furnishing and refurnishing the Project, and therefore for issuing such Bonds. The proceeds of the Bonds shall be applied to defray a portion of the costs of the Project, reimburse the College for expenses incurred in anticipation of the issuance of the Bonds, and to pay the costs of issuance of the Bonds.

(e) Accordingly, this Resolution is adopted pursuant to Section 59-107-40 of the Enabling Act, in order to make formal application to the State Authority for the issuance of the Bonds, the proceeds of which will be used for the purposes set forth in paragraph (d) of this Section 1.

SECTION 2. Application for Issuance of State Institution Bonds. The Commission hereby makes formal application to the State Authority for funds through the issuance of the Bonds pursuant to the provisions of the Enabling Act, in order that the proceeds thereof may be used for the purposes set forth in paragraph (d) of Section 1 hereof.

SECTION 3. Tuition Fees Received in Previous Fiscal Year. Based on tuition fees as defined in the Enabling Act and as described in Section 4 below, for fiscal year July 1, 2019 through June 30, 2020, tuition fees available to pay debt service on State Institution Bonds amounted to not less than \$3,960,439.00.

SECTION 4. Current Schedule of Tuition Fees. The schedule of tuition fees, as defined in the Enabling Act and as now in effect at the College, is as set forth as Exhibit A to this Resolution, which schedule is hereby reaffirmed and approved.

SECTION 5. Maturity Schedule for Bonds. The suggested maturity schedule for the Bonds requested to be issued pursuant to this Resolution is set forth as Exhibit B to this Resolution. Said Exhibit B assumes that the principal amount of the Bonds will be \$10,300,000.

SECTION 6. Debt Service on Outstanding State Institution Bonds. A statement showing all State Institution Bonds heretofore issued on behalf of the College now outstanding and not defeased, together with the annual interest and principal payments to become due thereon, is set forth as Exhibit C to this Resolution.

SECTION 7. Debt Service on Outstanding Bonds Including Bonds Authorized Hereby. A table showing debt service on all State Institution Bonds to be outstanding for the College following the issuance of the Bonds (at an assumed principal amount of the Bonds of \$10,300,000 and at prevailing rates of interest) is set forth as Exhibit D to this Resolution. Upon the issuance of the Bonds, the maximum annual debt service on all State Institution Bonds secured by tuition fees of the College may not be greater than 90% of the tuition fees received by the College for the preceding fiscal year.

A calculation establishing the right of the College to seek the issuance of Bonds to the extent set forth in this Resolution is set forth as Exhibit E to this Resolution.

SECTION 8. Request for Issuance of Bonds and Bond Anticipation Notes.

(a) The State Authority is requested to make the findings required by the Enabling Act and to request the Governor and the State Treasurer to provide for the issuance of the Bonds by the State of South Carolina (the "State"). If the State Treasurer should determine that all or a portion of the proceeds needed to defray the costs of the Project should be funded by the issuance of bond anticipation notes (the "Notes") pursuant to Chapter 17, Title 11 of the Code of Laws of South Carolina 1976, as amended (the "BAN Act") rather than the Bonds and that the issuance of the Notes would be in the best interest of the State under prevailing market conditions or, in light of the subsequent borrowings necessary to finance the completion of the Project, would be more efficient than issuing Bonds at this time, the Governor and the State Treasurer are further requested to effect the issuance of Notes pursuant to the BAN Act. If Notes are issued and if, upon maturity thereof, the State Treasurer should determine that further issuance of Notes rather than the Bonds would be in the best interest of the State under prevailing market conditions, the Governor and the State Treasurer are requested to continue the issuance of Notes, in a principal amount not to exceed \$10,300,000 until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(b) The Commission hereby covenants and agrees that the College will, and hereby directs the Vice President for Business Affairs to cause to be deposited and designated sufficient tuition fees during each fiscal year to satisfy the requirement that debt service on all State Institution Bonds issued on

behalf of the College (including the Bonds herein requested) shall not exceed 90% of such tuition fees so deposited and designated. The Vice President for Business Affairs is hereby authorized and directed to certify the amount so deposited and designated to the State Authority. In the event this application is submitted to the State Authority, or the Bonds herein requested are delivered, in a fiscal year subsequent to the fiscal year in which this Resolution is adopted, the request herein made is expressly conditioned on such certification being made and showing that debt service on all State Institution Bonds issued on behalf of the College (including the Bonds herein requested) does not exceed 90% of such tuition fees so deposited and designated.

SECTION 9. Covenant to Impose Tuition Fees Sufficient to Pay Bonds. The Commission hereby covenants and agrees that the schedule of tuition fees now in effect at the College will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the College.

SECTION 10. Tax Covenants. To the extent that the State Authority provides for the issuance of Bonds on a federally tax-exempt basis, the College will covenant as follows:

(a) Federal Guarantee Prohibition. The College shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Regulations”).

(b) Private Business Limitation. The College shall ensure that (i) not in excess of 10% of the amount actually or constructively received from the sale of the Bonds, together with the investment earnings thereon (“Net Proceeds”), is used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public but not use by the federal government of the United States of America or any agency or instrumentality thereof (“Private Business Use”), if, in addition, the payment of more than ten percent of the principal or ten percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (a) in excess of five percent of the Net Proceeds are used for a Private Business Use, and (b) an amount in excess of five percent of the principal or five percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent of Net Proceeds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the facilities financed with the proceeds of the Bonds and shall not exceed the proceeds used for the governmental use of the portion of the undertaking to which such Private Business Use is related.

(c) Private Loan Limitation. The College shall ensure that not in excess of the lesser of (i) \$5,000,000 or (ii) 5% of the Net Proceeds will be used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

(d) No Arbitrage. The College represents that it does not expect any portion of the proceeds of the Bonds to be used directly or indirectly to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments for other than a “temporary

period” as defined in the Code and the Regulations. The College further covenants that it will not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments. In making the foregoing representation and covenant, the College understands and intends that words or phrases contained herein have meanings provided therefor under Section 148 of the Code and under the Regulations.

SECTION 11. Secretary to Present Resolution to State Authority. The Secretary of the Commission is hereby directed to present a certified copy of this Resolution, together with the Exhibits and any certification required by Section 8 to this Resolution, to the State Authority as evidence of the Commission’s formal request for the issuance of the Bonds on behalf of the College, and as evidence that all conditions precedent to the issuance of such Bonds have been met prior to the issuance of the Bonds. The date of application for purposes of the Enabling Act shall be such date as this Resolution and any certificate required by Section 8 hereof is submitted to the State Authority.

SECTION 12. Execution of Closing Documents and Certificates. The Chairman and the Secretary of the Commission, and all other officers of the College, are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents in such form as he or they shall approve, is hereby fully authorized. In particular, such officers of the College are authorized to abide by covenants made by or on behalf of the State Authority in connection herewith relating to Sections 9 and 10 hereof or relating to Rule 15c2-12 of the United States Securities and Exchange Commission or relating to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended.

SECTION 13. Reimbursement Declaration. The College hereby declares its intention to reimburse itself for a portion of the costs of the Project with the proceeds of the Bonds or the Notes, as the case may be, requested to be issued herein. To that end, the Commission determines and declares as follows:

(a) no funds from any sources other than the Bonds or the Notes, as the case may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the College pursuant to the budget or financial policies of the College for the financing of the portion of the costs of constructing, reconstructing, improving, furnishing or refurbishing of the Project to be funded with the Bonds or the Notes, as the case may be;

(b) the College reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Bonds or the Notes, as the case may be, will be paid prior to the issuance of the Bonds or the Notes, as the case may be;

(c) the College intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Project prior to the issuance of the Bonds or the Notes, as the case may be, from the proceeds of the Bonds or the Notes, as the case may be, and such intention is consistent with the budgetary and financial circumstances of the College;

(d) all of the costs to be paid or reimbursed from the proceeds of the Bonds or the Notes, as the case may be, will be for costs incurred in connection with the issuance of the Bonds or the Notes, as the case may be, or will, at the time of payment thereof, be properly chargeable to the capital account of the Project (or would be so chargeable with a proper election) under general federal income tax principles; and

(e) this Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

SECTION 14. Law and Place of Enforcement of this Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

SECTION 15. Effect of Section Headings. The heading or titles of the several Sections hereof are solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Commission, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 17. Effectiveness of this Resolution. This Resolution shall become effective upon its adoption.

Done in meeting duly assembled this 22nd day of July 2020.

MIDLANDS TECHICAL COLLEGE COMMISSION

Chairman

(SEAL)

Attest:

Secretary

MIDLANDS TECHNICAL COLLEGE
SCHEDULE OF TUITION FEES PER SEMESTER IN EFFECT FOR PURPOSES OF
SECTION 59-107-10 ET. SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

	<u>In-County</u>	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate Full-Time Tuition ¹	\$ 2,256	\$ 2,820	\$ 6,768
Undergraduate Part-Time Tuition ²	\$ 188	\$ 235	\$ 564

¹ Per Semester

² Per Credit Hour

For the fiscal year ended June 30, 2020, the amount of receipts designated as tuition for state institution bonds purposes was the sum of \$3,960,439. The tuition and fees generated for the 2020 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$2,227,350, which occurs in the fiscal year ending June 30, 2026.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$2,900,169,* which is anticipated to occur in the fiscal year ending June 30, 2027.

* Preliminary, subject to change.

EXHIBIT B

MIDLANDS TECHNICAL COLLEGE
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$10,300,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 195,000	\$ 86,544	\$ 281,544
June 30, 2022	465,000	206,048	671,048
June 30, 2023	470,000	202,002	672,002
June 30, 2024	475,000	197,866	672,866
June 30, 2025	475,000	193,449	668,449
June 30, 2026	480,000	188,651	668,651
June 30, 2027	490,000	183,131	673,131
June 30, 2028	495,000	176,957	671,957
June 30, 2029	500,000	170,225	670,225
June 30, 2030	510,000	163,075	673,075
June 30, 2031	515,000	155,425	670,425
June 30, 2032	525,000	146,001	671,001
June 30, 2033	535,000	134,923	669,923
June 30, 2034	550,000	122,297	672,297
June 30, 2035	560,000	108,327	668,327
June 30, 2036	575,000	93,207	668,207
June 30, 2037	595,000	76,935	671,935
June 30, 2038	610,000	59,382	669,382
June 30, 2039	630,000	40,777	670,777
June 30, 2040	650,000	20,995	670,995
Total	\$ 10,300,000	\$ 2,726,215	\$ 13,026,215

* Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF MIDLANDS TECHNICAL COLLEGE

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 1,450,000	\$ 773,350	\$ 2,223,350
June 30, 2022	1,525,000	700,850	2,225,850
June 30, 2023	1,600,000	624,600	2,224,600
June 30, 2024	1,680,000	544,600	2,224,600
June 30, 2025	1,765,000	460,600	2,225,600
June 30, 2026	1,855,000	372,350	2,227,350
June 30, 2027	1,940,000	287,038	2,227,038
June 30, 2028	930,000	195,600	1,125,600
June 30, 2029	975,000	153,750	1,128,750
June 30, 2030	1,025,000	105,000	1,130,000
June 30, 2031	1,075,000	53,750	1,128,750
Total	<u>\$ 15,820,000</u>	<u>\$ 4,271,488</u>	<u>\$ 20,091,488</u>

SCHEDULE SHOWING PRO-FORMA TOTAL DEBT SERVICE REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF MIDLANDS TECHNICAL COLLEGE
INCLUDING THE PROPOSED ISSUE OF
TEN MILLION THREE HUNDRED THOUSAND DOLLARS (\$10,300,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 1,645,000	\$ 859,894	\$ 2,504,894
June 30, 2022	1,990,000	906,898	2,896,898
June 30, 2023	2,070,000	826,602	2,896,602
June 30, 2024	2,155,000	742,466	2,897,466
June 30, 2025	2,240,000	654,049	2,894,049
June 30, 2026	2,335,000	561,001	2,896,001
June 30, 2027	2,430,000	470,169	2,900,169
June 30, 2028	1,425,000	372,557	1,797,557
June 30, 2029	1,475,000	323,975	1,798,975
June 30, 2030	1,535,000	268,075	1,803,075
June 30, 2031	1,590,000	209,175	1,799,175
June 30, 2032	525,000	146,001	671,001
June 30, 2033	535,000	134,923	669,923
June 30, 2034	550,000	122,297	672,297
June 30, 2035	560,000	108,327	668,327
June 30, 2036	575,000	93,207	668,207
June 30, 2037	595,000	76,935	671,935
June 30, 2038	610,000	59,382	669,382
June 30, 2039	630,000	40,777	670,777
June 30, 2040	650,000	20,995	670,995
Total	<u>\$ 26,120,000</u>	<u>\$ 6,997,702</u>	<u>\$ 33,117,702</u>

* Preliminary, subject to change.

MIDLANDS TECHNICAL COLLEGE
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the College during preceding fiscal year ended June 30, 2020	\$ 3,960,439.00
Multiplied by	90%
Produces	\$ 3,564,395
Maximum annual debt service on all State Institution Bonds of the College (including the proposed issue of not exceeding Ten Million Three Hundred Thousand Dollars (\$10,300,000) General Obligation State Institution Bonds issued on behalf of the College)	\$ 2,900,169
Margin	\$ 664,227



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Columbia, SC 29201

MAIN 803.354.4900
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[Date of Delivery]

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$_____ General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020, of the State of South Carolina

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the "State") in connection with the issuance of \$_____ General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College), Series 2020, of the State of South Carolina (the "Bonds"), dated [Date of Delivery]. In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code and Section 11-29-30 of the South Carolina Code (the "Enabling Act"), and (iii) a resolution adopted on October 13, 2020, by the South Carolina State Fiscal Accountability Authority, for the purpose of raising funds for purposes authorized by the Enabling Act, and to pay the costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any information provided by the State or others relating to the Bonds, and we express no opinion relating thereto.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and legally binding general obligations of the State.
2. The full faith, credit, and taxing power of the State and, in addition, the revenues derived from Tuition Fees received by Midlands Technical College are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. Provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bonds.
3. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income of the registered owners thereof for federal

income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The State has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The Bonds and the interest thereon are exempt from all State of South Carolina, county, school district, municipal and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate or transfer taxes, but the interest thereon may be includable for certain franchise fees or taxes.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and of the constitutional powers of the United States of America, and to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable.

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 2020, or the Official Statement dated _____, 2020, relating to the Bonds.

We have examined a specimen Bond of this issue and, in our opinion, it is in due form of law.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/13/20

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H59 Issuer: State of South Carolina Series: 2020
 Borrower (if not Issuer): Midlands Technical College
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of Midlands Technical College)
 Bond Resolution Amount: \$10,300,000.00 Est. Production/Par Amt: \$7,965,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00**Submitted By:**

ENTITY: Midlands Technical College
 BY: Debbie Walker
 ITS: VP for Business Affairs
 Tel: (803) 822-3261
 Email: walkerd@midlandstech.edu

Transaction Type/Method of Sale:

<input checked="" type="checkbox"/>	Public Offering:	Competitive:	<input checked="" type="checkbox"/>	Negotiated:	<input type="checkbox"/>
<input type="checkbox"/>	Direct Placement:	Competitive:	<input type="checkbox"/>	Negotiated:	<input type="checkbox"/>
<input type="checkbox"/>	Governmental Loan/Governmental Purchaser				
<input type="checkbox"/>	Other: _____				

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): YMSRB (EMMA) Continuing Disclosure Responsible Party: Office of State Treasurer

2. FINANCING (NEW PORTION)

Project #: 6140 Project Name: Midlands - Center for QuickJobs Training and Workforce Development
 Project Address/Location: Beltline Blvd., Columbia, SC Amount: \$10,300,000.00
 Project Type: Replacement of Existing Facility County: Richland
 Projected Avg Interest Rate: 1.85% Final Maturity: 01/00/00

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: PRAG Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: _____
 Underwriter: TBD - Competitive Trustee: _____
 Paying Agent: U.S. Bank Other: _____

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

The bonds will defray \$10 million of the planned \$30 million cost to construct, reconstruct, improve, furnish and refurbish a facility comprising classroom, lab, office, and other space, parking, and related infrastructure, to be known as the Center for QuickJobs Training and Workforce Development to be located on the Beltline Campus of the College, and to demolish the Lindau Engineering Technology Building and the Engineering Lab building to provide a site therefore. Costs of issuance are calculated at the anticipated par amount of \$7,965,000 in accordance with the approved fee schedule for counsel, published schedules of rating agencies, and, past experience. Underwriter's discount, which is part of the COI calculation, will vary with market conditions.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/22/20	
JBRC Approval:	10/06/20	Proposed
SFAA Approval:	10/13/20	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	10/23/19	
JBRC Approval:	10/06/20	Proposed
SFAA Approval:	10/13/20	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes	No
	X

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

Yes	No
	X

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -	
Cost Estimate -	\$0

Est. Expenditures - Through 6 Months
 Est. Expenditures - Through 12 Months
 Est. Expenditures - Through 18 Months
 Est. Expenditures - Through 24 Months
 Est. Expenditures - Through 36 Months
 Est. Expenditures - Through 48 Months
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 1,905,869.55	6/30/2021	COI, Building Demolition, Site Prep
\$ 325,000.00	6/30/2022	Construction
\$ 4,500,000.00	6/30/2022	Construction
\$ 3,475,000.00	6/30/2023	Construction
\$		
\$		
\$ 10,205,869.55		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 7,965,000.00	\$ 30,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 2,240,869.55	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 20,000,000.00	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 205,869.55	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$	Accrued Interest
Type -	\$	\$	Other
Type -	\$	\$	Other
(6) SCHFDA MFHRB Sources		\$	Other
(a) LIHTC	\$	\$	Other
(a) State Housing TC	\$	\$	Other
(c) Owner's Equity/Other	\$	\$	Other
Total Project Sources	\$ 30,205,869.55	\$ 30,205,869.55	Total Project Uses

Surplus/Deficit \$ -

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (Added COI entities beyond the following need an attached description **)**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 27,500.00	\$	\$ 27,500.00
Bond Counsel	Pope Flynn, LLC		3/17/2018	\$ 25,000.00	\$	\$ 25,000.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000.00	\$	\$ 25,000.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$ 32,500.00	\$	\$ 32,500.00
Rating Agency - Moody's				\$ 25,000.00	\$	\$ 25,000.00
Rating Agency - Fitch				\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Compensation	TBD - Competitive			\$ 39,825.00	\$	\$ 39,825.00
Registrar / Paying Agent	U.S. Bank National Assoc.			\$ 3,000.00	\$	\$ 3,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing	Image Master			\$ 1,000.00	\$	\$ 1,000.00
Publishing	IPREO			\$ 1,000.00	\$	\$ 1,000.00
Advertising	Bond Buyer			\$ 1,000.00	\$	\$ 1,000.00
Contingency				\$ 10,044.55	\$	\$ 10,044.55
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 205,869.55	\$	\$ 205,869.55

Est. / Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction
 Bond Counsel: % of Transaction
 Total Legal Costs: % of Transaction
 Rating Agencies: % of Transaction

0.35%	#DIV/0!
0.31%	#DIV/0!
0.63%	#DIV/0!
0.91%	#DIV/0!

UW Comp: % of Transaction
 Other COI: % of Transaction
 Total COI: % of Transaction

0.50%	#DIV/0!
0.20%	#DIV/0!
2.58%	#DIV/0!