
AGENCY: Department of Commerce

SUBJECT: Not Exceeding \$40,500,000 General Obligation State Economic Development Bonds of the State of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$40,500,000 General Obligation State Economic Development Bonds of the State of South Carolina.

The bond issuance is in connection with an investment in the State by Wanli Tire Corporation Limited (Wanli Tire). Wanli Tire has announced plans to construct facilities in Orangeburg County, South Carolina for the manufacture of tires. The project is expected to result in an investment in the State of at least \$400,000,000 and the creation of at least 400 new jobs.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$40,500,000 General Obligation State Economic Development Bonds of the State of South Carolina.

ATTACHMENTS:

DuBose 5/2/17 and 5/24/17 letters; Resolution; NDIF

1201 MAIN STREET, 22ND FLOOR (29201-3226)
POST OFFICE BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA
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THEODORE B. DuBOSE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7830
tdubose@hsblawfirm.com

May 2, 2017

Via Hand Delivery

Mr. Delbert Singleton
State Budget & Control Board
1200 Senate Street
Columbia, SC 29201

Re: Approval of Issuance of General Obligation State Economic Development Bonds

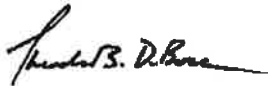
Dear Mr. Singleton:

On behalf of the South Carolina Department of Commerce, I am forwarding a package relating to the above-referenced matter. This matter entails the requested issuance of not exceeding \$40,500,000 State General Obligation Economic Development Bonds to defray the cost of an proposed new project in the State. As shown in the attached certification of Secretary Robert M. Hitt, III, the Project is expected to result in an investment in the State of at least \$400,000,000 and the creation of at least 400 new jobs by the Project's Sponsor. Additional detail, including the identity of the Project's Sponsor, the location of the Project, and the purpose of the Project will be provided by the Department of Commerce at a later date, but prior to action being taken on the enclosed resolution.

In addition to the certificate of Secretary Hitt, ten copies of the Board Resolution are included. Please let me know if anything further is required.

Thank-you very much.

Very truly yours,



Theodore B. DuBose

Enclosures

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THEODORE B. DuBOSE
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tdubose@hsblawfirm.com

May 24, 2017

Via Hand Delivery

Mr. Delbert Singleton
State Budget & Control Board
1200 Senate Street
Columbia, SC 29201

Re: Approval of Issuance of General Obligation State Economic Development Bonds

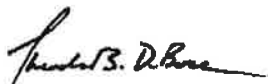
Dear Mr. Singleton:

On behalf of the South Carolina Department of Commerce, I am forwarding a package relating to the above-referenced matter. This matter entails the requested issuance of not exceeding \$40,500,000 State General Obligation Economic Development Bonds to defray the cost of an proposed new project in the State. As shown in the attached certification of Secretary Robert M. Hitt, III, the Project is expected to result in an investment in the State of at least \$400,000,000 and the creation of at least 400 new jobs by the Project's Sponsor. The resolution enclosed herewith has been updated from the version provided to you on May 2, 2017 to identify at Exhibit A the Project, the Project Sponsor, and the location of the Project.

In addition to the updated certificate of Secretary Hitt, ten copies of the Board Resolution are included. Please let me know if anything further is required.

Thank-you very much.

Very truly yours,



Theodore B. DuBose

Enclosures



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/13/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2017A

Borrower (if not Issuer): _____

Bond Caption: General Obligation Economic Development Bonds

Bond Resolution Amount: \$40,500,000.00 Est. Production/Par Amt: \$36,375,000.00

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

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: SC Dept of Commerce
 BY: Theodore B DuBose
 ITS: Bond Counsel
 Tel: 803.540.7830
 Email: tdubose@hsblawfirm.com

Transaction Type/Method of Sale:

Public Offering: Competitive: Negotiated: _____
 Direct Placement: Competitive: _____ Negotiated: _____
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): Y

MSRB (EMMA) Continuing Disclosure Responsible Party: STO

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Project Pillar

Project Address/Location: TBD Amount: \$40,000,000.00

Project Type: Economic Development County: tbd

Projected Avg Interest Rate: _____ 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

Bond Counsel: Haynsworth Sinkler Boyd, PA Issuer's Counsel: N/A

Underwriter: N/A Trustee: N/A

Paying Agent: US 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)

Project Pillar is a major economic development project representing an investment of not less than \$400,000,000 and the creation of not less than 400 new jobs. The Project Sponsor is Wanli Tire LLC. The Project will be located in Orangeburg County. Bond proceeds will be applied to site development, road development and a railroad spur to serve the site.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	05/01/17	Secretary, DOC
JBRC Approval:	00/00/00	
SFAA Approval:	06/13/17	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	N/A
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

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
\$ 24,725,156.25	12/31/2017	COI, Permitting, Site Prep, Road and Rail Construction
\$ 14,175,000.00	6/30/2018	Site Prep, Road and Rail Construction
\$ 1,500,000.00	12/31/2018	Rail Construction
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 40,400,156.25		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 36,375,000.00	\$ 40,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 4,025,156.25	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 400,156.25	Cost of Issuance (Incl. U/W Disc.)
(5) Other (Specify) Type -	\$	\$	Accrued Interest
Residual Project Sources		\$	Other
(6) Other	\$	\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 40,400,156.25	\$ 40,400,156.25	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			\$ 65,000.00	\$	\$ 65,000.00
Bond Counsel	Haynsworth Sinkler Boyd			\$ 25,000.00	\$	\$ 25,000.00
Disclosure Counsel	Howell Linkous			\$ 25,000.00	\$	\$ 25,000.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
Rating Agency - S&P				\$ 25,000.00	\$	\$ 25,000.00
Rating Agency - Moody's				\$ 25,000.00	\$	\$ 25,000.00
Rating Agency - Fitch				\$ 26,000.00	\$	\$ 26,000.00
Underwriter's Compensation				\$ 181,875.00	\$	\$ 181,875.00
Registrar - Paying Agent	US Bank			\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$ 1,500.00	\$	\$ 1,500.00
Advertising				\$ 3,000.00	\$	\$ 3,000.00
Contingency				\$ 7,781.25	\$	\$ 7,781.25
Issuer's Fee	SC JEDA SC SHFDA			\$	\$	\$
				\$ 400,156.25	\$	\$ 400,156.25

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

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

0.18%	#DIV/0!
0.07%	#DIV/0!
0.14%	#DIV/0!
0.21%	#DIV/0!

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

0.50%	#DIV/0!
0.08%	#DIV/0!
1.10%	#DIV/0!