CARTA TELEPHONIC BOARD MEETING
January 24, 2018
10:00 AM

Via Conference Call
Dial In: 1-866-931-7845
Conference Code: 780496

AGENDA

1. Call to Order
3. Other Business, If Any
4. Public Comments, If Any
5. Board Comments, If Any
6. Adjournment

Please note that the next regularly scheduled meeting of the CARTA Board will be WEDNESDAY, February 21, 2018 in Room B-225 of the Lonnie Hamilton III Public Service Building, 4045 Bridgeview Drive, North Charleston, SC 29405. Notice, including agenda documentation, will be sent to Board Members in advance of the meeting, as well as posted on www.ridecarta.com.
TO:        Board Members  
FROM:     Ronald E. Mitchum, Executive Director  
SUBJECT:  BB&T Bank Loan  
DATE:     January 19, 2018  

On June 21, 2017, the Board approved borrowing $2,000,000 from BB&T for the purchase and improvements of 5.56 acres located at Melnick Drive and South Antler Drive in North Charleston. This property will be developed as our new Park and Ride lot (previously Super Kmart site). The loan commitment was approved by the Board for fifteen (15) years with a fixed interest rate of 2.86%.

Due to unforeseen circumstances, the agency has not been able to close on the loan with BB&T in a timely manner. On January 18, 2018, we received a revised commitment from BB&T. The new commitment will still be for fifteen (15) years but there is an increase in the fixed interest rate to 3.50%.

At this point, we are finalizing the purchase of the property and setting a loan closing date with BB&T. In order for us to proceed, we are required to have Board approval of acceptance of the new terms with BB&T. We are setting a special Board telephonic hearing to take a vote on the increased interest rate so we do not have to wait until the February Board meeting to seek the Board’s approval.

I have attached a copy of the commitment letter from BB&T for your review and consideration. If you have any questions prior to the telephonic meeting, please contact Robin Mitchum at 843-529-0400 ext. 213 or me at 843-529-0400 ext. 570.
January 16, 2018

Ms. Robin Mitchum
Charleston Area Regional Transportation Authority
1362 McMillan Ave, Suite 100
North Charleston, SC 29405

Dear Ms. Mitchum:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Charleston Area Regional Transportation Authority ("Authority").

1. Project: Park and Ride Lot

2. Amount to Be Financed: $2,000,000

3. Interest Rates, Financing Terms and Corresponding Payments:

   We offer a fifteen year financing in which the interest rate will be fixed at 3.50% for the entire term. Unless otherwise requested, principal and interest payments will be due annually on the anniversary of the issue date. Interest on the principal balance of the Bond shall accrue based on a 30/360 day count basis. BB&T must approve of the final amortization schedule.

   The interest rate stated above is valid for a closing no later than March 16, 2018. Closing of the financing is contingent upon completing documentation acceptable to BB&T. The financing documents shall allow prepayment in whole, but not in part. A one percent prepayment penalty will apply through the 2025 annual payment.

   Our legal review fee for this transaction is $5,000. All applicable taxes, permits, costs of counsel for the Authority and any other costs shall be the Authority's responsibility and separately payable by the Authority.

   The stated interest rate assumes that the Authority expects to borrow no more than $10,000,000 in calendar year 2018 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

   The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with South Carolina Statutes or the Internal Revenue Service code.

4. Financing Documents:

   The financing will be secured by a first lien mortgage on the subject property. It will be the responsibility of the Authority to retain and compensate bond counsel to appropriately structure the transaction
in accordance with state and federal statutes. All documentation must be deemed appropriate by BB&T before closing. BB&T will require the Authority to obtain title insurance as a condition of funding.

BB&T shall have the right to cancel this offer by notifying the Authority of its election to do so (whether or not this offer has previously been accepted by the Authority) if at any time prior to the closing there is a material adverse change in the Authority's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Authority or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T.

BB&T appreciates the opportunity to make this financing proposal. Please do not hesitate to call me with any questions you may have.

Sincerely,

Branch Banking and Trust Company

[Signature]

Andrew G. Smith
Senior Vice President