

AN ORDINANCE APPROVING THE FISCAL YEAR 2005-2006 BUDGET OF THE CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY ("AUTHORITY") AND AUTHORIZING AN AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR THE AUTHORITY RELATING TO THE AUTHORITY'S LOCAL FUNDING MECHANISM

As an incident to the adoption of this Ordinance, the Charleston County Council (the "Council") hereto makes the following findings of fact:

1. The Regional Transportation Authority Law is codified, as amended, in the South Carolina Code of Laws 1976, at Sections 58-25-10 to 58-25-100 (the "Enabling Act").
2. Pursuant to the Enabling Act, Charleston County, the Cities of Charleston and North Charleston and the Town of Mt. Pleasant created the Charleston Area Regional Transportation Authority (the "Authority") as evidenced by the organizational meeting held June 25, 1997.
3. Further pursuant to the Enabling Act, those four governments as well as the Isle of Palms, Kiawah Island, Sullivan's Island and the City of Hanahan each adopted an Amended and Restated Agreement relating to the Authority (the "Agreement").
4. Pursuant to Section 3 of Article IV of the Agreement, the Authority is required, before July 1 of each year, to adopt a proposed budget for the next fiscal year. Pursuant to Section 58-25-70 of the Enabling Act, the Authority must submit to the member municipalities and counties its budget which must be adopted by a majority of the member governments. The Authority has submitted its budget for its fiscal year commencing October 1, 2005.
5. As required by Section 58-25-60 of the Enabling Act, the Agreement, at Section 5 of Article IV, recites that the primary local funding mechanism for the Authority was to be funds provided by SCE&G. Both the Enabling Act and the Agreement provide that this provision "may be amended specifically to recognize new sources." Because funding by SCE&G was scheduled to expire approximately seven years from commencement, an alternative funding source for public transportation was sought on several separate occasions. On November 2, 2004, the voters of Charleston County approved the adoption of a half-cent sales tax pursuant to S.C. Code Ann. § 4-37-10 et. seq., part of the proceeds of which are to be used to fund public transportation. Charleston County Council has allocated certain of the proceeds to the Authority for public transportation purposes as approved at the November 2, 2004, election;
6. Use of funds appropriated from time to time by County Council to the Authority for public transportation purposes necessitates an amendment to the Agreement as contemplated therein and in the Enabling Act.
7. It is specifically found that the amendment to recognize the funding source provided by certain of the proceeds of the Half Cent Sales Tax is as permitted at Section 58-25-60 of the

Enabling Act. Therefore, Section 5 of Article IV is hereby amended by deleting the first two sentences which read as follows:

As required by Section 58-25-60 of the Enabling Act, it is hereby declared that the primary local funding mechanism for the Authority shall be funds provided to the City of Charleston by SCE&G and in turn by the City of Charleston to the Authority. Such funds will consist of \$25 Million paid in equal installments paid annually for a seven-year period.

Section 5 of Article IV is further amended by substituting for the above deleted language the following sentence:

As required by Section 58-25-60 of the Enabling Act, it is hereby declared that the primary local funding mechanism for the Authority shall be such proceeds of the Half Cent Sales Tax as shall be appropriated from time to time by Charleston County to the Authority in order to provide public transportation services.

NOW, THEREFORE BE IT ORDAINED, AS FOLLOWS:

1. The budget of the Authority as described at Section 4 herein is hereby approved.
2. The Amendment to the Agreement as described at Section 7 herein is hereby approved.

ADOPTED IN MEETING DULY ASSEMBLED this 20th day of September, 2005.