

# STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, August 12, 2014 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

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## AGENDA INDEX

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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4.	Division of Human Resources	Reappointment of State Employee Grievance Committee Members
5.	Executive Director	Revenue Bonds
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6.	Executive Budget Office	Aircraft Acquisition
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8.	Executive Budget Office	Real Property Acquisitions

**STATE BUDGET AND CONTROL BOARD**  
**Meeting of Tuesday, August 12, 2014 -- 10:00 A. M.**  
**Room 252, Edgar A. Brown Building**

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
9.	Procurement Services Division	Patriots Point Development Authority, Naval & Maritime Museum, Procurement Exemption for Artifacts, Art, Collection Disciplines, and Exhibits
10.	University of South Carolina	Not Exceeding \$13,500,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) Series 2014 of the State of South Carolina
11.	Clemson University	Not Exceeding \$183,000,000 Higher Education Revenue Bonds Series 2014 of Clemson University
12.	Clemson University	Not Exceeding \$13,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University) Series 2014 of the State of South Carolina and Notes in Anticipation of the Issuance Thereof
13.	Division of General Services	SC State Ports Authority Sale of Real Property
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**STATE BUDGET AND CONTROL BOARD**  
**Meeting of Tuesday, August 12, 2014 -- 10:00 A. M.**  
**Room 252, Edgar A. Brown Building**  
*BLUE AGENDA INDEX*

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyances
4.	Division of Human Resources	Reappointment of State Employee Grievance Committee Members
5.	Executive Director	Revenue Bonds

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues and other revenue issues for which Board approval is requested:

**CONDUIT ISSUES: (For ratification of Issuer's Counsel only)**

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$8,500,000 SC JEDA	Palmetto Scholars Academy	McNair Law Firm	Haynsworth Sinkler Boyd
\$2,700,000 SC JEDA	South Carolina Aquarium	McNair Law Firm	Pope Zeigler
\$15,000,000 SCSHA	SCSHA Hampstead St. Andrews Gardens Partners, LP	Howell, Linkous & Nettles	Tracey C. Easton
\$30,000,000 SCSHA	SCSHA Various Entities-Pooled Deal for RHS Properties	Parker Poe	Tracey C. Easton

**OTHER REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$8,300,000 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Memorial Stadium)	Pope Zeigler, LLC/recommended
\$25,000,000 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Memorial Suites)	Pope Zeigler, LLC/recommended
\$7,000,000 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Kingsmore Stadium)	Pope Zeigler, LLC/recommended
\$100,000,000 Clemson Univ.	Clemson Univ.-Higher Educ. Rev Bonds, Series 2014 (Core Campus)	Pope Zeigler, LLC/recommended

**BOARD ACTION REQUESTED:**

Approve the referenced bond counsel assignment.

**ATTACHMENTS:**

Bond Counsel Selection Approved by the State Treasurer's Office

Items for August 12, 2014 Budget & Control Board Meeting  
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$8,500,000 SC JEDA	Palmetto Scholars Academy	McNair Law Firm	Haynsworth Sinkler Boyd	07/09/14
\$2,700,000 SC JEDA	South Carolina Aquarium	McNair Law Firm	Pope Zeigler	07/10/14
\$15,000,000 SCSHA	SCSHA Hampstead St. Andrews Gardens Partners, LP	Howell, Linkous & Nettles	Tracey C. Easton	07/07/14
\$30,000,000 SCSHA	SCSHA Various Entities-Pooled Deal for RHS Properties	Parker Poe	Tracey C. Easton	07/07/14

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$8,300,000.00 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Memorial Stadium)	Pope Zeigler, LLC/recommended	07/17/14
\$25,000,000.00 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Memorial Suites)	Pope Zeigler, LLC/recommended	07/17/14
\$7,000,000.00 Clemson Univ.	Clemson Univ.-Athletic Facilities Rev Bonds, Series 2014 (Kingsmore Stadium)	Pope Zeigler, LLC/recommended	07/17/14
\$100,000,000.00 Clemson Univ.	Clemson Univ.-Higher Educ. Rev Bonds, Series 2014 (Core Campus)	Pope Zeigler, LLC/recommended	07/17/14

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

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AGENCY: Division of General Services

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SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Charleston  
From: Budget and Control Board  
To: South Carolina Electric and Gas Company  
Consideration: \$700  
Description/Purpose: To grant a 0.262 acre easement for the installation, operation and maintenance of an 8" gas main beneath Rantowles Creek between Hughes Road and Ten Shillings Way. The easement is part of a project to provide gas service to the Poplar Grove Community. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Berkeley  
From: Budget and Control Board  
To: Town of Moncks Corner  
Consideration: \$1  
Description/Purpose: To grant a 0.052 acre easement for maintenance, cleaning and repair of a drainage ditch on property of the Department of Disabilities and Special Needs' DeHay Community Residence. The easement is being sought by the Town of Moncks Corner for maintenance purposes. The easement will be of mutual benefit to the Town and DDSN.
- (c) County Location: Richland  
From: Budget and Control Board  
To: BellSouth Telecommunications, Inc.  
d/b/a AT&T South Carolina  
Consideration: \$1  
Description/Purpose: To grant a 0.211 acre easement for construction, operation and maintenance of communication systems and associated facilities to provide service to the school portion of Camp Aspen. The easement is being sought by the Department of Juvenile Justice for the benefit of the property.

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AGENCY: Division of General Services

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SUBJECT: Easements

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (d) County Location: Georgetown  
From: Department of Natural Resources  
To: Santee Electric Cooperative  
Consideration: \$718  
Description/Purpose: To grant a 0.43 acre easement for construction, operation and maintenance of electric lines and facilities on property of the Tom Yawkey Wildlife Center to provide services to a parcel of land that is entirely surrounded by the lands of the Yawkey Center. The easement will address the issue of extending electric service to currently unserved property. Consideration is \$500 plus the Georgetown County Assessor's land value.

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BOARD ACTION REQUESTED:

Approve granting the referenced easements.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 10-1-130

**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

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**Meeting Scheduled for: August 12, 2014**

**Blue Agenda**

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**1. Submitted by:**

- (a) Agency: Division of General Services  
(b) Authorized Official Signature:



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Nolan L. Wiggins, Jr., Director

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**2. Subject: EASEMENTS**

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**3. Summary Background Information:**

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Charleston  
From: Budget and Control Board  
To: South Carolina Electric and Gas Company  
Consideration: \$700  
Description/Purpose: To grant a 0.262 acre easement for the installation, operation and maintenance of an 8" gas main beneath Rantowles Creek between Hughes Road and Ten Shillings Way. The easement is part of a project to provide gas service to the Poplar Grove Community. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Berkeley  
From: Budget and Control Board  
To: Town of Moncks Corner  
Consideration: \$1  
Description/Purpose: To grant a 0.052 acre easement for maintenance, cleaning and repair of a drainage ditch on property of the Department of Disabilities and Special Needs' DeHay Community Residence. The easement is being sought by the Town of Moncks Corner for maintenance purposes. The easement will be of mutual benefit to the Town and DDSN.

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From: Budget and Control Board  
To: BellSouth Telecommunications, Inc.  
d/b/a AT&T South Carolina  
Consideration: \$1  
Description/Purpose: To grant a 0.211 acre easement for construction, operation and maintenance of communication systems and associated facilities to provide service to the school portion of Camp Aspen. The easement is being sought by the Department of Juvenile Justice for the benefit of the property.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

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To: Santee Electric Cooperative  
Consideration: \$718  
Description/Purpose: To grant a 0.43 acre easement for construction, operation and maintenance of electric lines and facilities on property of the Tom Yawkey Wildlife Center to provide services to a parcel of land that is entirely surrounded by the lands of the Yawkey Center. The easement will address the issue of extending electric service to currently unserved property. Consideration is \$500 plus the Georgetown County Assessor's land value.

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**4. What is the Board asked to do?** Approve the referenced easements.

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**5. What is recommendation of the Division of General Services?** Recommend approval of the referenced easements.

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**6. List of Supporting Documents:**

1. SC Code of Laws Sections 1-11-80, 1-11-100, 10-1-130 and 10-1-135
2. Exhibits (maps, plats, etc.)
  - (a) SCE&G
  - (b) Town of Moncks Corner
  - (c) AT&T South Carolina (2 drawings)
  - (d) Letter from Department of Natural Resources dated July 22, 2014 with attachments

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.**

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

### **SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.**

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

### **SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of State Budget and Control Board.**

The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

### **SECTION 10-1-135. Encroachments on state-owned lands of natural significance.**

For easements, rights-of-way, or any other encroachment on or over any state park, state forest, state historic area, state wildlife refuge or preserve, Heritage Trust Site, or other state-owned lands of natural significance the responsible management agency shall, in addition to the provisions of Section 10-1-130, make the following determinations prior to requesting approval from the State Budget and Control Board:

- (a) There is an important public necessity for the encroachment;
- (b) Alternative routes or locations not on state property are neither prudent nor feasible, and the proposed encroachment is not disruptive of the existing or planned uses of the state property;
- (c) The entity responsible for the encroachment shall make reasonable mitigation of the impacts of the proposed encroachment, upon the recommendation of the governing body of the responsible management agency.

LINE	BEARING	LENGTH
1	S 06°35'11" E	25.20
2	N 89°48'40" E	25.49

LOT 44  
TMS#242-00-00-047  
KENNETH M. & MARTHA  
H. OHLINGER

LOT 1  
TMS#287-00-00-327  
DAVID M. & POSEY M.  
ROYALL

195' TO INTERSECTION  
W/ TEN SHILLINGS WAY

H.O.A. AREA  
TMS#242-00-00-037  
POPULAR GROVE PARTNERS, LLC

LOT 43  
TMS#242-00-00-046  
POPULAR GROVE OWNERS  
ASSOCIATION, INC.

EXISTING SCE&G POWER  
LINE R/W EASEMENT  
195' TOTAL

25' UTILITY EASEMENT (0.262 AC.)

S 89°27'03" E 432.78'  
N 89°27'03" W 480.92'

RANTOWLES CREEK

EXISTING SCE&G POWER  
LINE R/W EASEMENT  
145' TOTAL

N: 356,187.94  
E: 2,262,505.60

- LEGEND**
- COMPUTED POINT (NO MONUMENT)
  - IRON REBAR (FOUND)

- NOTES**
- COORDINATES AND DIRECTIONS SHOWN ON THIS SURVEY ARE BASED ON SOUTH-CAROLINA STATE PLANE COORDINATE SYSTEM (NAD 83) DISTANCES SHOWN ARE GROUND DISTANCES, NOT GRID DISTANCES
  - THIS PLAT INTENDED TO ONLY SHOW THE LOCATION AND DIMENSIONS OF THE NEW EASEMENT(S). THIS IS NOT A BOUNDARY SURVEY OF THIS PARCEL.
  - MEAN HIGH WATER REFERENCED TO NATIONAL OCEAN SERVICE STATION 866 5763 TIDAL "A" (PID CR2495) ELEV 2.64 FT NAVD

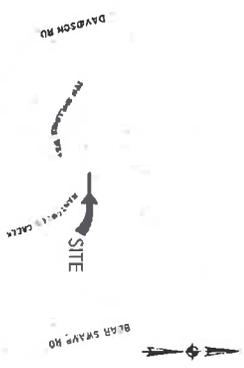


I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION AND BELIEF THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS A SURVEY AS SPECIFIED THEREIN.

THOMAS & HUTTON ENGINEERING CO.  
SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR  
LICENSE NO. 10292

**VICINITY MAP**

not to scale



**PLAT OF A  
25' UTILITY EASEMENT  
THROUGH  
TIDAL WATERS OF  
RANTOWLES CREEK**

ST. ANDREWS PARISH  
CHARLESTON COUNTY, SOUTH CAROLINA

prepared for  
**SOUTH CAROLINA ELECTRIC & GAS**

**THOMAS & HUTTON**  
Engineering | Surveying | Planning | GIS | Consulting

682 Johnnie Dodds Blvd., Suite 100  
PO Box 1522  
Mt. Pleasant, SC 29465-1522  
p 843.849.0200 f 843.849.0203

www.thomasonhutton.com



Plot drawn reviewed field crew  
07/08/14 Jp FEQ 08/20/13 TB  
JOB 24644 SHEET 1 OF 1

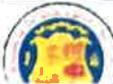
# Drainage Easement - Exhibit A



**STATE MENTAL  
RETARDATION DEPT  
1420604021**

**20' x 113'**

eserial saved: 5/7/2014 11:02:05 AM G:\gisuser1\arold\MONCKIS CORNER\ARCMAF PROJECTS\drainage\_1420301009.mxd



Berkeley County GIS Department  
P.O. Box 6122  
Moncks Corner, SC 29461  
(p) 843.719.4049 | (f) 843.719.4190



THE COUNTY OF BERKELEY AND ITS GIS DEPARTMENT DISCLAIMS ACCOUNTABILITY FOR THIS PRODUCT AND MAKES NO WARRANTY EXPRESS OR IMPLIED CONCERNING THE ACCURACY THEREOF. RESPONSIBILITY FOR



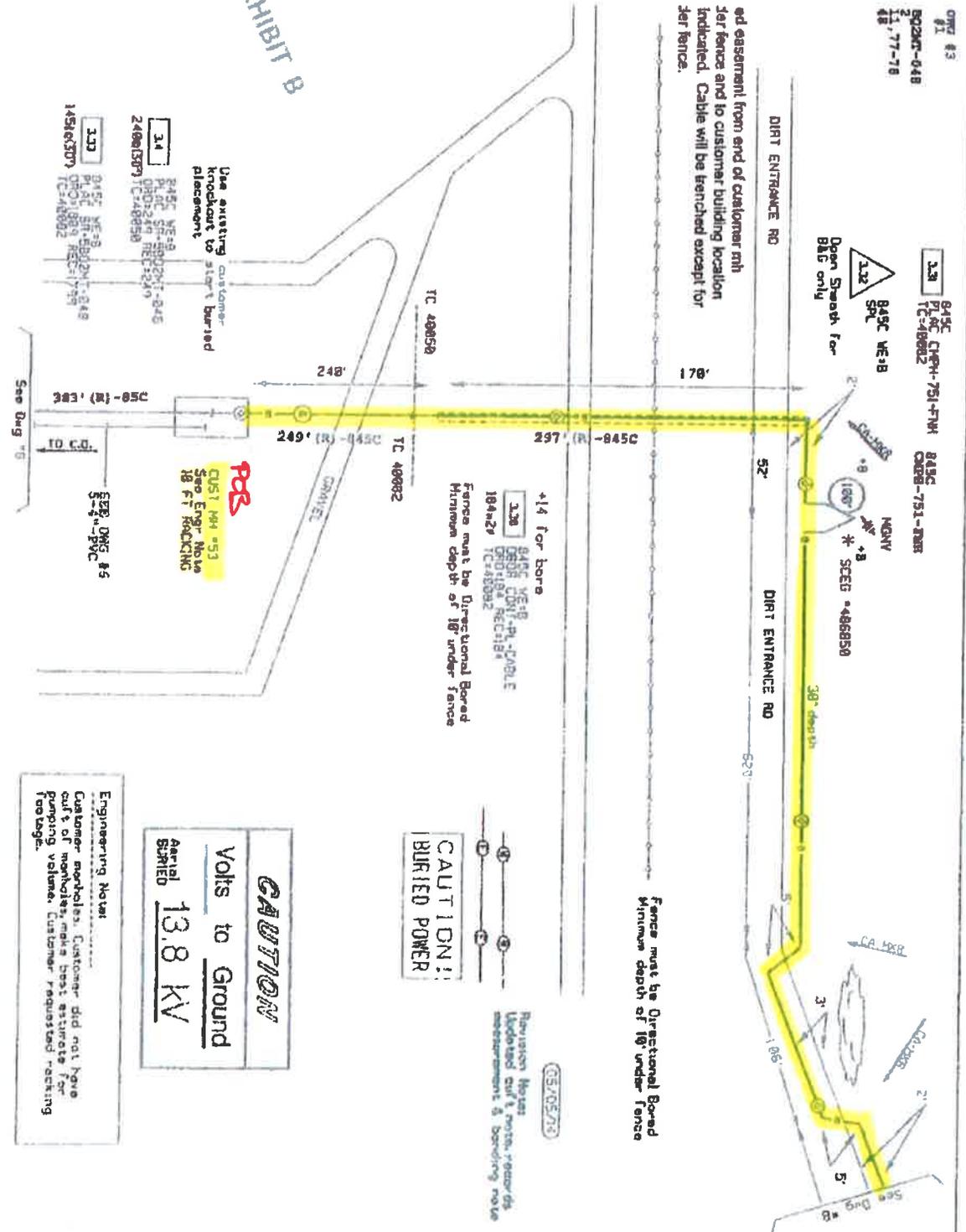
OWE #3  
#1  
BQ2M-048  
11.77-78  
48

323 845C  
PLAC CHER-751-FWH  
TC-40882  
845C  
CARG-751-208

322  
845C WE18  
SPL  
Open Swatch for  
BIS only

DIRT ENTRANCE RD  
DIRT ENTRANCE RD

ed easement from end of customer mth  
fer fence and to customer building location  
indicated. Cable will be trenchd except for  
fer fence.



**EXHIBIT B**

Use existing customer  
knockout for street buried  
placement

34 845C WE18  
PLAC CHER-751-FWH  
TC-40882

323 845C WE18  
SPL  
Open Swatch for  
BIS only

323 845C WE18  
SPL  
Open Swatch for  
BIS only

+14 for bore  
323 845C WE18  
SPL  
Open Swatch for  
BIS only

**CAUTION!!  
BURIED POWER**

**CAUTION**  
Volts to Ground  
Aerial **13.8 KV**

Engineering Note:  
Customer acknowledges Customer did not have  
cut of manholes, make best estimate for  
pumping volume. Customer requested retaining  
footings.

Revision Notes  
Updated cut & notes, removed  
measurements & bonding note

05/05/20

PHAT - 175276  
EFACTS - 1564  
AOTIS - 04 21  
AOTX - NC

PERM: T  
TELLIS D  
RYAN  
888 5

CALL 888  
888 5

49023931

South Carolina Department of  
**Natural Resources**



**DNR**

Alvin A. Taylor  
Director

**Office of Chief Counsel**

Paul S. League  
Shannon Furr Bobertz  
V. Craig Jones, Jr.

July 22, 2014

Linda Gordon, Program Assistant  
Real Property Services  
General Services Division  
State Budget & Control Board  
Wade Hampton Building  
1200 Senate Street, Suite 460  
Columbia, SC 29201

Re: SCDNR/Yawkey Center/Request to Approve grant of easement

Dear M Gordon:

This letter is a request on behalf of the South Carolina Department of Natural Resources that the Budget and Control Board approve the grant of an easement to Santee Electric Cooperative (Santee), over lands titled to the SCDNR at the Yawkey Center in Georgetown County, S.C. The Yawkey Center occupies most of the lands of South Island and Cat Island, which islands are separated from the mainland by the Atlantic Intracoastal Waterway. This easement request has been reviewed by the Heritage Trust Advisory Board and the Board of the SDDNR. Both bodies approved motions in favor of granting the easement.

Enclosed with this letter you will find the following documents:

- (1) Two maps of general location for easement;
- (2) Copy of document prepared by Santee, delineating its electrical transmission lines on the Yawkey Center and the proposed extension.

Santee requested the easement to provide electricity to a parcel of land that is entirely surrounded by the lands of the Yawkey Center. Electricity originally was provided to Cat Island and South Island in or about 1940 as evidenced by a "RIGHT-OF-WAY EASEMENT", dated September 25, 1940 from T. A. Yawkey to Santee over the lands then owned by Mr. Yawkey (approximately 18,000 acres) on Cat Island. The easement likely includes land on South Island. The easement was not recorded, but the presence of quite old Santee lines and equipment on Cat Island support the validity

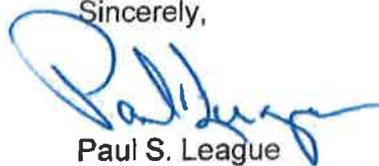
of the easement. For reasons unknown to the SCDNR, electrical lines did not extend to the parcel surrounded by the Yawkey Center.

The easement requested is 20 feet wide and 936 feet in length, resulting in a total easement area of 0.43 acres. Following an evaluation of the potential impact of the easement on the Yawkey Center, SCDNR staff determined that the easement as proposed will have no significant impact on either natural or cultural resources; moreover, the easement will not adversely affect future management activities. Proposed compensation for the easement would be the fair market value, based upon the value of the SCDNR land as listed by the Georgetown County Tax Assessor. The SCDNR calculates this value as \$218.00. An administrative fee of \$500.00 would also be imposed by the State Budget and Control Board. Additionally, the SCDNR would charge Santee Electric for the value of small trees that will have to be removed within the easement area, along with staff time to operate the ferry to transport Santee across the Intracoastal Waterway, plus any other costs that may be incurred by DNR.

The Yawkey Center lands have been dedicated as a South Carolina Heritage Preserve, although the lands have not been placed in the corpus of the South Carolina Heritage Trust. As such, the SCDNR is required to obtain approval of the grant of this easement from the Governor as provided in Section 51-17-80, SC Code Ann. The SCDNR also has reviewed this request in light of Section 10-1-135, SC Code Ann. SCDNR believes that the grant of the easement will comport with this statute. The landlocked parcel has no alternative means to obtain electricity from Santee. Santee is a utility serving a public purpose and has agreed to follow the least intrusive route and provide reasonable compensation.

Please contact me if you have any questions.

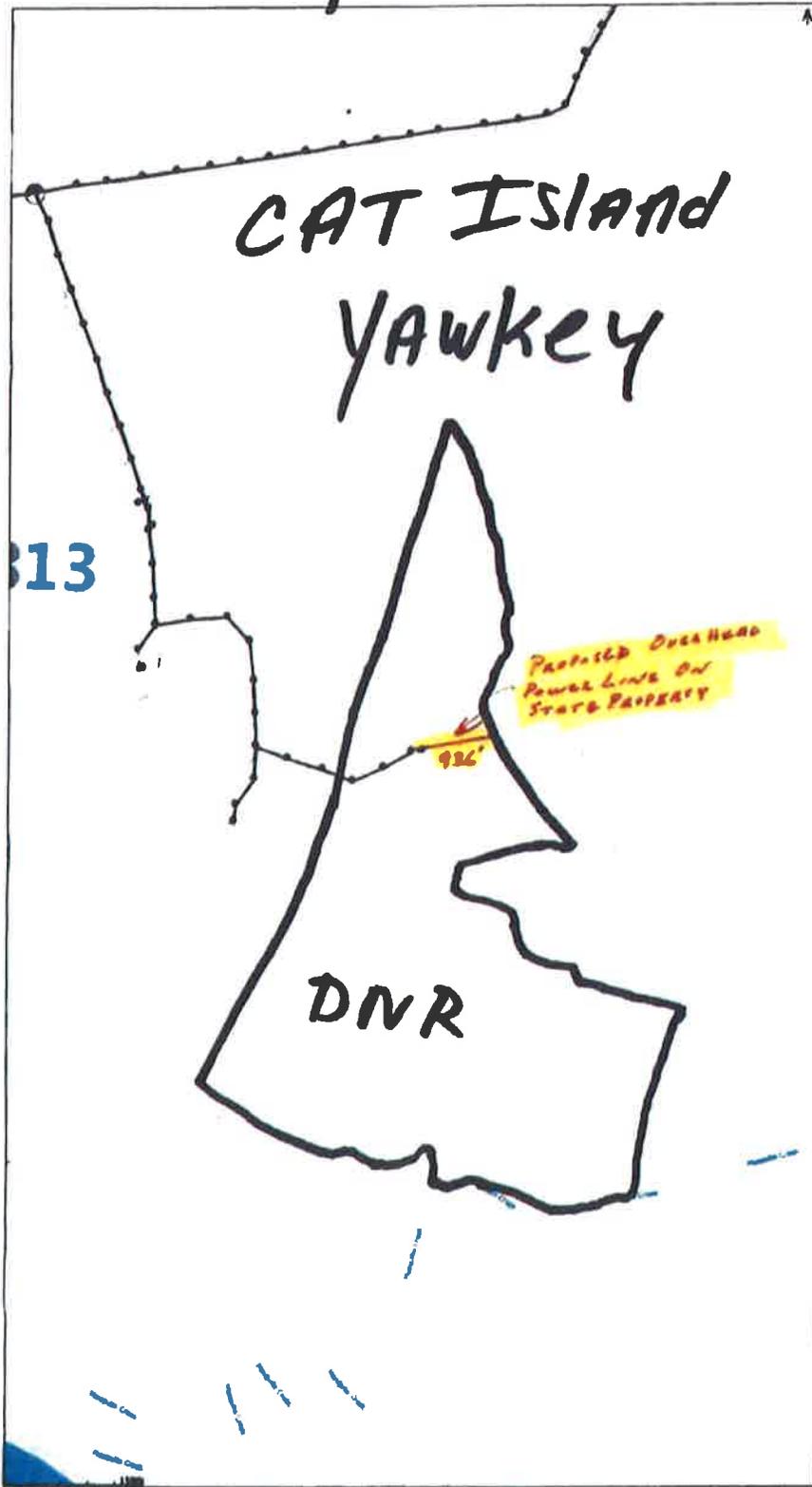
Sincerely,



Paul S. League  
Deputy Chief Counsel



# Utility EASEMENT



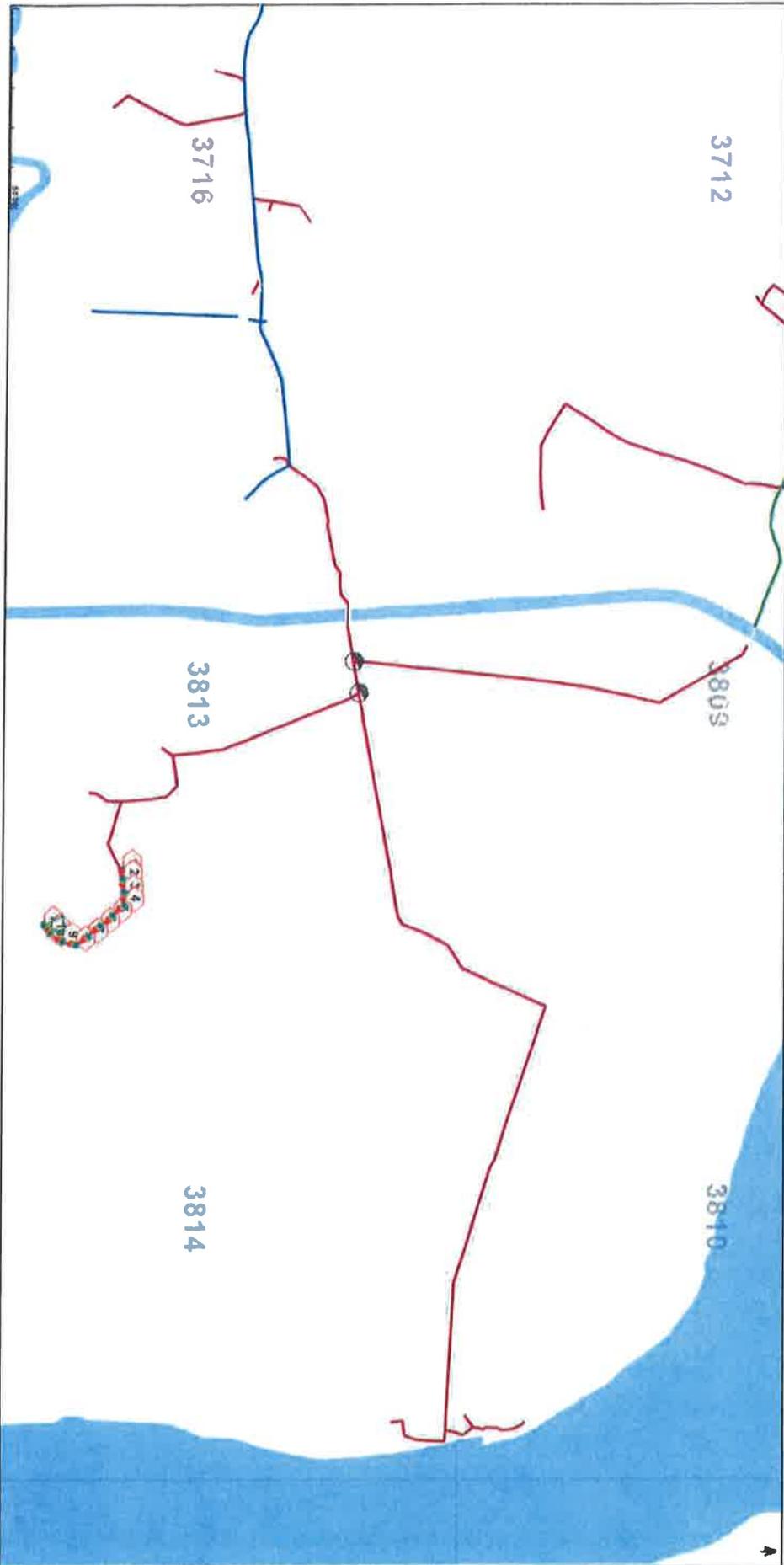


**Job Name: Dawson/Harmon**

Job Name: Dawson/Harmon  
911 Address:  
Staked By: Joe Adams  
Staked Date: 2013-03-22  
Description:

CIAC: N/A  
Permits: N/A  
3 Phase Contract: N/A  
Property Release: N/A  
UG Fee Paid: N/A  
UG Form Signed: N/A

Expense Account/Work Order #:  
Service Order #:  
County: Georgetown  
Tax District: Georgetown Z2-1  
Crew:





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AGENCY: Division of General Services

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SUBJECT: Real Property Conveyances

The Division of General Services recommends approval of the following real property conveyances:

- (a) **Agency:** **Budget and Control Board (Department of Motor Vehicles)**  
**Acreage:** 0.25± acre  
**Location:** Intersection of Butler and Church Streets, Johnston  
**County:** Edgefield  
**Purpose:** To dispose of surplus real property.  
**Price/Purchaser:** \$1,200/Davis R. Parkman  
**Disposition of Proceeds:** To be divided between Budget and Control Board and Department of Motor Vehicles pursuant to Proviso 101.23.  
**Additional Information:** On June 30, 2010, the Board approved the sale of the surplus property for not less than the appraised value which was \$2,000. The property has remained unsold since that time. Mr. Parkman lives on the adjoining property and has made an offer to purchase the property. The Department of Motor Vehicles feels it would be in the agency's best interest to accept this offer as it is the only offer received since the property has been on the market. Further, the property's size and narrow width greatly reduces its uses and would only benefit an adjoining property owner for an extension of a residential lot.
- (b) **Agency:** **Budget and Control Board (Adjutant General)**  
**Acreage:** 1.676± acres and improvements  
**Location:** 401 & 423 E. Park Avenue, Greenville  
**County:** Greenville  
**Purpose:** To transfer surplus National Guard Armory properties to a political subdivision pursuant to Joint Resolution R311, H5084.  
**Price/Transferred To:** N/A / City of Greenville

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AGENCY: Division of General Services

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SUBJECT: Real Property Conveyances

### OTHER TRANSACTION

- (c) **Agency:** Department of Natural Resources  
**Acreage:** 1,682± acres  
**Location:** Off Highway 41, near Huger  
**County:** Berkeley  
**Purpose:** To receive a conservation easement on approximately 1,682 acres known as the Keystone Tract in order to protect significant natural, ecological, wildlife, habitat, tidal wetlands and open space values of great importance to the citizens of the state. The conservation easement is part of the transaction to acquire the Keystone Tract from the Lowcountry Open Land Trust (LOLT), which will acquire the tract from Quenby Barony, LLC. Quenby will hold title to the tract for a period of about one to five years, subject to the conservation easement granted to LOLT. Following conveyance to the Department of Natural Resources, the tract will be dedicated as a South Carolina Heritage Preserve and placed in the corpus of the Heritage Trust.

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BOARD ACTION REQUESTED:

Approve the real property conveyances as requested.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-65; 2014-2015 Appropriations Bill H.4701, Part 1B, Proviso 101.23; (a) Budget and Control Board (Department of Motor Vehicles) – Edgefield County; (b) Budget and Control Board (Adjutant General) – Greenville County; (c) Department of Natural Resources – Berkeley County

**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

**Meeting Scheduled for: August 12, 2014**

**Blue Agenda**

**1. Submitted by:**

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:

  
\_\_\_\_\_  
Nolan L. Wiggins, Jr., Director

**2. Subject: REAL PROPERTY CONVEYANCES**

**3. Summary Background Information:**

- (a) **Agency:** Budget and Control Board (Department of Motor Vehicles)
  - Acreage:** 0.25± acre
  - Location:** Intersection of Butler and Church Streets, Johnston
  - County:** Edgefield
  - Purpose:** To dispose of surplus real property.
  - Price/Purchaser:** \$1,200/Davis R. Parkman
  - Disposition of Proceeds:** To be divided between Budget and Control Board and Department of Motor Vehicles pursuant to Proviso 101.23.
  - Additional Information:** On June 30, 2010, the Board approved the sale of the surplus property for not less than the appraised value which was \$2,000. The property has remained unsold since that time. Mr. Parkman lives on the adjoining property and has made an offer to purchase the property. The Department of Motor Vehicles feels it would be in the agency's best interest to accept this offer as it is the only offer received since the property has been on the market. Further, the property's size and narrow width greatly reduces its uses and would only benefit an adjoining property owner for an extension of a residential lot.
  
- (b) **Agency:** Budget and Control Board (Adjutant General)
  - Acreage:** 1.676± acres and improvements
  - Location:** 401 & 423 E. Park Avenue, Greenville
  - County:** Greenville
  - Purpose:** To transfer surplus National Guard Armory properties to a political subdivision pursuant to Joint Resolution R311, H5084.
  - Price/Transferred To:** N/A / City of Greenville

## OTHER TRANSACTION

(c) <b>Agency:</b>	<b>Department of Natural Resources</b>
<b>Acreage:</b>	1,682± acres
<b>Location:</b>	Off Highway 41, near Huger
<b>County:</b>	Berkeley
<b>Purpose:</b>	To receive a conservation easement on approximately 1,682 acres known as the Keystone Tract in order to protect significant natural, ecological, wildlife, habitat, tidal wetlands and open space values of great importance to the citizens of the state. The conservation easement is part of the transaction to acquire the Keystone Tract from the Lowcountry Open Land Trust (LOLT), which will acquire the tract from Quenby Barony, LLC. Quenby will hold title to the tract for a period of about one to five years, subject to the conservation easement granted to LOLT. Following conveyance to the Department of Natural Resources, the tract will be dedicated as a South Carolina Heritage Preserve and placed in the corpus of the Heritage Trust.

- 
4. **What is Board asked to do?** Approve the property conveyances and transactions as requested.
- 
5. **What is recommendation of Board Division involved?** Recommend approval of the property conveyances and transactions as requested.
- 
6. **List of Supporting Documents:**
1. SC Code of Laws Section 1-11-65
  2. 2014-2015 Appropriations Bill H.4701, Part IB, Proviso 101.23
  3. (a) Budget and Control Board (Department of Motor Vehicles) - Edgefield County  
(b) Budget and Control Board (Adjutant General) - Greenville County  
(c) Department of Natural Resources - Berkeley County

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.**

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**South Carolina General Assembly**  
120th Session, 2014-2015  
**H. 4701**  
General Appropriations Bill for fiscal year 2014-2015  
As Ratified by the General Assembly

**PART IB**

**OPERATION OF STATE GOVERNMENT**

**SECTION 101 – F03-BUDGET AND CONTROL BOARD**

**101.23. (BCB: Sale of Surplus Real Property)** Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

**(a) Budget and Control Board (Department of Motor Vehicles)  
Edgefield County**

**List of Supporting Documents:**

1. Letter from Department of Motor Vehicles
2. Map

Nikki R. Haley  
Governor



Kevin A. Shavello  
Executive Director

*State of South Carolina*  
*Department of Motor Vehicles*

July 23, 2014

Ms. Ashlie Lancaster  
Division of General Services  
SC Budget and Control Board  
1200 Senate Street, Suite 460  
Columbia, South Carolina 29201

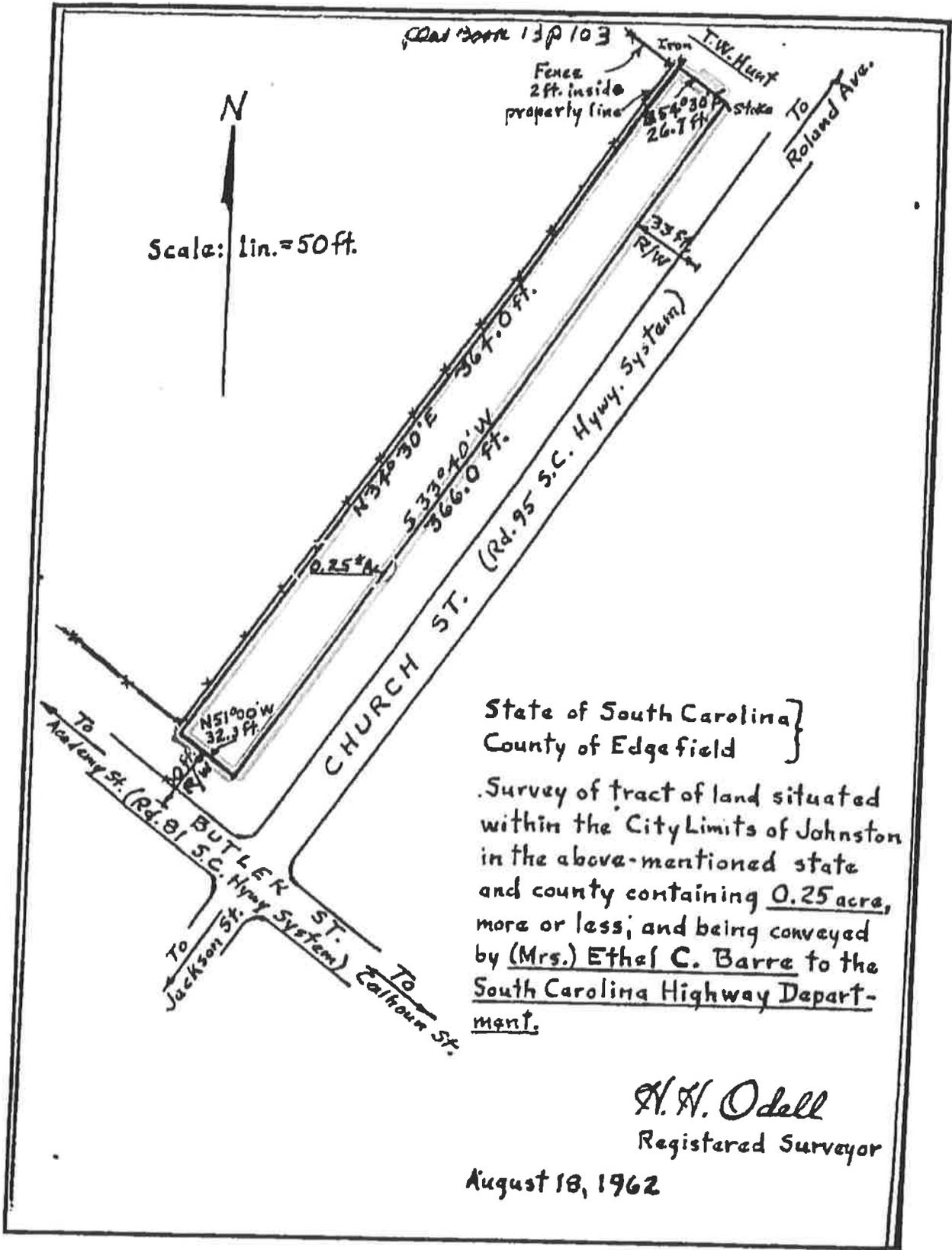
Dear Ms. Lancaster:

I am writing in regards to the sale of the surplus property located at the northwest corner of Church and Butler Streets in Johnston, South Carolina (Edgefield County). This is a 0.25 acre tract that was approved for sale by the Budget and Control Board on June 30, 2010 for not less than the appraised value which was \$2,000. The property's size and narrow widths of 32' and 26' greatly reduces its uses and would only benefit an adjoining property owner for an extension of a residential lot. Mr. Davis Parkman, who owns the adjoining lot directly behind the State's property, recently offered to purchase the property for \$1,200. The Department of Motor Vehicles feels that it is in the best interest of the agency and the State to accept this offer as this is the only firm offer we have had on the property since it has been approved for sale. Upon approval by the Budget and Control Board we would like to proceed with this sale.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melinda S. Woodhurst".

Melinda S. Woodhurst  
Director of Administration



ROAD BOOK 13 P 103

Fence  
2 ft. inside  
property line

Iron T.W. Hunt  
stake  
26.7 ft.

To  
Roland Ave.

N  
Scale: lin. = 50 ft.

CHURCH ST. (Rd. 95 S.C. Hwy. System)

To  
Nacology St. (Rd. 81 S.C. Hwy. System)

BUTLER ST.  
To  
Jackson St.

To  
Calthoun St.

N51°00'W  
32.3 ft.

N37°30'E  
367.0 ft.

S33°40'W  
366.0 ft.

0.25 ± A.

33 ft.  
R/W

**(b) Budget and Control Board (Adjutant General)  
Greenville County**

**List of Supporting Documents:**

1. Letter from Office of the Adjutant General
2. Joint Resolution R311, H5084

**The State of South Carolina**  
**Military Department**



**Office of the Adjutant General**

**ROBERT E. LIVINGSTON, JR.**  
MAJOR GENERAL  
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD  
COLUMBIA, S.C. 29201-4752

July 1, 2014

Ms. Ashlie Lancaster  
Deputy Director  
SC Budget & Control Board  
460 Wade Hampton Building  
Columbia, South Carolina 29201

Dear Ms. Lancaster:

The City of Greenville deeded two properties to the State of South Carolina for use as a National Guard Armory site. One parcel is located at the corner of North Church Street and East Park Avenue and was deeded to the State of South Carolina in 1936. The second parcel is an adjacent lot located on East Park Avenue and was deeded to the State of South Carolina in 1940. After World War II ended, the South Carolina National Guard ceased all operations on the two properties and the City of Greenville resumed control of the two properties. The City of Greenville has used the properties and made permanent improvements on the sites for recreational purposes for the betterment of the neighborhood for greater than 20 years.

The two parcels have not been used by the National Guard for greater than 20 years and the properties are excess to the needs of the South Carolina Army National Guard. South Carolina Code of Laws, Article 13, Section 25-1-1660 provides the State Budget and Control Board with the authority to transfer these properties to a political subdivision if the political subdivision has donated real property for use as a site for a replacement armory.

However, in the case of the two properties, the National Guard does not foresee a future need for a replacement facility in this location and requests that the two properties be transferred to the City of Greenville per the joint resolution approved by the General Assembly.

Points of contact for the Military Department are LTC Andrew Batten or MSG Mark Hicks at (803) 299-4304/4150.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Livingston, Jr.", written in a cursive style.

Robert E. Livingston, Jr.  
Major General, SCARNG  
The Adjutant General

**NOTE: THIS COPY IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL PUBLISHED IN THE ADVANCE SHEETS TO THE ACTS AND JOINT RESOLUTIONS. WHEN THIS DOCUMENT IS PUBLISHED IN THE ADVANCE SHEET, THIS NOTE WILL BE REMOVED.**

(R311, H5084)

**A JOINT RESOLUTION DIRECTING THE STATE BUDGET AND CONTROL BOARD TO TRANSFER FROM THE STATE OF SOUTH CAROLINA TO THE CITY OF GREENVILLE TWO PROPERTIES IN THE CITY OF GREENVILLE, ONE LOCATED AT THE CORNER OF NORTH CHURCH STREET AND EAST PARK AVENUE AND AN ADJACENT PROPERTY ON EAST PARK AVENUE, WHICH WERE PREVIOUSLY USED AS A STATE NATIONAL GUARD ARMORY.**

Whereas, on September 8, 1936, the City of Greenville deeded for one dollar to the State of South Carolina a parcel of land at the corner of North Church Street and East Park Avenue in the City of Greenville to be used for a National Guard Armory; and

Whereas, on April 10, 1940, the City of Greenville deeded for one dollar to the State of South Carolina another parcel of land on East Park Avenue, adjacent to the property deeded to the State in 1936 on East Park Avenue, also for use as a National Guard Armory; and

Whereas, after World War II, these properties ceased to be used by the State National Guard and the City of Greenville resumed control of these parcels and maintained them as a City of Greenville Recreation Department community gym for the betterment of the neighborhood for more than twenty years; and

Whereas, in 1996, the South Carolina Adjutant General prepared an affidavit, pursuant to the reverter clause in the deed for one of the parcels, recorded in the Greenville County Register of Deeds Office Book 1655, Page 1725 stating that the parcels of land had not been used by the Military Department of the State of South Carolina for a period greater than 20 years; and

Whereas, the State of South Carolina, acknowledging the donation of land by the City of Greenville for the war effort, the structures on the properties are beyond their useful life, the need to make decisions about the future of these properties, and these properties are no longer needed by the South Carolina Army National Guard, now wishes to transfer ownership of both properties back to the City of Greenville. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

**State to transfer previous National Guard Armory to City of Greenville**

SECTION 1. Notwithstanding Sections 25-1-1660 and 1-11-58 of the South Carolina Code of Laws, 1976, and Act 248 of 2004, the State Budget and Control Board shall transfer from the State of South Carolina to the City of Greenville two properties in the City of Greenville, one located at the corner of North Church Street and East Park Avenue and an adjacent property on East Park Avenue, which were previously used by the State National Guard for an Armory.

**Time effective**

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 5<sup>th</sup> day of June, 2014.

Approved the 6<sup>th</sup> day of June, 2014. -- T.  
----XX----

**(c) Department of Natural Resources  
Berkeley County**

**List of Supporting Documents:**

1. Letter from Department of Natural Resources and attachments

South Carolina Department of  
**Natural Resources**



**DNR**

Alvin A. Taylor  
**Director**

**Office of Chief Counsel**

Paul S. League  
Shannon Furr Bobertz  
V. Craig Jones, Jr.

July 22, 2014

General Services Division  
State Budget & Control Board  
Wade Hampton Building  
1200 Senate Street, Suite 460  
Columbia, SC 29201

Re: Keystone Tract/Request for Approval of Real Property Acquisition

Dear Sirs:

This letter is a request on behalf of the South Carolina Department of Natural Resources that the Budget and Control Board approve the acquisition of a 1,682 acre tract of land in Berkeley County, which tract is known as the Keystone Tract. The tract of land is one of several tracts that are a part of the mitigation package required under the Federal Clean Water Act in association with the expansion of the Boeing Company aircraft plant in Charleston County.

Enclosed are the following maps and documents in connection with the proposed acquisition:

- (1) Map of Proposed Boeing Mitigation Properties;
- (2) Map of Keystone Tract Wetland Extent and Conditions;
- (3) Map of Keystone Tract Upland Buffer and Wetlands to be Preserved;
- (4) Boeing News Release of July 14, 2014.

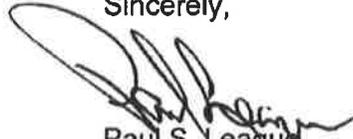
This land transfer is similar in nature to two other recent acquisitions by the SCDNR. Over the past year or so the Budget and Control Board has approved the transfer of the Vaught tract and the Carter Stilley tract. Both tracts located in Horry County were conveyed to the SCDNR for long-term ownership as part of the creation of mitigation banks. While the Keystone Tract is not associated with a mitigation bank, the tract is part of a permit holder mitigation project to be carried out by Boeing. Similar to the mitigation banking projects, federal regulations require that the Keystone Tract be restored by Boeing, followed by maintenance of the land in perpetuity.

This proposal differs from the two others just mentioned in one other respect. Title to the Keystone Tract was conveyed recently to Quenby Barony, LLC, an affiliate of the Low Country Open Land Trust (LOLT). Quenby will hold title to the tract for a period of about one to five years, subject to a conservation easement granted to LOLT. Following conveyance to the SCDNR, the tract will be dedicated as South Carolina Heritage Preserve and placed in the corpus of the Heritage Trust.

In that the property is being donated, the SCDNR will not seek an appraisal of the land's value. The SCDNR will submit an environmental assessment for review by the Board. All parties with an interest in this matter urge the Board to review as expeditiously as possible.

Please contact me if you have any questions.

Sincerely,



Paul S. League  
Deputy Chief Counsel

Location of Boeing's proposed mitigation properties.

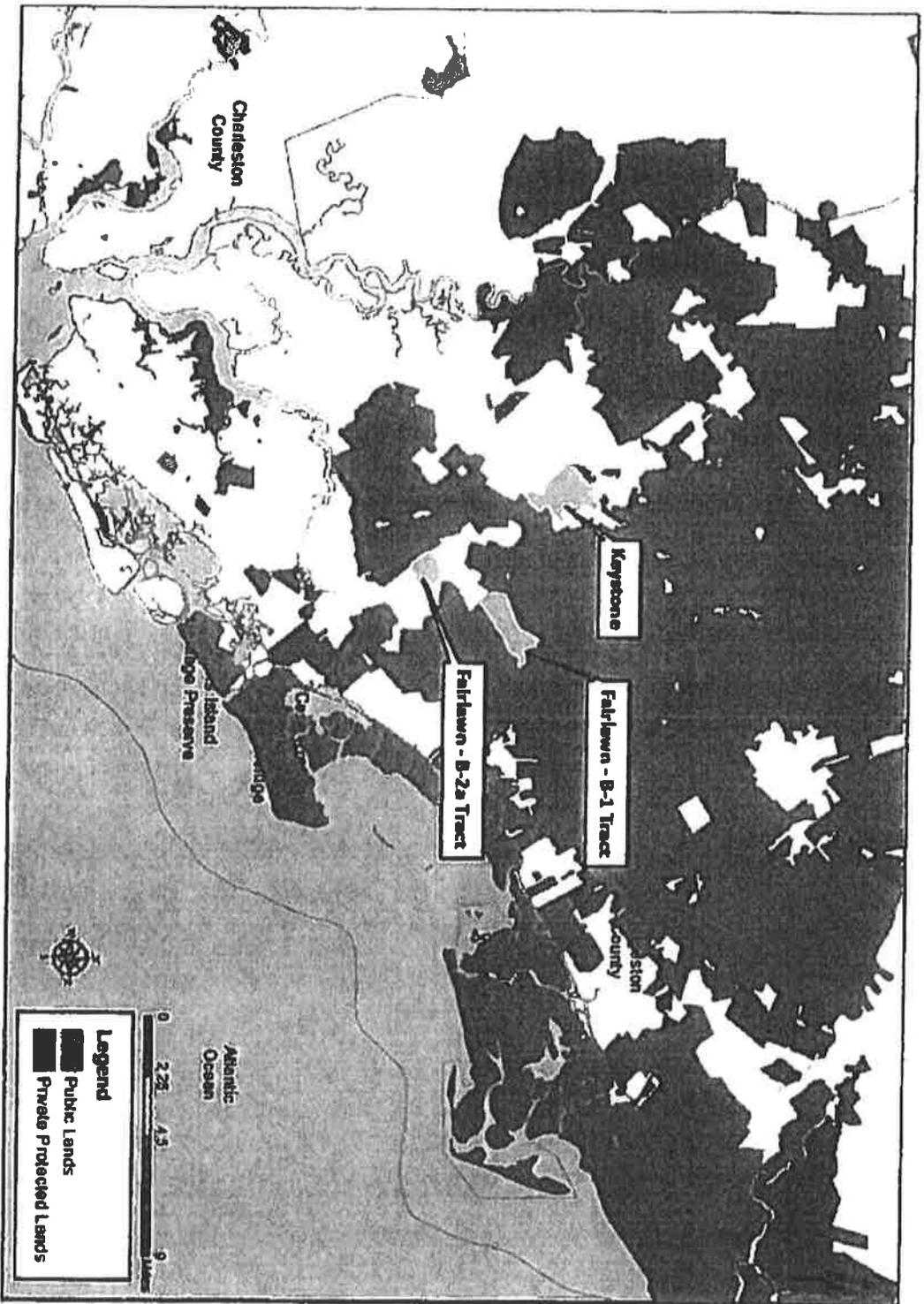


Figure 4-10. Wetland extent and conditions on Keystone.



**Figure 4-17. Upland buffer around wetlands to be preserved and enhanced.**





## News Release

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Boeing Commercial Airplanes  
P.O. Box 3707 MC 21-70  
Seattle, WA 98124-2207  
[www.boeing.com](http://www.boeing.com)

### **Boeing Partnership to Preserve Thousands of Acres of Threatened Wetlands in South Carolina**

**NORTH CHARLESTON, S.C., July 14, 2014** – Boeing (NYSE: BA) received approval on Friday from the U.S. Army Corps of Engineers on a comprehensive wetlands mitigation plan to preserve approximately 4,000 acres of land, including more than 2,000 acres of wetlands. The land is on three separate tracts near the Francis Marion National Forest in the South Carolina Lowcountry.

Boeing worked in partnership with federal, state and local agencies and conservation organizations to identify the tracts for preservation, which achieves conservation goals of regional and national significance. The result will be a substantial increase in public lands, public access, and protections of land, water quality and several rare, threatened and endangered wildlife species.

"This investment significantly advances a national effort to protect and restore the fire dependent native longleaf pine ecosystem," said Mark Robertson, South Carolina executive director of The Nature Conservancy. "Together, these acquisitions represent one of the largest private conservation investments in the Francis Marion National Forest and surrounding region."

The approved plan is part of the permitting process for 468 acres of land in North Charleston that Boeing previously announced it will lease from the State of South Carolina to protect for potential future growth. Included in that leased property is 153 acres of wetlands that date back to the property's former use as a phosphate mine.

"Working with our habitat protection partners on landscape scale conservation projects has been a priority of the Department of Natural Resources for the last two decades," said Alvin Taylor, director of the S.C. Department of Natural Resources (DNR). "At DNR we are grateful for the opportunity to work with our partners in conservation the Lowcountry Open Land Trust, The Nature Conservancy and the Open Space Institute in order to seek a mitigation solution that Boeing supports and meets the regulatory requirements and that will benefit fish, wildlife, their habitats and our citizens."

The three tracts of land were closed on earlier this year. Boeing funded the purchase of one tract by the Lowcountry Open Land Trust (LOLT). LOLT will hold the property for up to five years and then transfer it to the S.C. Department of Natural Resources for long-term ownership and management. Boeing funded the purchase of the other two tracts by The Open Space Institute (OSI) and The Nature Conservancy. OSI and The Nature Conservancy will hold the property for up to five years and then transfer it to the U.S. Forest Service for long-term ownership and management as part of the Francis Marion National Forest.

"This plan supports our business growth as well as our commitment to the environment and communities where we live and work," said Jack Jones, vice president and general manager of Boeing South Carolina. "It's exciting because it ensures our ability to grow while protecting the unique natural ecosystem of this state for future generations of South Carolinians and visitors."

###

Contacts:  
Rob Gross  
Boeing South Carolina Communications  
(843) 789-8084  
[robert.gross2@boeing.com](mailto:robert.gross2@boeing.com)

Candy Eslinger  
Boeing South Carolina Communications  
(843) 819-1488  
[candy.eslinger@boeing.com](mailto:candy.eslinger@boeing.com)



## Fact Sheet

### BSC Wetlands Mitigation Fact Sheet

The Keystone (northern portion), Fairlawn B1 and B2 properties include nearly 4,000 total acres. Of this, more than 2,000 acres are wetlands.

Several Rare, Threatened and Endangered (RTE) species have been documented as occurring either on these tracts or within one mile of the tract boundaries, according to the U.S. Fish & Wildlife Service and the S.C. Department of Natural Resources (SCDNR):

Common Name	Scientific Name
American chaffseed	<i>Schwalbea americana</i>
Blue maiden-cane	<i>Amphicarpum muehlenbergianum</i>
Savannah milkweed	<i>Asclepias pedicellata</i>
Bachman's warbler	<i>Vermivora bachmanii</i>
Bald eagle	<i>Haliaeetus leucocephalus</i>
Bearded grass-pink	<i>Calopogon barbatus</i>
Many-flowered grass-pink	<i>Calopogon multiflorus</i>
Canby's dropwort	<i>Oxypolis canbyi</i>
Ciliate-leaf tickseed	<i>Coreopsis integrifolia</i>
Three-angle spikerush	<i>Eleocharis tricostata</i>
Mohr's throughwort	<i>Eupatorium recurvans</i>
Frosted flatwoods salamander	<i>Ambystoma cingulatum</i>
Gopher frog	<i>Rana capito</i>
Southeastern sneezeweed	<i>Helenium pinnatifidum</i>
Pondspice	<i>Litsea aestivalis</i>
Boykin's lobelia	<i>Lobelia boykinii</i>
Eastern wood rat	<i>Neotoma floridana</i>
Spoonflower	<i>Peltandra sagittifolia</i>
Pondberry	<i>Lindera melissifolia</i>
Red-cockaded woodpecker (RCW)	<i>Picoides borealis</i>

Awned meadow beauty	<i>Rhexia aristosa</i>
Sweet pitcher plant	<i>Sarracenia rubra</i>
Lace-lip ladies' tresses	<i>Spiranthes laciniata</i>
Nodding pogonia	<i>Triphora trianthophora</i>
Wood stork	<i>Mycteria americana</i>
Florida yellow-eyed grass	<i>Xyris difformis</i>
Elliott's yellow-eyed grass	<i>Xyris elliotii</i>
Savannah yellow-eyed grass	<i>Xyris flabelliformis</i>

### Keystone (northern portion)

The Keystone tract (northern portion) on Highway 41 in Berkeley County includes approximately 1,677 acres (720 acres of wetlands) that abut the Francis Marion National Forest and protected properties along the East Branch of the Cooper River, an area known as the Plantation Corridor.

The Keystone tract has been intensively managed for timber for many decades. Much of it is now a loblolly pine monoculture with mixed hardwoods along some drains and in some isolated wetlands.

LOLT will hold the property for up to five years and then transfer it to the SCDNR for long-term ownership and management.

LOLT will initiate and Boeing will fund wetland enhancement and restoration on the Keystone tract. The overall goal of these actions will be to restore native vegetation in wetland areas that have been converted to a pine monoculture and initiate restoration of the uplands to the native longleaf pine ecosystem, one of the most endangered pine ecosystems in the Southeast. These actions will improve wetland function, as well as habitat for threatened and endangered species.

The Francis Marion National Forest hosts the largest red cockaded woodpecker population in South Carolina, and contains frosted flatwoods salamander critical habitat. Frosted flatwoods salamander larvae were recently found within the National Forest. In addition, many of the RTE plant species listed above inhabit the National Forest. All of these species inhabit old growth, fire maintained, longleaf pine ecosystem. Longleaf habitat restoration of the site would lead to some of these species inhabiting the Keystone tract over time.

### Fairlawn B1

The Forest Service considers B1 to be its highest priority property for protection east of the Mississippi River. The B1 tract is approximately 1,530 acres (853 acres of wetlands).

Most of the B1 uplands can be restored to longleaf pine. Due to the unique wetland features found along the Cainhoy Ridge, there is potential habitat for many RTE species.

Initially, B1 and B2a will be held by OSI and The Nature Conservancy (TNC). Within five years these parcels will be transferred to the U.S. Forest Service for long-term ownership and management as part of the National Forest.

OSI/TNC will also initiate and Boeing will fund wetland enhancement and restoration on the B1 and B2a tracts. The overall goal of these actions will be to restore native vegetation in wetland areas that have been converted to a timber pine monoculture and initiate restoration of the uplands to the native longleaf pine ecosystem.

Two active colonies of the federally endangered red cockaded woodpecker lie literally on the boundary of tract B1. Seven active colonies lie within the primary foraging distance of ¼ mile, and 18 active colonies lie within the ½ mile secondary foraging distance, as prescribed by the U.S. Fish & Wildlife Service.

Protection of the Fairlawn tracts, and land management focused on longleaf pine forests would substantially increase the habitat values to RTE species.

### Fairlawn B2a

The B2a tract is approximately 695 acres. Five-hundred twenty acres of wetlands on B2a, as well as 24 acres of adjacent buffer, will be preserved as part of this Plan. Twenty-five acres (25) will also be enhanced. Additionally, the non-wetland/buffer acreage will be enhanced and managed to reestablish the longleaf pine ecosystem. The uplands are a critical part of the ecosystem and habitat for RTE species. Thus, the entire 695 acres will be protected in perpetuity.

B2a is important to regional land conservation efforts to protect critical habitats, as well as to protect water quality in the Cooper Watershed. It is strategically located to connect existing protected properties in a manner that contributes to widespread, landscape scale habitat protection. Such protection is essential to preserve large-scale functioning ecosystems. B2a adds critical buffers to the National Forest in a manner which will increase the value of this natural resource that is of local, state, and national importance. Considering its high priority with the USFS, preservation alone would make a significant local and regional contribution, and provide an overwhelming public benefit. Short and long term management of the property will also include enhancement activities, such as planting.

STATE BUDGET AND CONTROL BOARD  
MEETING OF August 12, 2014

BLUE AGENDA  
ITEM NUMBER 4

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AGENCY: Human Resources Division

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SUBJECT: Reappointment of State Employee Grievance Committee Members

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. In addition, § 8-17-340 (A) provides that members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board.

The Human Resources Division recommends the reappointment of the following members for three year terms: Patricia Butler, Department of Insurance; Nancy Hall, Department of Disabilities & Special Needs; Zina Hampton, Department of Mental Health; Justin Hancock, Department of Parks, Recreation, & Tourism; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman-Long, SC Technical College System; and Bart Vincent, Department of Corrections.

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BOARD ACTION REQUESTED:

Approve the recommended reappointments to be effective on the date of approval:

For three year terms: Patricia Butler, Department of Insurance; Nancy Hall, Department of Disabilities & Special Needs; Zina Hampton, Department of Mental Health; Justin Hancock, Department of Parks, Recreation, & Tourism; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman-Long, SC Technical College System; and Bart Vincent, Department of Corrections.

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ATTACHMENTS:

Agenda item worksheet; Section 8-17-340(A) of the S. C. Code of Laws, 1976

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

Blue Agenda  
 Regular Session  
 Executive Session

August 12, 2014

1. Submitted by: (a) Agency: Human Resources Division

(b) Authorized Official Signature

*Samuel L. Wilkins*

2. Subject: Reappointment of State Employee Grievance Committee Members

3. Summary Background Information:

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. In addition, § 8-17-340 (A) provides that members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board.

The Human Resources Division recommends the reappointment of the following members for three year terms: Patricia Butler, Department of Insurance; Nancy Hall, Department of Disabilities & Special Needs; Zina Hampton, Department of Mental Health; Justin Hancock, Department of Parks, Recreation, & Tourism; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman-Long, SC Technical College System; and Bart Vincent, Department of Corrections.

4. What is Board asked to do?

To approve the recommended reappointments to be effective on the date of approval.

5. What is recommendation of the Board division involved?

Approval of the recommended reappointments.

6. Recommendation of other office (as required)?

Office Name \_\_\_\_\_

Authorized  
Signature \_\_\_\_\_

7. Supporting Documents:

List those attached:

List those not attached but available:

(1) Section 8-17-340 (A) of the S.C. Code of Laws, 1976

(1) Letters for Reappointment

**SECTION 8-17-340.** State Employee Grievance Committee; hearings; procedures; appeals.

(A) There is created the State Employee Grievance Committee constituted and appointed to serve as an administrative hearing body for state employee appeals. The State Human Resources Director shall forward to the committee for a hearing all appeals which meet jurisdictional requirements and relate to the following adverse employment actions: terminations, salary decreases based on performance, demotions, suspensions for more than ten days, and reductions in force when the State Human Resources Director determines there is a material issue of fact regarding inconsistent or improper application of the agency's reduction in force plan or policy. The committee shall consist of at least eighteen and not more than twenty-four members who must be appointed by the State Budget and Control Board to serve for terms of three years and until their successors are appointed and qualify. All members of the committee must be selected on a broadly representative basis from among the personnel of the various state agencies as recommended by the agency head.

The committee annually shall elect a chairman from among its members to serve for a one-year term. In addition, the State Human Resources Director may divide the committee into panels of five members to sit at hearings and designate a member to serve as the presiding officer and a member to serve as secretary at all panel hearings. A quorum of a panel consists of at least three members.

Vacancies occurring for a reason other than expiration of a term must be filled by the State Budget and Control Board in the same manner as the original appointments. Members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board. The committee and the State Human Resources Director may recommend to the State Budget and Control Board that it promulgate regulations as necessary to carry out the provisions of this article and the board is authorized to promulgate these and other necessary regulations.

Committee members shall receive their normal pay for the time they are required to be away from their regular assignments. They may be reimbursed as provided by law from funds appropriated to the State Budget and Control Board for expenses, such as meals, lodging, and mileage, when using their personal automobiles, incurred in connection with the performance of necessary committee business.

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$25,000,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Bishop of Charleston  
Employment Impact: maintenance of approximately 136 employees and the addition of 6 new teachers and administrators  
Project Description: providing financing to defray the cost of projects across South Carolina including to Cardinal Newman School in Richland County, Pope John Paul II School in Jasper County and the pastoral center in Charleston County  
*Note:* *private sale*  
Bond Counsel: Jeremy Cook, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$8,500,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Palmetto Scholars Academy  
Employment Impact: maintain existing employment of 30 jobs and create 9 new jobs  
Project Description: financing the acquisition, construction, equipping and furnishing of a charter school facility  
*Note:* *negotiated private sale for private placement*  
Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.
- c. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$2,700,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: South Carolina Aquarium  
Employment Impact: maintain existing employment of 135 people  
Project Description: providing upgrades and the replacement of certain equipment and fixtures  
*Note:* *private sale*  
Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

- d. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$6,600,000 Multifamily Housing Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Ashley Arms  
Employment Impact: n/a  
Project Description: to finance the acquisition and rehabilitation of a 100-unit apartment development located in Charleston  
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
- e. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$15,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: -0-  
Name of Project: St. Andrews Gardens  
Employment Impact: n/a  
Project Description: to finance acquisition and rehabilitation of a 228-unit apartment development located in Charleston  
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

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BOARD ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

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ATTACHMENTS:

Resolutions

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$25,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (BISHOP OF CHARLESTON) IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds or Notes (Bishop of Charleston) in one or more series and in one or more years in the aggregate principal amount of not exceeding \$25,000,000 (the "*Bonds*") through private sale, which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through a negotiated private sale to a financial institution;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bonds in one or more series and in one or more years through private sale be and the same is hereby in all respects approved.

**Section 3.** The series designations of each series of the Bonds shall reflect the year of issuance of such series of the Bonds.

**Section 4.** This Resolution shall take effect immediately.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$8,500,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (PALMETTO SCHOLARS ACADEMY PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Palmetto Scholars Academy Project), in the aggregate principal amount of not exceeding \$8,500,000 (the "Bonds") in minimum denominations of \$100,000 through a negotiated private sale for private placement with qualified institutional buyers for investment purposes, which the Authority has determined to be most advantageous and is acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined, and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale for private placement with qualified institutional buyers for investment purposes, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$2,700,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (SC AQUARIUM PROJECT) SERIES 2014, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (SC Aquarium Project) Series 2014, in the aggregate principal amount of not exceeding \$2,700,000 (the "Bonds"); and

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bond will be privately placed with a financial institution acceptable to the Authority;

**NOW, THEREFORE, BE IT RESOLVED** by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to a financial institution be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

**C.**

## A RESOLUTION

### GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (ASHLEY ARMS)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make construction mortgage loans to housing sponsors who agree to and shall be required to provide for construction of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the Board; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the Board its Petition dated July 21, 2014 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

### NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Ashley Arms) in the principal amount not to exceed \$6,600,000.

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The approval of the State Treasurer of the interest rate on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the Board by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

## A RESOLUTION

### GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (ST. ANDREWS GARDENS)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make construction mortgage loans to housing sponsors who agree to and shall be required to provide for construction of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the Board; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the Board its Petition dated July 21, 2014 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

### NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (St. Andrews Gardens) in the principal amount not to exceed \$15,000,000.

**E.**

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The approval of the State Treasurer of the interest rate on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the Board by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

STATE BUDGET AND CONTROL BOARD  
MEETING OF August 12, 2014

REGULAR SESSION  
ITEM NUMBER 1

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**AGENCY:** Public Employee Benefit Authority, Employee Insurance Program

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**SUBJECT:** State Health Plan Benefits and Contribution Rates Effective January 1, 2015

As part of the Appropriations Act of 2014, the General Assembly enacted proviso 105.7 setting out the premium increases for the 2015 State Health Plan and setting parameters for possible changes to other provisions of the Plan:

“105.7. (PEBA: FY 2015 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2015 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 3.9 percent and a subscriber premium increase of zero percent for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2015. Co payment increases for participants of the State Health Plan in Plan Year 2015 shall not exceed nine percent. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2015 to ensure the fiscal stability of the Plan.”

At its meeting on July 16, 2014, pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the PEBA Board approved the State Health Plan for 2015 in compliance with Proviso 105.7.

Accordingly, the PEBA Board approved an Employer contribution rate increase of 3.9% with no increase for subscribers for each tier of the Plan as set out in Attachment 2. Furthermore, as set out in Attachment 3, the PEBA Board approved co-payment and deductible increases that do not exceed 9%. The increase in employer premiums and in deductibles and co-pays is necessary to offset increases in health expenditure growth.

Under S.C. Code Ann. Section 9-4-45, coverage changes and contribution determinations of the Public Employee Benefit Authority for the State Health Plan are subject to approval by the Budget and Control Board. The Budget and Control Board is asked to approve the 2015 contribution rates in Attachment 2 and the co-payment and deductible changes as set out in Attachment 3.

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**BOARD ACTION REQUESTED:**

Approve the contribution rates and plan changes presented on Attachments 2 (Standard Plan Benefit Cost) and 3 (Standard Plan Benefit Structure).

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**ATTACHMENTS:**

Agenda item worksheet; S.C. Code Ann. Sections 1-11-710 and 9-9-45; State Monthly Contribution Rates by Level of Coverage: 2014 and Proposed Effective January 1, 2015; Standard Plan Benefit Structure for Plan Years 2015, 2014 and 2013.

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 12, 2014

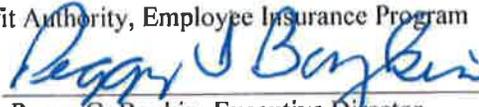
Regular Agenda

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**1. Submitted by:**

(a) Agency: Public Employee Benefit Authority, Employee Insurance Program

(b) Authorized Official Signature:

  
Peggy G. Boykin, Executive Director

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**2. Subject:** State Health Plan benefits and contribution rates effective January 1, 2015

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**3. Summary & Background Information**

As part of the Appropriations Act of 2014, the General Assembly enacted proviso 105.7 setting out the premium increases for the 2015 State Health Plan and setting parameters for possible changes to other provisions of the Plan:

“**105.7.** (PEBA: FY 2015 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2015 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 3.9 percent and a subscriber premium increase of zero percent for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2015. Co-payment increases for participants of the State Health Plan in Plan Year 2015 shall not exceed nine percent. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2015 to ensure the fiscal stability of the Plan.”

At its meeting on July 16, 2014, pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the PEBA Board approved the State Health Plan for 2015 in compliance with Proviso 105.7. Accordingly, the PEBA Board approved an Employer contribution rate increase of 3.9% with no increase for subscribers for each tier of the Plan as set out in Attachment 2. Furthermore, as set out in Attachment 3, the PEBA Board approved co-payment and deductible increases that do not exceed 9%. The increase in employer premiums and in deductibles and co-pays is necessary to offset increases in health expenditure growth.

Under S.C. Code Ann. Section 9-4-45, coverage changes and contribution determinations of the Public Employee Benefit Authority for the State Health Plan are subject to approval by the Budget and Control Board. The Budget and Control Board is asked to approve the 2015 contribution rates in Attachment 2, and the co-payment and deductible changes as set out in Attachment 3.

---

**4. What is Board asked to do?**

Approve the contribution rates and plan changes presented on Attachments 2 and 3.

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**5. What is recommendation of the agency involved?**

Approve the contribution rates and plan changes presented on Attachments 2 and 3.

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**6. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_  
(b) Office Name: \_\_\_\_\_

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**7. Supporting Documents:**

- (a) List those attached:
1. S.C. Code Ann. Sections 1-11-710 and 9-9-45
  2. State Monthly Contribution Rates by Level of Coverage: 2014 and Proposed Effective January 1, 2015.
  3. Standard Plan Benefit Structure for Plan Years 2015, 2014 and 2013.
- (b) List those not attached but available

## Attachment 1

### S.C. Code Ann. Sections 1-11-710 and 9-4-45

**SECTION 1-11-710.** Board to make insurance available to active and retired employees; Insurance Reserve Fund to provide reinsurance; cost to be paid out of appropriated and other funds.

(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1-11-705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

(4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state-appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one-half months' claims must be maintained in the accounts.

(B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria plan program, as authorized by Section 9-1-60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.

(C) Notwithstanding Sections 1-23-310 and 1-23-320 or any other provision of law, claims for benefits under any self-insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1-11-705(H).

# Standard Plan Benefit Cost

	General Fund	Premium increase Employer (PEPM)	Premium increase Employee (PEPM)
Employer only (3.9%)	\$57.174M	\$17.34	\$0.00

# Standard Plan Benefit Structure

	2015	2014	2013
Deductible	\$450/\$900	\$420/\$840	\$350/\$700
Coinsurance max	\$2600/\$5200	\$2400/\$4800	\$2000/\$2400
Physician co-pay	\$13	\$12	\$10
Emergency room co-pay	\$160	\$150	\$125
Outpatient Hospital co-pay	\$97	\$90	\$75
Pharmacy co-pay	\$9/\$39/\$65	\$9/\$36/\$60	\$9/\$30/\$50

AGENCY: Division of General Services

SUBJECT: Department of Commerce Lease

The SC Department of Commerce requests approval to continue leasing 25,640 square feet of rentable space located at 1201 Main Street in Columbia from U.S. REIF/MJW CAPITOL CENTER FEE, LLC. The agency will relinquish 8,715 square feet on the 15<sup>th</sup> floor that is currently subleased to the Retirement System Investment Commission. Approximately ninety-six (96) employees will utilize the facility.

A solicitation was conducted and one (1) response was received. The lease term will be seven (7) years beginning April 1, 2016 at a rate of \$15.50 per square foot for the first year. Thereafter, basic rent increases two (2) percent annually as shown in the chart below:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 397,419.96	\$ 33,118.33	\$ 15.50 rounded
YEAR 2	\$ 405,368.40	\$ 33,780.70	\$ 15.81
YEAR 3	\$ 413,573.16	\$ 34,464.43	\$ 16.13 rounded
YEAR 4	\$ 421,778.04	\$ 35,148.17	\$ 16.45 rounded
YEAR 5	\$ 430,239.24	\$ 35,853.27	\$ 16.78 rounded
YEAR 6	\$ 438,956.76	\$ 36,579.73	\$ 17.12 rounded
YEAR 7	\$ 447,674.40	\$ 37,306.20	\$ 17.46
Total	\$2,955,009.96		

The following table represents comparable lease rates of similar business space in the Columbia area:

Agency	Address	Lease Term	Initial Rent Rate/SF	Final Rate/SF
Vacant	1301 Gervais Street	N/A	\$18.00	UNK
Vacant	1333 Main Steet	N/A	\$17.50	UNK
Vacant	1233 Washington Street	N/A	\$17.00	UNK
Attorney General	1201 Main Street	12/17/12-12/31/17	\$14.00	\$15.76
Department of Insurance	1201 Main Street	3/1/14-2/28/21	\$15.50	\$17.46
Education Lottery	1333 Main Street, Suite 400	3/23/07-3/22/16	\$14.00	\$17.50

STATE BUDGET AND CONTROL BOARD  
MEETING OF August 12, 2014

REGULAR SESSION  
ITEM NUMBER 2

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AGENCY: Division of General Services

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SUBJECT: Department of Commerce Lease

All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes parking subsidized by the landlord in a city owned garage for which Commerce employees pay \$20/month/space. The landlord will provide an allowance of up to \$186,200 for improvements to the premises and common areas upon a mutually acceptable space plan and scope of work. Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its August 4, 2014 meeting.

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BOARD ACTION REQUESTED:

Approve the proposed 7 year lease for the SC Department of Commerce at 1201 Main Street in Columbia.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

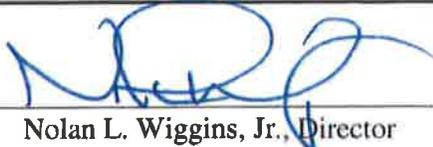
**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

**Meeting Scheduled for: August 12, 2014**

**Regular Agenda**

**1. Submitted by:**

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

**2. Subject: SC Department of Commerce Lease**

**3. Summary Background Information:**

The SC Department of Commerce requests approval to continue leasing 25,640 square feet of rentable space located at 1201 Main Street in Columbia from U.S. REIF/MJW CAPITOL CENTER FEE, LLC. The agency will relinquish 8,715 square feet on the 15<sup>th</sup> floor that is currently subleased to the Retirement System Investment Commission. Approximately ninety-six (96) employees will utilize the facility.

A solicitation was conducted and one (1) response was received. The lease term will be seven (7) years beginning April 1, 2016 at a rate of \$15.50 per square foot for the first year. Thereafter, basic rent increases two (2) percent annually as shown in the chart below:

<b>TERM</b>	<b>ANNUAL RENT</b>	<b>MONTHLY RENT</b>	<b>RENT PER SF</b>
YEAR 1	\$ 397,419.96	\$ 33,118.33	\$ 15.50 rounded
YEAR 2	\$ 405,368.40	\$ 33,780.70	\$ 15.81
YEAR 3	\$ 413,573.16	\$ 34,464.43	\$ 16.13 rounded
YEAR 4	\$ 421,778.04	\$ 35,148.17	\$ 16.45 rounded
YEAR 5	\$ 430,239.24	\$ 35,853.27	\$ 16.78 rounded
YEAR 6	\$ 438,956.76	\$ 36,579.73	\$ 17.12 rounded
YEAR 7	\$ 447,674.40	\$ 37,306.20	\$ 17.46
Total	\$2,955,009.96		

The following table represents comparable lease rates of similar business space in the Columbia area:

<b>Agency</b>	<b>Address</b>	<b>Lease Term</b>	<b>Initial Rent Rate/SF</b>	<b>Final Rate/SF</b>
Vacant	1301 Gervais Street	N/A	\$18.00	UNK
Vacant	1333 Main Steet	N/A	\$17.50	UNK
Vacant	1233 Washington Street	N/A	\$17.00	UNK
Attorney	1201 Main Street	12/17/12-12/31/17	\$14.00	\$15.76

General				
Department of Insurance	1201 Main Street	3/1/14-2/28/21	\$15.50	\$17.46
Education Lottery	1333 Main Street, Suite 400	3/23/07-3/22/16	\$14.00	\$17.50

All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes parking subsidized by the landlord in a city owned garage for which Commerce employees pay \$20/month/space. The landlord will provide an allowance of up to \$186,200 for improvements to the premises and common areas upon a mutually acceptable space plan and scope of work. Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its August 4, 2014 meeting.

**4. What is the Board asked to do?** Approve the proposed 7 year lease for the SC Department of Commerce at 1201 Main Street in Columbia.

**5. What is recommendation of the Division of General Services?** Consider approval of the proposed 7 year lease for the SC Department of Commerce at 1201 Main Street in Columbia.

**6. List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56

## SOUTH CAROLINA CODE OF LAWS

### SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

### SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency.

(4) rejecting an agency's request for additional space or space at a specific location, or both.

(5) directing agencies to be located in public space, when available, before private space can be leased.

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into, and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

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**AGENCY:** Division of General Services

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**SUBJECT:** Department of Social Services Lease - Charleston

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The SC Department of Social Services requests approval to continue leasing 20,459 square feet, as well as an additional 2,440 square feet, for a total of 22,899 square feet of rentable space located at 3346 Rivers Avenue in Charleston from 3346 Rivers Avenue, LLC for its Child Care, Adoption, and Integrated Child Support programs. The agency is seeking the additional square footage to accommodate space for the addition of staff to support the child care program and for space to conduct Administrative Hearings. Previously, the Charleston County Family Court provided space for these hearings but can no longer accommodate them. Approximately eighty (80) employees will utilize the facility.

A solicitation was conducted and eight (8) responses were received, of which the selected location represents the lowest bid. The lease term will be seven (7) years beginning upon completion of renovations, which is estimated to be November 1, 2014, at a rate of \$14.95 per square foot for the first year. Thereafter, basic rent increases two and one-half (2.5) percent annually as shown in the chart below:

<b>TERM</b>	<b>ANNUAL RENT</b>	<b>MONTHLY RENT</b>	<b>RENT PER SF</b>
YEAR 1	\$ 342,340.08	\$ 28,528.34	\$ 14.95 rounded
YEAR 2	\$ 350,812.68	\$ 29,234.39	\$ 15.32
YEAR 3	\$ 359,514.36	\$ 29,959.53	\$ 15.70 rounded
YEAR 4	\$ 368,444.88	\$ 30,703.74	\$ 16.09 rounded
YEAR 5	\$ 377,604.48	\$ 31,467.04	\$ 16.49 rounded
YEAR 6	\$ 386,993.16	\$ 32,249.43	\$ 16.90 rounded
YEAR 7	\$ 396,610.68	\$ 33,050.89	\$ 17.32
Total	\$2,582,320.32		

All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes free surface parking for employees and visitors. The following table represents comparable lease rates of similar business space in the Charleston area:

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**AGENCY:** Division of General Services

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**SUBJECT:** Department of Social Services Lease - Charleston

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF
Health and Human Services	4130 Faber Place Drive, Suite 300	1/15/11- 1/14/18	\$17.25	\$17.25
Continuum of Care	7410 Northside Drive	7/1/13- 6/30/20	\$15.50	\$18.26
Vocational Rehabilitation	2070 N River Business Center	7/1/10- 6/30/17	\$14.32	\$17.89
College of Charleston	5300 International Boulevard	9/1/09- 10/31/14	\$18.68	\$20.22

Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its August 4, 2014 meeting.

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**BOARD ACTION REQUESTED:**

Approve the proposed 7 year lease for the SC Department of Social Services at 3346 Rivers Avenue in Charleston.

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**ATTACHMENTS:**

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 12, 2014

Regular Agenda

**1. Submitted by:**

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

**2. Subject:** SC Department of Social Services Lease -Charleston

**3. Summary Background Information:**

The SC Department of Social Services requests approval to continue leasing 20,459 square feet, as well as an additional 2,440 square feet, for a total of 22,899 square feet of rentable space located at 3346 Rivers Avenue in Charleston from 3346 Rivers Avenue, LLC for its Child Care, Adoption, and Integrated Child Support programs. The agency is seeking the additional square footage to accommodate space for the addition of staff to support the child care program and for space to conduct Administrative Hearings. Previously, the Charleston County Family Court provided space for these hearings but can no longer accommodate them. Approximately eighty (80) employees will utilize the facility.

A solicitation was conducted and eight (8) responses were received, of which the selected location represents the lowest bid. The lease term will be seven (7) years beginning upon completion of renovations, which is estimated to be November 1, 2014, at a rate of \$14.95 per square foot for the first year. Thereafter, basic rent increases two and one-half (2.5) percent annually as shown in the chart below:

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Total	\$2,582,320.32		

All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes free surface parking for employees and visitors. The following table represents comparable lease rates of similar business space in the Charleston area:

## SOUTH CAROLINA CODE OF LAWS

### SECTION 1-11-55. Leasing of real property for governmental bodies.

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(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

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(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

### SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

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(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency.

(4) rejecting an agency's request for additional space or space at a specific location, or both,

(5) directing agencies to be located in public space, when available, before private space can be leased,

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into, and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period

AGENCY: Division of General Services

SUBJECT: Department of Social Services Lease - Columbia

The SC Department of Social Services requests approval to continue leasing 22,394 square feet of rentable space located at 2638 Two Notch Road in Columbia from Palmetto Place Equities, LLC for three State/Regional child services divisions. Approximately eighty-nine (89) employees will utilize the facility.

A solicitation was conducted and four (4) responses were received, of which the selected location represents the lowest bid. The lease term will be seven (7) years beginning September 1, 2014 at a rate of \$10.25 per square foot for the first year, which is a reduction from their current rate of \$12.50 per square foot. Additionally the agency will permanently relinquish 4,067 square feet. Thereafter, basic rent increases one and one-half (1.5) percent annually as shown in the chart below:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 229,538.52	\$ 19,128.21	\$ 10.25 rounded
YEAR 2	\$ 232,897.56	\$ 19,408.13	\$ 10.40 rounded
YEAR 3	\$ 236,480.64	\$ 19,706.72	\$ 10.56
YEAR 4	\$ 240,063.72	\$ 20,005.31	\$ 10.72 rounded
YEAR 5	\$ 243,646.68	\$ 20,303.89	\$ 10.88 rounded
YEAR 6	\$ 247,229.76	\$ 20,602.48	\$ 11.04
YEAR 7	\$ 251,036.76	\$ 20,919.73	\$ 11.21 rounded
Total	\$1,680,893.64		

With the reduced rate and reduction in square footage, a savings of approximately \$1.8 million over the lease term is anticipated. The following table represents comparable lease rates of similar business space in the Columbia area:

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF
Vacant	3710 Landmark Drive	N/A	\$15.75	UNK
Vacant	1601 St. Julian Place	N/A	\$15.00	UNK
Vacant	2718 Middleburg Drive	N/A	\$13.50	UNK
State Ethics Commission	5000 Thurmond Mall, Suite 250	1/1/12-12/31/18	\$13.50	\$16.12
Department of Motor Vehicles	228-A O'Neil Court	6/17/11-5/31/21	\$12.23	\$12.23
Legislative Audit Council	1331 Elmwood Avenue, Suite 315	7/1/13-6/30/20	\$12.00	\$13.51

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AGENCY: Division of General Services

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SUBJECT: Department of Social Services Lease - Columbia

All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes free surface parking for employees and visitors. Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its August 4, 2014 meeting.

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BOARD ACTION REQUESTED:

Approve the proposed 7 year lease for the SC Department of Social Services at 2638 Two Notch Road in Columbia.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

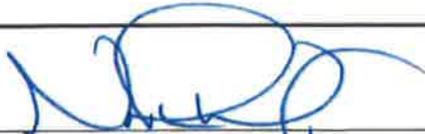
**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 12, 2014

Regular Agenda

**1. Submitted by:**

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

**2. Subject: SC Department of Social Services Lease - Columbia**

**3. Summary Background Information:**

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All operating expenses are included in the base rent, and the agency will not be responsible for any operating expense escalations. The lease includes free surface parking for employees and visitors. Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its August 4, 2014 meeting.

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**4. What is the Board asked to do?** Approve the proposed 7 year lease for the SC Department of Social Services at 2638 Two Notch Road in Columbia.

---

**5. What is recommendation of the Division of General Services?** Recommend approval of the proposed 7 year lease for the SC Department of Social Services at 2638 Two Notch Road in Columbia.

---

**6. List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56

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(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

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AGENCY: Division of General Services

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SUBJECT: Savannah River Maritime Commission's Request to Accept and Take Title to Approximately 2,000 Acres of Real Property in Jasper County

In 2007, the General Assembly created the Savannah River Maritime Commission (Commission) to represent this State in all matters pertaining to the navigability, depth, dredging, wastewater and sludge disposal, and related collateral issues in regard to the use of the Savannah River as a waterway for ocean-going container or commerce vessels.

The Commission was a party to litigation in state and federal court regarding the Savannah Harbor Expansion Project. In April 2013, a settlement agreement was reached, which was approved by the federal district court on May 27, 2013. One of the terms and conditions included in the settlement agreement provides that the Georgia Ports Authority will cause to be transferred from the Georgia Department of Transportation approximately 2,000 acres of property in Jasper County to the Commission. This provision providing for the transfer of property includes a reverter clause which directs that such property shall revert back to the Georgia Department of Transportation under certain conditions set forth therein. The terms and conditions of the settlement agreement do not require any monetary payment for this property, and the Commission does not anticipate on-going costs associated with the acquisition of the property.

Pursuant to Proviso 118.2 of the 2014-2015 Appropriations Act, title to property acquired by most state entities should generally be titled in the name of the State, unless the Board determines title should not be in the name of the State because the property is subject to reverter clauses or other restraints on the property, or where the Board determines the State would be best served by not receiving title. In this instance, the terms and conditions of the settlement agreement include a reverter clause with regard to the described transfer of property to the Commission. Thus, the Commission requests approval to accept and take title to approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement. The Commission states that it does not intend to retain title to the property in perpetuity. The Commission believes because of the possibility of reverter and additional litigation that could involve the property, the best interests of South Carolina are served by the Commission retaining title until the reverter provision no longer retains any effect or validity. At that time, the Commission will consult with the Board regarding disposition of the property to ensure it best serves the interest of the State.

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**BOARD ACTION REQUESTED:**

Consider approval of the acceptance of approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement, with such property titled in the name of the Commission.

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**ATTACHMENTS:**

Agenda item worksheet; SC Code of Laws Section 1-11-65; 2014-2015 Appropriations Bill H.4701, Part 1B, Proviso 118.2; Letter from Willoughby & Hoefler, P.A. dated July 21, 2014

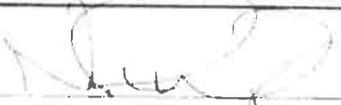
## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 12, 2014

Regular Agenda

1. **Submitted by:**

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. **Subject:** Savannah River Maritime Commission's request to accept and take title to approximately 2,000 acres of real property in Jasper County.

3. **Summary Background Information:**

In 2007, the General Assembly created the Savannah River Maritime Commission (Commission) to represent this State in all matters pertaining to the navigability, depth, dredging, wastewater and sludge disposal, and related collateral issues in regard to the use of the Savannah River as a waterway for ocean-going container or commerce vessels.

The Commission was a party to litigation in state and federal court regarding the Savannah Harbor Expansion Project. In April 2013, a settlement agreement was reached, which was approved by the federal district court on May 27, 2013. One of the terms and conditions included in the settlement agreement provides that the Georgia Ports Authority will cause to be transferred from the Georgia Department of Transportation approximately 2,000 acres of property in Jasper County to the Commission. This provision providing for the transfer of property includes a reverter clause which directs that such property shall revert back to the Georgia Department of Transportation under certain conditions set forth therein. The terms and conditions of the settlement agreement do not require any monetary payment for this property, and the Commission does not anticipate on-going costs associated with the acquisition of the property.

Pursuant to Proviso 118.2 of the 2014-2015 Appropriations Act, title to property acquired by most state entities should generally be titled in the name of the State, unless the Board determines title should not be in the name of the State because the property is subject to reverter clauses or other restraints on the property, or where the Board determines the State would be best served by not receiving title. In this instance, the terms and conditions of the settlement agreement include a reverter clause with regard to the described transfer of property to the Commission. Thus, the Commission requests approval to accept and take title to approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement. The Commission states that it does not intend to retain title to the property in perpetuity. The Commission believes because of the possibility of reverter and additional litigation that could involve the property, the best interests of South Carolina are served by the Commission retaining title until the reverter provision no longer retains any effect or validity. At that time, the Commission will consult with the Board regarding disposition of the property to ensure it best serves the interest of the State.

4. **What is the Board asked to do?** Approve the acceptance of approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement, with such property titled in the name of the Commission.

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5. **What is recommendation of the General Services Division?** Consider approval of the acceptance of approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement, with such property titled in the name of the Commission.

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6. **List of Supporting Documents:**

- a) SC Code of Laws Section 1-11-65
- b) 2014-2015 Appropriations Bill H.4701, Part 1B, Proviso 118.2
- c) Letter from Willoughby & Hoefler, P.A. dated July 21, 2014

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.**

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**South Carolina General Assembly  
120th Session, 2014-2015**

**H. 4701**

**General Appropriations Bill for fiscal year 2014-2015  
As Ratified by the General Assembly**

**PART IB**

**OPERATION OF STATE GOVERNMENT**

**SECTION 118 – X91-STATEWIDE REVENUE**

**118.2. (SR: Titling of Real Property)** It is the intent of the General Assembly to establish a comprehensive central property and office facility management process to plan for the needs of state government agencies and to achieve maximum efficiency and economy in the use of state owned or state leased real properties. The Budget and Control Board is directed to identify all state owned properties whether titled in the name of the state or an agency or department, and all agencies and departments of state government are upon request to provide the Board all documents related to the title and acquisition of the real properties that are occupied or used by the agency or titled in the name of the agency. Except for any properties where the Board determines title should not be in the name of the State because the properties are subject to reverter clauses or other restraints on the property, or where the Board determines the state would be best served by not receiving title, and with the exception of properties, highways and roadways owned by the Department of Transportation, title of any property held by or acquired by a state agency or department shall be titled in the name of the state under the control of the Budget and Control Board. Titling in the name of the state shall not affect the operation or use of real property by an agency.

This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the South Carolina Division of Public Railways; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Midlands Technical College Enterprise Campus Authority, the Trident Technical College Enterprise Campus Authority; the Area Commission of Tri-County Technical College; and the Charleston Naval Complex Redevelopment Authority.

This provision is comprehensive and supersedes any conflicting provisions concerning title and acquisition and disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

The Budget and Control Board is directed to provide to the Department of Education, funds equal to the amount realized from the sale of the Greenville Halton Road Bus Shop property for school bus maintenance shop relocations, construction, and shop equipment.

**WILLOUGHBY & HOEFER, P.A.**

ATTORNEYS & COUNSELORS AT LAW

930 RICHLAND STREET

P O BOX 8416

COLUMBIA SOUTH CAROLINA 29202-8416

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ANDREW J D'ANTONI

AREA CODE 803  
TELEPHONE 252 3300  
TELECOPIER 256 8062

\*ALSO ADMITTED IN TX

\*\*ALSO ADMITTED IN THE DISTRICT OF COLUMBIA

July 21, 2014

**VIA E-MAIL**

Ms. Ashlie Lancaster  
S.C. Budget & Control Board

Re: Request of the Savannah River Maritime Commission for approval to take title to approximately 2,000 acres of property in Jasper County

Dear Ms. Lancaster:

On behalf of the Savannah River Maritime Commission (Commission), please accept this letter as a request to the S.C. Budget & Control Board (Board) for approval for the Commission to accept and take title to approximately 2,000 acres of real property in Jasper County pursuant to a settlement agreement. S.C. Code Ann. § 1-11-65 (providing that all transactions involving real property made for or by governmental bodies must be approved by the Board).

The Commission was a party to litigation in state and federal court regarding the Savannah Harbor Expansion Project (SHEP). In April 2013, a settlement agreement was reached, which was approved by the federal district court on May 27, 2013. A copy of the settlement agreement and approval order is attached. One of the "terms and conditions" included in the settlement agreement provides that the Georgia Ports Authority (GPA) will cause to be transferred from the Georgia Department of Transportation (GDT) approximately two thousand (2,000) acres of property in Jasper County (identified on the map exhibit to the settlement agreement) to the Commission.<sup>1</sup> Settlement Agreement at 9, § II.B.6.

Importantly, this provision providing for the transfer of property includes a reverter clause which directs that such property shall automatically revert back to the GDT under certain conditions set forth therein. The terms and conditions of the settlement agreement do not require

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<sup>1</sup> Per the settlement agreement, the transfer of property is conditioned upon receipt of approval by the Board.

Ms. Ashlie Lancaster  
S.C. Budget & Control Board  
July 21, 2014

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any monetary payment for this property, and the Commission does not anticipate on-going costs associated with the acquisition of the property.

Although generally title to property acquired by a state agency is titled in the name of the State, an exception applies to property subject to a reverter clause or other restraint, such as the one provided for in the terms and conditions of the Settlement Agreement with regard to the described transfer of property to the Commission. S.C. Act No. 286, Part 1B, § 118.2. Accordingly, the Commission hereby requests the Board to approve the transfer of property to the Commission pursuant to the terms of the Settlement Agreement and to authorize said property to be titled in the name of the Commission. It is not the Commission's intent to retain title to the property in perpetuity. Rather, because of the possibility of reverter and additional litigation that could involve the property, the best interests of South Carolina are served<sup>2</sup> by the Commission retaining title until the reverter provision no longer retains any effect or validity.<sup>3</sup> At that time, the Commission will consult with the Budget and Control Board regarding disposition of the property to ensure it best serves the interests of the State of South Carolina.

Thank you for your time and consideration. If you have any questions, please do not hesitate to contact me.

Very truly yours,

**WILLOUGHBY & HOEFER, P.A.**



Randolph R. Lowell

cc: **The Honorable William D. Moss, Jr.**  
**Robert Cook, Esquire**  
**Parkin Hunter, Esquire**  
**David Avant, Esquire**

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<sup>2</sup> By allowing the Commission to retain title until the threat of reverter passes, the potential for the State, the Budget and Control Board, and its members to be subject to litigation in state and federal court over this matter in the event the Settlement Agreement is terminated and litigation recommenced is removed.

<sup>3</sup> The reverter clause loses effect and validity once the dredging of the Inner Harbor, as defined in the Settlement Agreement is commenced. That is expected to be less than three years from the execution of the project partnership agreement, which is expected to occur by the end of September 2014.

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AGENCY: Executive Budget Office

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SUBJECT: Aircraft Acquisition

Code Section 1-11-405 states that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Budget and Control Board and the Joint Bond Review Committee. The State Law Enforcement Division (SLED) requests approval to purchase an aircraft to serve the needs of the agency.

SLED currently owns a total of four (4) helicopters: one (1) 1964 UH-1H Model, two (2) MD500E Models, and a 1968 OH-6A Model (military surplus). The 500E model aircrafts are used on a daily basis and were built in 1987 and 1989. The OH-6A must be returned to the federal government for lack of available parts. Due to the military programs that this aircraft was acquired under, the OH-6A cannot be sold but must be returned either to the Department of Defense or another governmental entity. SLED is challenged to maintain support at its current level with this aircraft offline. An additional 500E model replacement will ensure two (2) fully operational aircrafts are always available while one may be down for maintenance or inspection.

The 500E Models are used to support other state agencies/initiatives to include, but not limited to:

- SC Department of Corrections Special Response Team
- SC Highway Patrol - Accident Reconstruction Team and Hurricane Evacuation
- SC Forestry Commission - Fire Suppression
- SC Department of Natural Resources - Law Enforcement and Aerial Biological Surveying
- All City, County and Federal Law Enforcement Agencies
- North Carolina and Georgia Law Enforcement

SLED has not yet made an offer for a specific plane, pending Joint Bond Review Committee and Budget and Control Board approval, but has explored pricing for 2014 MD Model 500E (396E) helicopter. The target net cost of the helicopter is \$3.5 million. Upon receiving approval, SLED plans to pursue the purchase of a new 2014 MD Model 500E (396E) helicopter as a sole source procurement from MD Helicopters, Inc. SLED is planning to pursue this as a sole source procurement because, by acquiring a helicopter by the same manufacturer as the existing fleet, a majority of the spare parts can be shared among the helicopters. All pilots and mechanics (5 full time pilots, 2 full time pilots/mechanics and 4 part time pilots) are currently certified on this model of helicopter. The plane will be purchased with other funds currently available to the agency for this purpose. Specific authorization to use these funds for the purchase of a helicopter was included in the FY 2014-15 Appropriations Act. Funds for the purchase of the helicopters will come from two sources; \$1.2 million from confiscated cash funds carried forward from prior year seizures and \$2.3 million from record search fee revenue carried forward from prior fiscal years.

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BOARD ACTION REQUESTED:

Consider authorizing the State Law Enforcement Division to purchase a helicopter for use by the Department.

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ATTACHMENTS:

Agenda item worksheet; Letter from SLED, dated July 21, 2014; FY 2014-15 Appropriations Act Reference; Code Section 1-11-405

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 12, 2014

Regular Agenda

**1. Submitted by:**

- (a) Agency: Executive Budget Office  
(b) Authorized Official Signature:

*Beard Hunt*

**2. Subject: Aircraft Acquisition**

**3. Summary Background Information:**

Code Section 1-11-405 states that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Budget and Control Board and the Joint Bond Review Committee. The State Law Enforcement Division (SLED) requests approval to purchase an aircraft to serve the needs of the agency.

SLED currently owns a total of four (4) helicopters: one (1) 1964 UH-1H Model, two (2) MD500E Models, and a 1968 OH-6A Model (military surplus). The 500E model aircrafts are used on a daily basis and were built in 1987 and 1989. The OH-6A must be returned to the federal government for lack of available parts. Due to the military programs that this aircraft was acquired under, the OH-6A cannot be sold but must be returned either to the Department of Defense or another governmental entity. SLED is challenged to maintain support at its current level with this aircraft offline. An additional 500E model replacement will ensure two (2) fully operational aircrafts are always available while one may be down for maintenance or inspection.

The 500E Models are used to support other state agencies/initiatives to include, but not limited to:

- SC Department of Corrections Special Response Team
- SC Highway Patrol - Accident Reconstruction Team and Hurricane Evacuation
- SC Forestry Commission - Fire Suppression
- SC Department of Natural Resources - Law Enforcement and Aerial Biological Surveying
- All City, County and Federal Law Enforcement Agencies
- North Carolina and Georgia Law Enforcement

SLED has not yet made an offer for a specific aircraft, pending Joint Bond Review Committee and Budget and Control Board approval, but has explored pricing for 2014 MD Model 500E (396E) helicopter. The target net cost of the helicopter is \$3.5 million. Upon receiving approval, SLED plans to pursue the purchase of a new 2014 MD Model 500E (396E) helicopter as a sole source procurement from MD Helicopters, Inc. SLED is planning to pursue this as a sole source procurement because, by acquiring a helicopter by the same manufacturer as the existing fleet, a majority of the spare parts can be shared among the helicopters. All pilots and mechanics (5 full time pilots, 2 full time pilots/mechanics and 4 part time pilots) are currently certified on this model of helicopter. The plane will be purchased with other funds currently available to the agency for this purpose. Specific authorization to use these funds for the purchase of a helicopter was included in the FY 2014-15 Appropriations Act. Funds for the purchase of the helicopters will come from two sources; \$1.2 million from confiscated cash funds carried forward from prior year seizures and \$2.3 million from record search fee revenue carried forward from prior fiscal years.

**4. What is Board asked to do?**

Authorize the State Law Enforcement Division to purchase a helicopter.

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**5. What is the recommendation of the Executive Budget Office?**

Consider authorizing the State Law Enforcement Division to purchase a helicopter for use by the Department.

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**6. Recommendation of other Division/Agency (as required)?**

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

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**7. List of Supporting Documents:**

1. Letter from SLED, dated July 21, 2014
2. FY 2014-15 Appropriations Act Reference
3. Code Section 1-11-405

# SOUTH CAROLINA LAW ENFORCEMENT DIVISION

**NIKKI R. HALEY**  
*Governor*



**MARK A. KEEL**  
*Chief*

**Date:** July 21, 2014

**To:** Joint Bond Review Committee

**Re:** SLED – Helicopter Procurement

SLED currently owns a total of four (4) helicopters: one (1) 1964 UH-1H Model, two (2) MD500E Models, and a 1968 OH-6A Model (military surplus). The UH-1H aircraft is large in size and is primarily used for specialized missions to transport the SWAT, Tracking Team, Bomb and Crime Scene Units. The UH-1H is not configured or cost effective for everyday use. The 500E model aircrafts are used on a daily basis and were built in 1987 and 1989. The OH-6A must be returned to the federal government for lack of available parts. Due to the military programs that this aircraft was acquired under, the OH-6A cannot be sold but must be returned either to the Department of Defense or another governmental entity. SLED is challenged to maintain support at its current level with this aircraft offline. An additional 500E model replacement is necessary in order to ensure two (2) fully operational aircraft are always available while one may be down for maintenance/inspection.

The 500E Models are used to support other state agencies/initiatives to include, but not limited to:

- SC Department of Corrections Special Response Team
- SC Highway Patrol - Accident Reconstruction Team and Hurricane Evacuation
- SC Forestry Commission - Fire Suppression
- SC Department of Natural Resources – Law Enforcement and Aerial Biological Surveying
- All City, County and Federal Law Enforcement Agencies
- North Carolina and Georgia Law Enforcement

SLED proposes to purchase a 2014 MD Model 500E (369E) helicopter as a sole source procurement from MD Helicopters, Inc., 4555 East McDowell Road, Mesa, Arizona, 85215-9734. All of the helicopters are operated and maintained by the Aviation Unit. SLED currently employs 5 full time pilots, 2 full time pilots/mechanics and 4 part time pilots. Since SLED already operates MD helicopters, here are several reasons to purchase another MD helicopter:

1. All pilots have completed MD helicopter pilot factory training at least 3 times each. This training is designed only for the MD helicopter and no other type. (Approx. value of \$250,000)
2. All mechanics have been to the MD helicopter factory maintenance class. These classes are only specific to the MD 500E (369E) helicopter. (Approx. value of \$20,000)



An Accredited Law Enforcement Agency

P.O. Box 21398 / Columbia, South Carolina 29221-1398 / (803) 737-9000 / Fax (803) 896-7588

3. Since SLED operates the MD helicopter line, SLED owns approx. \$50,000 worth of special tools that are required to conduct maintenance on this specific line of aircraft.
4. SLED Aviation Unit currently has approx. \$100,000 worth of MD 500E (369E) helicopter spare parts in its inventory for immediate use.
5. If the SLED Aviation Unit did not purchase a MD helicopter then all pilots and mechanics would have to be retrained by another company since no helicopter is the same. Transitioning to a different helicopter would set the Aviation Unit back approx. 2 years to learn a new airframe and become familiar with a new model.
6. SLED's Aviation Unit has over 24 years of experience operating the MD helicopter line and maintaining the consistency of aircraft models is an essential safety factor.

The proposed procurement action described above is pursuant to the authority of Section 11-35-1560 of the South Carolina Procurement Code and 19-445.2105 of the Rules and Regulations, 1976 South Carolina Code of Laws.

The sources of funds that will be used to purchase the helicopter are broken down as follows:

- \$1.2M - Confiscated cash funds that have carried forward from prior year seizures.
- \$2.3M – Record search fees carried forward from prior years.

TOT COUNTER-TERRORISM	7,970,845 (58.00)	3,537,958 (57.00)
TOT PROG AND SRVCS	86,203,408 (546.98)	29,487,092 (454.38)
III. EMPLOYEE BENEFITS		
C. STATE EMP CONTRIB		
EMPLOYER CONTRIB	11,175,338	8,998,997
TOTAL FRINGE BENEFITS	11,175,338	8,998,997
TOT EMPLOYEE BENEFITS	11,175,338	8,998,997
IV. NON-RECUR APPRO		
HELICOPTER	3,500,000	
TOT NON-RECUR APPRO	3,500,000	
TOTAL NON-RECURRING	3,500,000	
GOV'S OFF-STATE LAW		
ENFORCEMENT DIVISION		
TOTAL RECURRING BASE	100,297,941	40,481,442
TOTAL FUNDS AVAILABLE	103,797,941	40,481,442
TOT AUTH FTE POSITIONS	(583.98)	(488.38)
TOTAL GOVERNOR'S OFF	103,797,941	40,481,442
TOT AUTH FTE POSITIONS	(583.98)	(488.38)

This web page was last updated on Thursday, June 26, 2014 at 11:17 AM

**SECTION 1-11-405. Aircraft purchase, lease, or lease-purchase by state agency.**

**No aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the State Budget and Control Board and the Joint Bond Review Committee.**

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AGENCY: Executive Budget Office

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SUBJECT: Permanent Improvement Projects

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Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

**Establish Project for A&E Design**

- (a) Summary 1-2015: JBRC Item 1. University of South Carolina  
Project: 6108, South Tower Bathroom Renovations  
Funding Source: \$48,000 Other, Housing Maintenance Reserve funds, which are funds that are derived from the Housing operating budget that includes housing fees and revenues generated by laundry operations, conferences and interest.  
Request: Establish project and budget for \$48,000 (Other, Housing Maintenance Reserve funds) to begin design work to renovate the bathrooms in the South Tower residence building. South Tower is a 92,004 square foot residence hall at the University of South Carolina. The scope of the renovations will include a comprehensive renovation of all 17 common student bathrooms located in the central core of the building. It is desired to also include the toilet room on the first floor and two toilet rooms located in the basement. Piping, exhaust and ventilation systems will be replaced and hazardous materials will be abated. Waterproofing will be installed at the floors and walls. Original shower, wall and floor tile finishes will be replaced. All lavatories, water closets and other plumbing fixtures will be replaced. Other finishes include lighting, toilet partitions and mirrors will be replaced. Disabled accessibility issues will also be corrected to comply with current codes. The building was built in 1965 and the plumbing systems are original to the building. Numerous leaks have developed and have been repeatedly patched over the years. Continual flooding from leaks will damage the building and expose students to hazardous materials should wall or ceiling finishes continue to deteriorate.
- (b) Summary 1-2015: JBRC Item 2. Department of Mental Health  
Project: 9731, Tucker Center Long Term Care Facility Pavement Repairs  
Funding Source: \$7,500 Other, Capital Improvement/Maintenance Funds, which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.  
Request: Establish project and budget for \$7,500 (Other, Capital Improvement/Maintenance Funds) to begin design work to repair the asphalt around the Tucker Long Term Care Facility located in Richland County. The

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AGENCY: Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Tucker Long Term Care Facility is a 50 acre campus made up of Stone Pavilion, which is 43 years old, and the Roddey Pavilion, which is 31 years old. The asphalt surfaces are original to the structures. Much of the asphalt roadway leading into the facility and on the roads between buildings has failed, causing safety issues. The resulting pot holes are in need of constant repair, and have had numerous temporary patches applied. The adjacent parking lots also need repair and resurfacing. The extent of repairs to be performed will be determined during pre-design. In some areas the asphalt as well as the base material will need to be replaced, while other areas will be resurfaced.

#### **Establish Construction Budget**

- (c) Summary 1-2015: JBRC Item 3. Clemson University  
Project: 9918, Douthit Hills Community Construction  
Funding Source: \$212,652,000, which includes \$181,709,456 in Revenue Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the university and are pledged to be repaid from the net revenues of University housing, dining and bookstore facilities, \$12,577,627 in Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledge to be repaid from the net revenues of University housing, dining and bookstore facilities, \$10,677,623.40 Other, Dining Improvement funds, which are which are funds that result from bond covenant-required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues, and \$7,687,293.60 in Other, Bookstore Improvement Funds which are funds that result from bond covenant-required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues.
- Request: Increase budget to \$212,652,000 (add \$209,462,220 - \$12,577,627 Institution Bonds, \$181,709,456 Revenue Bonds, \$9,339,843.40 Other, Dining Improvement Fund, \$7,687,293.60 Other, Bookstore Improvement Fund and Subtract \$1,852,000 Other, Housing Improvement Funds) to construct the Douthit Hills Student Community. The project was approved for pre-design in June 2014, which is now complete. The approximately 650,000 square foot Douthit Hills facility will be constructed on 52 acres of property at the front door to the campus and will include 980 beds of apartment style housing designated primarily for upper division students and residence halls with 782 beds designated for Bridge to Clemson students. There will also be a central

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**AGENCY:** Executive Budget Office

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**SUBJECT:** Permanent Improvement Projects

hub with a 400 seat dining facility and spaces for retail operations, food service venues and student services amenities. The project will also include parking to accommodate residents, visitors and customers, as well as water and electrical infrastructure with an accompanying energy plant. The additional housing space in this project will allow Clemson to retire 483 beds in the Clemson House, producing an increase in net bed inventory of approximately 497 beds for upper division students. University housing had a waiting list of 529 upper division students last year. The project will also move Bridge-to-Clemson students to the campus area, enhancing their safety and integration into campus life. The LEED cost benefit analysis shows a positive cost benefit of \$60,199,453 over 30 years. The agency reports the total projected cost of this project is \$212,652,000 and that annual operating costs ranging from \$3.6 million to \$3.9 million will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2015 and for completion of construction is July 2018. (See Attachment 1 for additional annual operating costs.

(d) Summary 1-2015: JBRC Item 4. Coastal Carolina University

**Project:** 9596, Singleton Building Renovation

**Funding Source:** \$9,000,000, which includes \$4,000,000 Other, Institutional Capital Project Funds, which are funds generated from excess debt service generated by a \$475 per student per semester fee, \$4,000,000 Other, Renovation Reserve/Plant Funds which are funds generated from a \$150 per student per semester fee that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion, and \$1,000,000 Other, Gift HCHEC funds which are a gift from the Horry County Higher Education Commission.

**Request:** Increase budget to \$9,000,000 (add \$8,865,000 - \$4,000,000 Other, Institutional Capital Project Funds, \$3,865,000 Other, Renovation Reserve/Plant Funds, and \$1,000,000 Other, Gift HCHEC funds) to perform renovations on the Edward M. Singleton Building. This project was established for design work in March 2013, which is now complete. The entire building, which encompasses 32,635 square feet, is to be renovated. The renovations will be an interior refurbishment including replacing the current elevator, ADA upgrades, asbestos removal, painting, and carpet replacement. Structural enhancements for the building will include adding a second elevator and handicap ramp, removal of all non-load bearing walls on the first floor to reconstruct layout to include event space, improved reconfiguration of administrative offices throughout and of the President's suite in regards to

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AGENCY: Executive Budget Office

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SUBJECT: Permanent Improvement Projects

service and security. The mechanical improvements will be to the HVAC, electrical and plumbing systems. The renovations are needed to improve the mechanical, structural and interior refurbishments of the 50 years old building which houses approximately 90 administrators and staff members' offices. The services of departments in the building are used by hundreds of students, faculty and clients. The LEED cost benefit analysis shows a positive cost benefit of \$343,472 over 30 years. The agency reports total projected cost of this project is \$9 million, and no additional annual operating costs are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is May 2015 and the projected date for completion of construction is July 2016.

(e) Summary 1-2015: JBRC Item 5. Coastal Carolina University

Project: 9599, Williams Brice Building Renovation

Funding Source: \$2,300,000 Other, Renovation Reserve/Plant Funds which are funds generated from a \$150 per student per semester fee that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion.

Request: Increase budget to \$2,300,000 (add \$2,265,500 Other, Renovation Reserve/Plant Expansion funds) to renovate portions of the Williams Brice Building at Coastal Carolina. The project was approved for pre-design in June 2013, which is now complete. The 42 year old 65,919 square foot academic and recreation facility houses the Health, Kinesiology, Sports Studies, and Women's Lacrosse programs, as well as campus recreation facilities. The work will include renovations to mechanical systems throughout the building, which incorporates the replacement of the existing HVAC systems for the pool area and the installation of associated piping and electrical service. The renovation will also include structural repairs in the pool area, and upfitting interior surfaces that includes painting, ceiling tile and carpet replacement. The agency reports the total projected cost of this project is \$2,300,000 and that annual operating savings of \$6,300 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March 2015 and for completion of construction is September 2015. (See Attachment 2 for additional operating cost savings.)

(f) Summary 1-2015: JBRC Item 6. University of South Carolina

Project: 6091, Student Health Center Construction

Funding Source: \$27,500,000, which includes \$13,000,000 in Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the

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**AGENCY:** Executive Budget Office

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**SUBJECT:** Permanent Improvement Projects

name of the University and are pledge to be repaid from the net revenues of the University's \$169 per student per semester Student Health Center fee, of which \$23 is allocated to debt service for this project, and \$14,500,000 Other, Health Center Reserve Funds which are funds derived from the student health services operating budget to include student health fees, ancillary services fees and interest.

**Request:** Increase budget to \$27,500,000 (add \$26,817,500 - \$13,000,000 Institution Bonds and \$13,817,500 Other, Health Center Reserve Funds) to construct a new Student Health Center adjacent to the existing Thompson Health Center at USC. The project was established in November 2011 for pre-design work, which is now complete. The Thompson Health Center is a 38,000 square foot facility that was constructed 41 years ago to serve a student population of 19,000. Student enrollment today is over 30,000. The new facility will be a five-story 64,500 square foot ambulatory care facility and will include medical clinics for general medicine, women's care, sports medicine/orthopedics, as well as a radiology unit and central testing laboratory. The facility will also provide meeting spaces for campus wellness education, including a 140 seat meeting room that can be subdivided into three classrooms, a demonstration kitchen, a pharmacy, and conference spaces. The facility will be connected to the existing Thompson Health Center by a corridor. The facility will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$1,335,150 over 30 years. The agency reports the total projected cost of this project is \$27,500,000.00, with additional annual operating costs ranging from \$536,290 to \$596,290 in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2014 and for completion of construction is March 2016.

(g) Summary 1-2015: JBRC Item 7. State Board for Technical and Comprehensive Education

**Project:** 6083, Greenville - Enterprise Campus Development

**Funding Source:** \$22,964,679, which includes \$22,548,929 in Other, Local funds, which are funds from General Obligation Bonds issued by Greenville County in support of this project, and \$415,750 in Capital Reserve Funds which were appropriated for this purpose.

**Request:** Increase budget to \$22,964,679 (add \$22,548,929 Other, Local Funds) to construct the Center for Manufacturing Innovation on the Greenville Technical

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**AGENCY:** Executive Budget Office

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**SUBJECT:** Permanent Improvement Projects

College campus. The project was established for pre-design in October 2013, which is now complete. The new facility will have approximately 100,000 square feet and will accommodate a variety of the College's manufacturing technical programs. This facility is part of the Enterprise Campus, which will allow students to matriculate academic/credit bearing coursework in selected disciplines leading the awarding of a Certificate, Diploma or Associate Degree.

Associate degrees consist of Machine Tool Technology, Mechatronics, Mechanical Engineering Technology, Electrical Engineering Technology, Engineering Graphics Technology, and Engineering Transfer. Diplomas field of study consists of Machine Tool Technology. Certificates field of studies consist of Mechatronics, Production Technology Associate, Advanced CNC Programmer, CNC Prep, Basic Machine Operator, CNC Machine Operator, Welding, Welding Fundamentals, and Specialized Welding. The Enterprise Campus will be a preferred provider for diverse manufacturing technical services to companies of all sizes. These services include Design for Manufacturing & Assembly, Advanced Machining Center, and Rapid Prototyping. The building project will consist of site construction, interior upfit, manufacturing upfit and building systems. The project will be constructed to a Green Globes Two Globe certification level. The Green Globes cost benefit analysis shows a positive cost benefit of \$229,315 over 30 years. The agency reports the total projected cost of this project is \$22,964,679. Additional operating costs are likely to result in the three years following project completion; however the agency cannot quantify them at this time. The projected date for execution of the construction contract is October 2014 and the projected date for completion of construction is June 2016.

- (h) **Summary 1-2015:** JBRC Item 8. State Law Enforcement Division  
Project: 9523, SLED Data Center UPS Redundancy System  
Funding Source: \$1,245,750 Other, SLED funds, which are funds generated from Record Search Fees.  
Request: Increase budget to \$1,249,500 (add \$1,245,750 Other, SLED funds) to install an Uninterruptible Power Supply (UPS) Redundancy System in the data center at SLED. This project was approved for pre-design in November 2013, which is now complete. This system will provide backup power to SLED's Information Technology Division and Criminal Justice Information System. SLED currently has a UPS system that serves both the Headquarters building and the data center; however, SLED recently experienced a failure of this system that caused an uncontrolled shutdown of their servers. Due to this

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AGENCY: Executive Budget Office

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SUBJECT: Permanent Improvement Projects

experience, SLED decided to explore the purchase of a redundant backup system dedicated only to the Data Center. The system will include both a UPS and diesel generator. Three existing aging HVAC units in the Data Center will also be replaced. In the event of a loss of power, the UPS serves to bridge the gap between the loss of power and the powering on of the diesel generator to prevent data loss and system down time. A 30 day load study was conducted to assess the Data Center's needs and determine the appropriate size and rating for the new system. The total projected cost of this project is \$1,249,500. The project will be funded with proceeds from Record Search Fees carried over from the previous fiscal year, of which the agency has a balance of \$17,706,261. SLED anticipates cost savings of \$7,298 in the three years following completion of the project. The projected date for execution of the construction contract is September 2014 and the projected date for completion of construction is June 2015. (See Attachment 3 for additional operating cost savings.)

(i) Summary 1-2015: JBRC Item 9. Vocational Rehabilitation Department

Project: 9602, Florence VR Center Repaving

Funding Source: \$503,000, which includes \$493,000 in Federal Funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services and \$10,000 Other, WTC Program Income funds, which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.

Request: Increase budget to \$503,000 (add \$493,000 Federal funds) to repair and resurface the Florence Vocational Rehabilitation Center parking lot and loading area. The project was approved for pre-design in April 2014, which is now complete. The facility, which houses 35 staff and serves clients from throughout the Florence area, is over 32 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The agency reports the total projected cost of this project is \$503,000 and that annual operating costs ranging from \$1,000 to \$1,200 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is January 2015. (See Attachment 4 for additional annual operating costs.)

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**AGENCY:** Executive Budget Office

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**SUBJECT:** Permanent Improvement Projects

(j) **Summary 1-2015:** JBRC Item 10. Vocational Rehabilitation Department

**Project:** 9603, Sumter VR Center Repaving

**Funding Source:** \$668,500, which includes \$658,500 in Federal Funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services and \$10,000 Other, WTC Program Income funds, which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.

**Request:** Increase budget to \$668,500 (add \$658,500 Federal funds) to repair and resurface the Sumter Vocational Rehabilitation Center parking lot and loading area. The project was approved for pre-design in April 2014, which is now complete. The facility, which houses 24 staff and serves clients from throughout the Sumter area, is over 38 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The agency reports the total projected cost of this project is \$668,500 and that annual operating costs ranging from \$1,000 to \$1,200 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is January 2015. (See Attachment 5 for additional annual operating costs.)

**Establish Project for Preliminary Land Studies**

(k) **Summary 1-2015:** JBRC Item 11. Coastal Carolina University

**Project:** 9605, University Place Acquisition

**Funding Source:** \$80,000 Other, Renovation Reserve/Plant Expansion Funds which are funds generated from a \$150 per student per semester fee that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion.

**Request:** Establish project and budget for \$80,000 (Other, Renovation Reserve/Plant Expansion funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Coastal Carolina University is considering the purchase of 54.338 acres, including 46 residence halls and 11 associated activity and support structures. The residence halls contain 573 apartments with 2,079 beds. Currently the University has a lease purchase contract with the Coastal Housing Foundation which was approved by the SC Budget and

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AGENCY: Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Control Board on May 9, 2012. The lease purchase contract, which requires the university to pay the foundation 1.3 times the debt service owed by the foundation on the bonds, has an option to purchase for \$1 which can be exercised in 2042 at the termination of the contract. By purchasing these facilities now, the University can save \$66.9 million over the remaining term of the lease. These savings will allow the University to avoid raising student housing fees over the next several years while building a maintenance reserve to take care of future renovations to the residence halls.

- (l) Summary 1-2015: JBRC Item 12. State Board for Technical and Comprehensive Education  
Project: 6094, HGTC - Acquisition of Commercial Buildings  
Funding Source: \$20,000 of Other, College Funds which are funds dedicated to plant maintenance that are set aside from carry forwards in tuition, state and local allocations.  
Request: Establish project and budget for \$20,000 (Other, College Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Horry-Georgetown Technical College is considering the acquisition of approximately 2 commercial buildings along with 3.5 acres of land in the Business Park across from the Conway Campus in Horry County. The buildings include 14,160 square feet and 15,000 square feet of commercial space. The buildings will be used to house the College's CNC/Machine Tool, Welding, CDL/Truck Driver Training and HVAC programs. The College has outgrown its existing academic space for these programs, and desperately needs additional space to support growing these programs to meet increased employer demands. Acquiring existing structures is more cost advantageous than new construction, and will enable the College to expand its academic programs sooner than building a new structure.
- (m) Summary 1-2015: JBRC Item 13. Forestry Commission  
Project: 9598, Ruffield Tract Acquisition  
Funding Source: \$20,000 of Other, Sale of Property Funds which are funds derived from the sale of property by the Commission.  
Request: Establish project and budget for \$20,000 (Other, Sale of Property Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The South Carolina Forestry Commission is considering the purchase of approximately 217 acres of forested land located near Wedgefield in Sumter County that is adjacent to the Manchester State Forest. The tract is

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**AGENCY:** Executive Budget Office

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**SUBJECT:** Permanent Improvement Projects

stocked with five year old pines, making it productive forest land which is a good fit with the management objectives of the State Forest System. Pending the results of investigative studies, the agency plans to add this property to the Wildlife Management Program at the Manchester State Forest, making it available to the public for hunting and other forms of recreation. The tract is under multiple flight paths between Shaw Air Force base and Poinsett Electronic Combat range, and adding this property to the State Forest would help preserve the area surrounding these flight paths for public use. A partnership with the Department of Defense and the Conservation Bank would allow the Forestry Commission to purchase the tract with only 10% of the purchase price being paid with Forestry Commission funds.

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**BOARD ACTION REQUESTED:**

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

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**ATTACHMENTS:**

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS  
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY  
Code H12 Name Clemson University

2. PROJECT  
Project # 9918 Name Douthit Hills Student Community Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

XX  COSTS                       SAVINGS                       NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018-19	\$	\$	\$3,685,500.00	\$3,685,500.00
2) 2019-20	\$	\$	\$3,789,500.00	\$3,789,500.00
3) 2020-21	\$	\$	\$3,906,500.00	\$3,906,500.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Generated revenues from auxiliary functions

6. Will the additional costs be absorbed into your existing budget?                      XX  YES                       NO  
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$1,667,000.00</u>
2. <u>Maintenance</u>	<u>\$2,008,500.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$3,685,500.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. \_\_\_\_\_

9. Submitted By:                       6/30/14  
Signature of Authorized Official and Title                      Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS  
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY  
Code H17 Name Coastal Carolina University

2. PROJECT  
Project # 9599 Name Williams Brice Building Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS                       SAVINGS                       NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2016/2017	\$	\$	\$6,300	\$6,300
2) 2017/2018	\$	\$	\$6,300	\$6,300
3) 2018/2019	\$	\$	\$6,300	\$6,300

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

These savings will return to general maintenance and campus operations. Operation and maintenance funds are provided by student tuition in our general operating budget.

6. Will the additional costs be absorbed into your existing budget?  YES                       NO  
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Probable energy savings in Utilities</u>	<u>\$6,300</u>
2. <u>Operating costs for this building are already included in</u>	<u>\$0.00</u>
3. <u>the University's operating budget.</u>	
4. _____	
5. _____	
6. _____	
7. _____	
8. _____	
TOTAL	<u>\$6,300.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By: Stacie Bowie Date 6/26/2014  
Stacie Bowie, CFO & VP for Finance & Administration

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS  
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY  
Code H27 Name USC Columbia

2. PROJECT  
Project # 6091 Name Student Health Center Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS                       SAVINGS                       NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-18	\$596,290.00	\$	\$	\$596,290.00
2) 2018-19	\$536,290.00	\$	\$	\$536,290.00
3) 2019-20	\$536,290.00	\$	\$	\$536,290.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?  
If no, how will additional funds be provided?                       YES                       NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Administration</u>	<u>\$25,800.00</u>
2. <u>Maintenance</u>	<u>\$141,000.00</u>
3. <u>Grounds</u>	<u>\$29,400.00</u>
4. <u>Custodial</u>	<u>\$115,000.00</u>
5. <u>Waste Management</u>	<u>\$5,160.00</u>
6. <u>Utilities</u>	<u>\$279,930.00</u>
7. _____	_____
8. _____	_____
TOTAL	<u>\$596,290.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.                      7

9. Submitted By:  Director, Planning and Programming                      12/3/13  
Signature of Authorized Official and Title                      Date





**ADDITIONAL ANNUAL OPERATING COST/SAVINGS  
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY  
Code       H73       Name       South Carolina Vocational Rehabilitation Department      

2. PROJECT  
Project #       9603       Name       Sumter VR Center Repaving      

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting cost or savings.)

COSTS       SAVINGS       NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015-16	\$	\$ 1,000.00	\$	\$ 1,000.00
2) 2016-17	\$	\$ 1,100.00	\$	\$ 1,100.00
3) 2017-18	\$	\$ 1,200.00	\$	\$ 1,200.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenue, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?  YES  NO  
If no, how will additional funds be provided?

7. Itemize below the costs factors that contribute to the total costs or savings reported in Column 5 for the first fiscal year.

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	Utilities (Lighting)	\$1,000.00
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
	TOTAL	\$1,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By: Richard G. Elam, Assistant Commissioner  06/30/2014  
Signature of Authorized Official and Title Date

## Permanent Improvement Project Information for August 12, 2014 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H27-6108	University of South Carolina - South Tower Bathroom Renovation	\$48,000 for pre-design	8/12/14	\$48,000	8/12/14	2014 CIP Year 1	To Be Determined
J12-9731	Department of Mental Health - Tucker Center Long Term Care Facility Pavement Repairs	\$7,500 for pre-design	8/12/14	\$7,500	8/12/14	No	To Be Determined
H12-9918	Clemson University - Douthitt Hills Community Construction	\$3,189,780 for pre-design	6/17/14	\$3,189,780	6/17/14	2014 CIP Year 1	\$212,652,000
H17-9596	Coastal Carolina University - Singleton Building Renovation	\$135,000 for pre-design	3/5/13	\$135,000	3/5/13	2014 CIP Year 1	\$9,000,000
H17-9599	Coastal Carolina University - Williams Brice Building Renovation	\$34,500 for pre-design	6/18/13	\$34,500	6/18/13	2013 CIP Year 1	\$2,300,000
H27-6091	University of South Carolina - Student Health Center Construction	\$682,500 for pre-design	11/3/11	\$682,500	11/3/11	2013 CIP Year 1	\$27,500,000
H59-6083	Greenville - Enterprise Campus Development	\$415,750 for pre-design	10/7/13	\$415,750	10/7/13	2013 CIP Year 1	\$22,964,679
D10-9523	State Law Enforcement Division - SLED Data Center UPS Redundancy System	\$3,750 for pre- design	11/4/13	\$3,750	11/4/13	No	\$1,245,750
H73-9602	Vocational Rehabilitation Department - Florence VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	\$503,000
H73-9603	Vocational Rehabilitation Department - Sumter VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	\$668,500

**Permanent Improvement Project Information for August 12, 2014 B&CB Meeting**

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H17-9605	Coastal Carolina University - University Place Acquisition	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined
H59-6094	Horry-Georgetown - Acquisition of Commercial Buildings	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined
P12-9598	Forestry Commission - Ruffield Tract Acquisition	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined

**Permanent Improvement Project Information for August 12, 2014 B&CB Meeting**

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H27-6108	University of South Carolina - South Tower Bathroom Renovation	\$48,000 for pre-design	8/12/14	\$48,000	8/12/14	2014 CPIP Year 1	To Be Determined
J12-9731	Department of Mental Health - Tucker Center Long Term Care Facility Pavement Repairs	\$7,500 for pre-design	8/12/14	\$7,500	8/12/14	No	To Be Determined
H12-9918	Clemson University - Douthitt Hills Community Construction	\$3,189,780 for pre-design	6/17/14	\$3,189,780	6/17/14	2014 CPIP Year 1	\$212,652,000
H17-9596	Coastal Carolina University - Singleton Building Renovation	\$135,000 for pre-design	3/5/13	\$135,000	3/5/13	2014 CPIP Year 1	\$9,000,000
H17-9599	Coastal Carolina University - Williams Brice Building Renovation	\$34,500 for pre-design	6/18/13	\$34,500	6/18/13	2013 CPIP Year 1	\$2,300,000
H27-6091	University of South Carolina - Student Health Center Construction	\$682,500 for pre-design	11/3/11	\$682,500	11/3/11	2013 CPIP Year 1	\$27,500,000
H59-6083	Greenville - Enterprise Campus Development	\$415,750 for pre-design	10/7/13	\$415,750	10/7/13	2013 CPIP Year 1	\$22,964,679
D10-9523	State Law Enforcement Division - SLED Data Center UPS Redundancy System	\$3,750 for pre- design	11/4/13	\$3,750	11/4/13	No	\$1,245,750
H73-9602	Vocational Rehabilitation Department - Florence VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	\$503,000
H73-9603	Vocational Rehabilitation Department - Sumter VR Center Repaving	\$10,000 for pre-design	4/30/14	\$10,000	4/30/14	No	\$668,500

**Permanent Improvement Project Information for August 12, 2014 B&CB Meeting**

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H17-9605	Coastal Carolina University - University Place Acquisition	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined
H59-6094	Horry-Georgetown - Acquisition of Commercial Buildings	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined
P12-9598	Forestry Commission - Ruffield Tract Acquisition	\$20,000 for pre-design	8/12/14	\$20,000	8/12/14	No	To Be Determined

**Additional Information on Funding Sources for  
Higher Education Permanent Improvement Projects**

**Item (a) – University of South Carolina-South Tower Bathroom Renovations**

The source of funds for A&E pre-design is \$48,000 Other, Housing Maintenance Reserve funds, which are funds that are derived from the Housing operating budget that includes housing fees and revenues generated by laundry operations, conferences and interest.

The proposed source of funds for construction is also Housing Maintenance Reserve funds.

The University reports that no increase in any student fee or tuition will be required for this project.

**Item (c) – Clemson University - Douthit Hills Community Construction**

The sources of funds for construction total \$212,652,000, which includes:

1. \$181,709,456 in Revenue Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the university and are pledged to be repaid from the net revenues of University housing, dining and bookstore facilities,
2. \$12,577,627 in Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledge to be repaid from the net revenues of University housing, dining and bookstore facilities,
3. \$10,677,623.40 Other, Dining Improvement funds, which are which are funds that result from bond covenant-required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues, and
4. \$7,687,293.60 in Other, Bookstore Improvement Funds which are funds that result from bond covenant-required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues.

The University reports that no increase in any student fee or tuition will be required for this project.

**Item (d) – Coastal Carolina University – Singleton Building Renovation**

The sources of funds for construction total \$9,000,000, which includes:

1. \$4,000,000 Other, Institutional Capital Project Funds, which are funds generated from excess debt service generated by a \$475 per student per semester fee (which has decreased from \$525 in fall 2013),
2. \$4,000,000 Other, Renovation Reserve/Plant Funds which are funds generated from a \$150 per student per semester fee (which is unchanged since 2006) that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion, and
3. \$1,000,000 Other, Gift HCHEC funds which are a gift from the Horry County Higher Education Commission.

The University reports that no increase in any student fee or tuition will be required for design or construction of these improvements.

**Item (e) – Coastal Carolina University - Williams Brice Building Renovation**

The source of funds for construction is \$2,300,000 Other, Renovation Reserve/Plant Funds, which are funds generated from a \$150 per student per semester fee (which is unchanged since 2006) that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion.

The University reports that no increase in any student fee or tuition will be required for design or construction of this facility.

**Item (f) – University of South Carolina – Student Health Center Construction**

The sources of funds for construction total \$27,500,000, which includes:

1. \$13,000,000 in Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid from the net revenues of the University's \$169 per student per semester Student Health Center fee, of which \$23 is allocated to debt service for this project, and
2. \$14,500,000 Other, Health Center Reserve Funds which are funds derived from the student health services operating budget to include student health fees, ancillary services fees and interest.

The University reports that no increase in any student fee or tuition will be required for design or construction of this facility.

**Item (g) – Greenville Technical College – Enterprise Campus Development**

The sources of funds for construction total \$22,964,679, which includes:

1. \$22,548,929 in Other, Local funds, which are funds from General Obligation Bonds issued by Greenville County in support of this project, and
2. \$415,750 in Capital Reserve Funds which were appropriated for this purpose.

The College reports that no increase in any student fee or tuition will be required for design or construction of this facility.

**Item (k) – Coastal Carolina University – University Place Acquisition**

The source of funds for preliminary studies is \$80,000 Other, Renovation Reserve/Plant Expansion Funds which are funds generated from a \$150 per student per semester fee (which is unchanged since 2006) that is dedicated to renovations, repairs, and additions to existing facilities and to plant expansion.

The proposed source of funds for the acquisition is housing revenue bonds.

The University reports that no increase in any student fee or tuition will be required for this acquisition.

**Item (l) – Horry Georgetown Technical College – Acquisition of Commercial Buildings**

The source of funds for preliminary studies is \$20,000 of Other, College Funds which are funds dedicated to plant maintenance that are set aside from carry forwards in tuition, state and local allocations.

The proposed source of funds for the acquisition is the same as for preliminary studies.

The College reports that no increase in any student fee or tuition will be required for this acquisition.

---

AGENCY: Executive Budget Office

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SUBJECT: Real Property Acquisitions

The Executive Budget Office recommends approval of the following real property acquisitions:

- (a) Agency: **Coastal Carolina University**  
Acreage: ± 2.94 Acres  
Location: Chanticleer Drive East adjacent to the Coastal Carolina campus  
County: Horry  
Purpose: To construct a new 52,000 square foot academic building  
Appraised Value: N/A  
Price/Seller: Donation/Coastal Educational Foundation  
Source of Funds: N/A  
Project Number: H17-9603  
Environmental Study: Approved  
Building Condition: None  
Assessment:  
Additional Annual Op Cost/SOF: None for acquisition  
Current Year Property Tax: None/Exempt  
Approved By: JBRC on 8/4/2014
- (b) Agency: **Clemson University**  
Acreage: ± 1.68 Acres, made up of two tracts  
Location: Off Gregor Mendel Circle in the Greenwood Research Park  
County: Greenwood  
Purpose: To provide a portion of the footprint for the Clemson Center for Human Genetics  
Appraised Value: N/A  
Price/Seller: Donation/Greenwood Genetics Center & Greenwood Genetics Center Foundation  
Source of Funds: N/A  
Project Number: H12-9908  
Environmental Study: Approved  
Building Condition: None  
Assessment:  
Additional Annual Op Cost/SOF: None for acquisition  
Current Year Property Tax: None/Exempt  
Approved By: JBRC Staff on 8/4/2014

---

AGENCY: Executive Budget Office

---

SUBJECT: Real Property Acquisitions

(c) Agency:	<b>Department of Natural Resources</b>
Acreage:	± 1,682 Acres
Location:	Between Highway 41 and United Drive near Huger, SC
County:	Berkeley
Purpose:	To conserve longleaf pine habitat
Appraised Value:	N/A
Price/Seller:	Donation/Quenby Barony, LLC
Source of Funds:	N/A
Project Number:	P24-9939
Environmental Study:	Approved
Building Condition	None
Assessment:	
Additional Annual Op	None for acquisition
Cost/SOF:	
Current Year Property Tax:	\$3,984.82
Approved By:	JBRC on 8/4/2014

---

BOARD ACTION REQUESTED:

Approve the real property acquisitions as requested.

---

ATTACHMENTS:

Agenda item worksheet and attachments

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 12, 2014

Regular Agenda

**1. Submitted by:**

- (a) Agency: Executive Budget office  
(b) Authorized Official Signature:



**2. Subject: REAL PROPERTY ACQUISITIONS**

**3. Summary Background Information:**

- |     |   |   |
|-----|---|---|
| (a) | Agency:<br>Acreage:<br>Location:<br>County:<br>Purpose:<br>Appraised Value:<br>Price/Seller:<br>Source of Funds:<br>Project Number:<br>Environmental Study:<br>Building Condition Assessment:<br>Additional Annual Op Cost/SOF:<br>Current Year Property Tax:<br>Approved By:         | <b>Coastal Carolina University</b><br>± 2.94 Acres<br>Chanticleer Drive East adjacent to the Coastal Carolina campus<br>Horry<br>To construct a new 52,000 square foot academic building<br>N/A<br>Donation/Coastal Educational Foundation<br>N/A<br>H17-9603<br>Approved<br>None<br>None for acquisition<br>None/Exempt<br>JBRC on 8/4/2014  |
| (b) | Agency:<br>Acreage:<br>Location:<br>County:<br>Purpose:<br><br>Appraised Value:<br>Price/Seller:<br><br>Source of Funds:<br>Project Number:<br>Environmental Study:<br>Building Condition Assessment:<br>Additional Annual Op Cost/SOF:<br>Current Year Property Tax:<br>Approved By: | <b>Clemson University</b><br>± 1.68 Acres, made up of two tracts<br>Off Gregor Mendel Circle in the Greenwood Research Park<br>Greenwood<br>To provide a portion of the footprint for the Clemson Center for<br>Human Genetics<br>N/A<br>Donation/Greenwood Genetics Center & Greenwood Genetics<br>Center Foundation<br>N/A<br>H12-9908<br>Approved<br>None<br>None for acquisition<br>None/Exempt<br>JBRC Staff on 8/4/2014 |

(c) Agency: **Department of Natural Resources**  
Acreage: ± 1,682 Acres  
Location: Between Highway 41 and United Drive near Huger, SC  
County: Berkeley  
Purpose: To conserve longleaf pine habitat  
Appraised Value: N/A  
Price/Seller: Donation/Quenby Barony, LLC  
Source of Funds: N/A  
Project Number: P24-9939  
Environmental Study: Approved  
Building Condition Assessment: None  
Additional Annual Op Cost/SOF: None for acquisition  
Current Year Property Tax: \$3,984.82  
Approved By: JBRC on 8/4/2014

---

**4. What is Board asked to do?**

Approve the property acquisitions as requested.

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**5. What is recommendation of Board Division involved?**

Recommend approval of the property acquisitions requested.

---

**6. Recommendation of other Division/Agency (as required)?**

(a) Authorized Signature: \_\_\_\_\_  
(b) Division/Agency Name: \_\_\_\_\_

---

**7. List of Supporting Documents:**

1. Code Section 1-11-65
  - (a) Coastal Carolina University – H17-9603
  - (b) Clemson University – H12-9908
  - (c) Department of Natural Resources – P24-9939

(a)

1. Letter from Agency
2. Environmental Results
3. Map
4. Cost Implications



Vice President  
for Finance and Administration

June 10, 2014

Ms. Allyn Powell  
Capital Budgeting Manager  
State Budget Division, SC Budget & Control Board  
1205 Pendleton St.  
Edgar A. Brown Building, Suite 529  
Columbia, SC 29201

Dear Allyn:

Please accept this letter as a request for State Budget and Control Board approval for the acceptance of 2.94 acres of land which is being donated to Coastal Carolina University by the Coastal Educational Foundation. This land is being acquired for the purpose of building an Academic Classroom and Office Building (Project 9602).

Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stacie A. Bowie".

Stacie A. Bowie  
CFO and Vice President for Finance & Administration

## **EXECUTIVE SUMMARY**

S&ME has completed a Phase I Environmental Site Assessment (ESA) of the proposed Academic Classroom Building #2 site located on the Coastal Carolina campus in Conway, Horry County, South Carolina (i.e. the Property). The Property is located south of Chanticleer Drive East and is approximately 2.94 acres. The Property consists of an asphalt paved parking lot.

The historical resources reviewed indicated the Property has historically been wooded and undeveloped land prior to its development as a parking lot.

A site reconnaissance was conducted by Casey Wollard, an S&ME Environmental Technologist, under the guidance of Mr. Tom Behnke, P.G., an S&ME Environmental Professional, on May 20, 2014, to evaluate the subject site for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of Recognized Environmental Conditions (RECs).

### **On-Site Findings**

There were no on-site findings of environmental concern identified during this Phase I ESA.

### **Off-Site Findings**

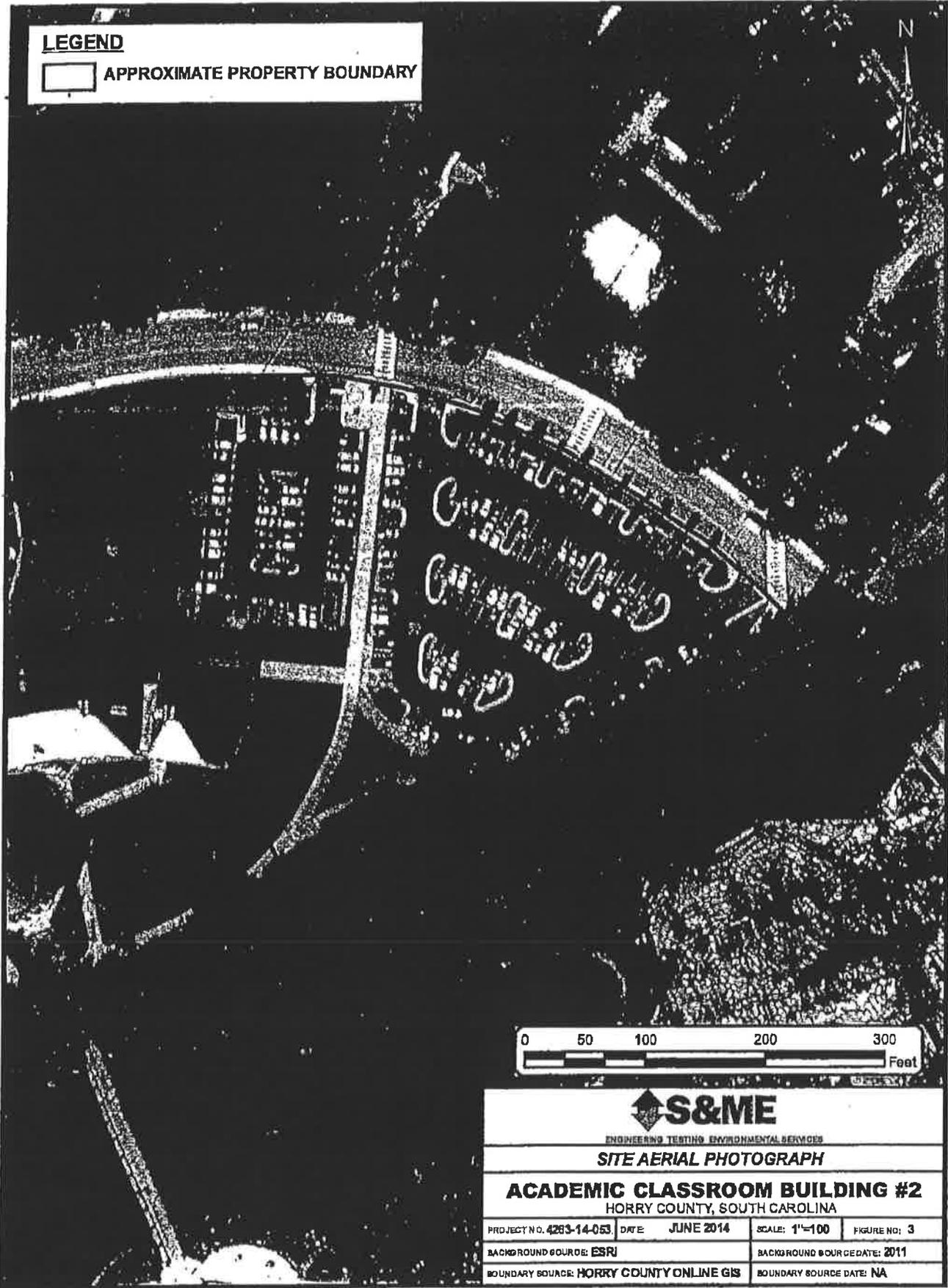
There were two off-site regulated petroleum UST sites identified within the ASTM designated search radius. These two facilities are not considered a REC in connection with the Property due to distance and current regulatory status.

In summary, the results of the Phase I ESA identified no evidence of RECs, Historical Recognized Environmental Conditions (HRECs) or Controlled Recognized Environmental Conditions (CRECs) relative to current or former on-site or off-site uses of nearby sites. In addition, a Vapor Encroachment Condition (VEC) can be ruled out at this time.

**LEGEND**



APPROXIMATE PROPERTY BOUNDARY



ENGINEERING TESTING ENVIRONMENTAL SERVICES

**SITE AERIAL PHOTOGRAPH**

**ACADEMIC CLASSROOM BUILDING #2**  
HORRY COUNTY, SOUTH CAROLINA

PROJECT NO. 4283-14-053	DATE JUNE 2014	SCALE: 1"=100	FIGURE NO: 3
BACKGROUND SOURCE: ESRI		BACKGROUND SOURCE DATE: 2011	
BOUNDARY SOURCE: HORRY COUNTY ONLINE GIS		BOUNDARY SOURCE DATE: NA	

**PROPERTY ACQUISITION INFORMATION FORMAT**

**PART I**

1. Project Number: 9603
2. County: Horry
3. Description of Property: 2.94 acres of land on Chanticleer Drive East
4. Grantor(s) Name and Address:  
Coastal Educational Foundation  
P.O. Box 261954, Conway, SC 29528
5. Grantee(s) Name and Address:  
Coastal Carolina University  
P.O. Box 261954, Conway, SC 29528
6. County Location: Horry
7. Acreage: 2.94 acres
8. Purpose for Acquisition: To construct a new 52,000 sq. ft. academic office/classroom building
9. Demonstrate the need to acquire the property: The University is in need of not only faculty and administrative staff, but also classroom space for expanding student population.
10. Purchase Price: N/A; land is being donated from Coastal Educational Foundation
11. Current Year Property Tax Amount: Foundation is exempt from Property Tax

**PART II**

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites. Proximity to campus and identified as construction site on the University's Campus Master Plan
3. How was the final selection of the site made? Part of the University's Campus Master Plan
4. Why was this specific site selected? Parcel location will continue to develop a strong academic core on main campus
5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work? \$18,000,000 for a new 52,000 sq. ft. academic office/classroom building
6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. No cost since the parcel is already maintained in the operating budget by the University
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not. \$200,000; which includes personnel to maintain the building, utilities and supplies to operate

(b)

1. Letter from Agency
2. Environmental Results
3. Map
4. Cost Implications



June 30, 2014

RECEIVED

JUL 03 2014

Budget & Control Board  
STATE OF SOUTH CAROLINA

Ms. Allyn Powell  
Manager, Capital Budgeting  
State Budget Division  
Budget and Control Board  
1205 Pendleton Street, Suite 529  
Columbia, SC 29201

Finance and Operations

Clemson University  
606 Sikes Hall  
Box 345302  
Clemson, SC  
29634-5302

P 864-656-2421  
F 864-656-2008

Dear Ms. Powell:

Clemson University requests approval from the Budget and Control Board to accept the donation of 1.68 acres of land in Greenwood at the Greenwood Genetics Center campus. Of the 1.68 acres, 1.07 will be donated by the Greenwood Genetics Center and 0.61 acres will be donated by the Greenwood Genetics Center Foundation. The acreage, along with 14.79 acres previously approved and deeded to Clemson, will be used for the construction of the future home of Clemson's Center for Human Genetics.

The required information, including the Phase I environmental survey, has already been submitted for this donation. Please include the request for approval of the donation on the agenda for the Budget and Control Board's next scheduled meeting.

Sincerely,

Brett A. Dalton  
Vice President Finance and Operations

c: Kathy Coleman  
John McEntire  
Carol Routh



**Conclusions**

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Practice E 1527 of the site located at 106 Gregor Mendel Circle in Greenwood, Greenwood County, South Carolina, the property. Any exceptions to, or deletions from, this practice are described in Section 6.4 and/or Section 7.1 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

**On-Site Conclusions**

The Phase I ESA did not identify on-site *RECs*.

The Phase I ESA did not identify on-site *conditional RECs*.

**Off-Site Conclusions**

The Phase I ESA has not identified surrounding properties which have created *RECs*.

The Phase I ESA has not identified surrounding properties which have created *conditional RECs*.

**RECOMMENDATIONS**

BLE did not identify *RECs* which warrant further assessment at this time.

**10.0 CERTIFICATION OF ENVIRONMENTAL PROFESSIONALS**

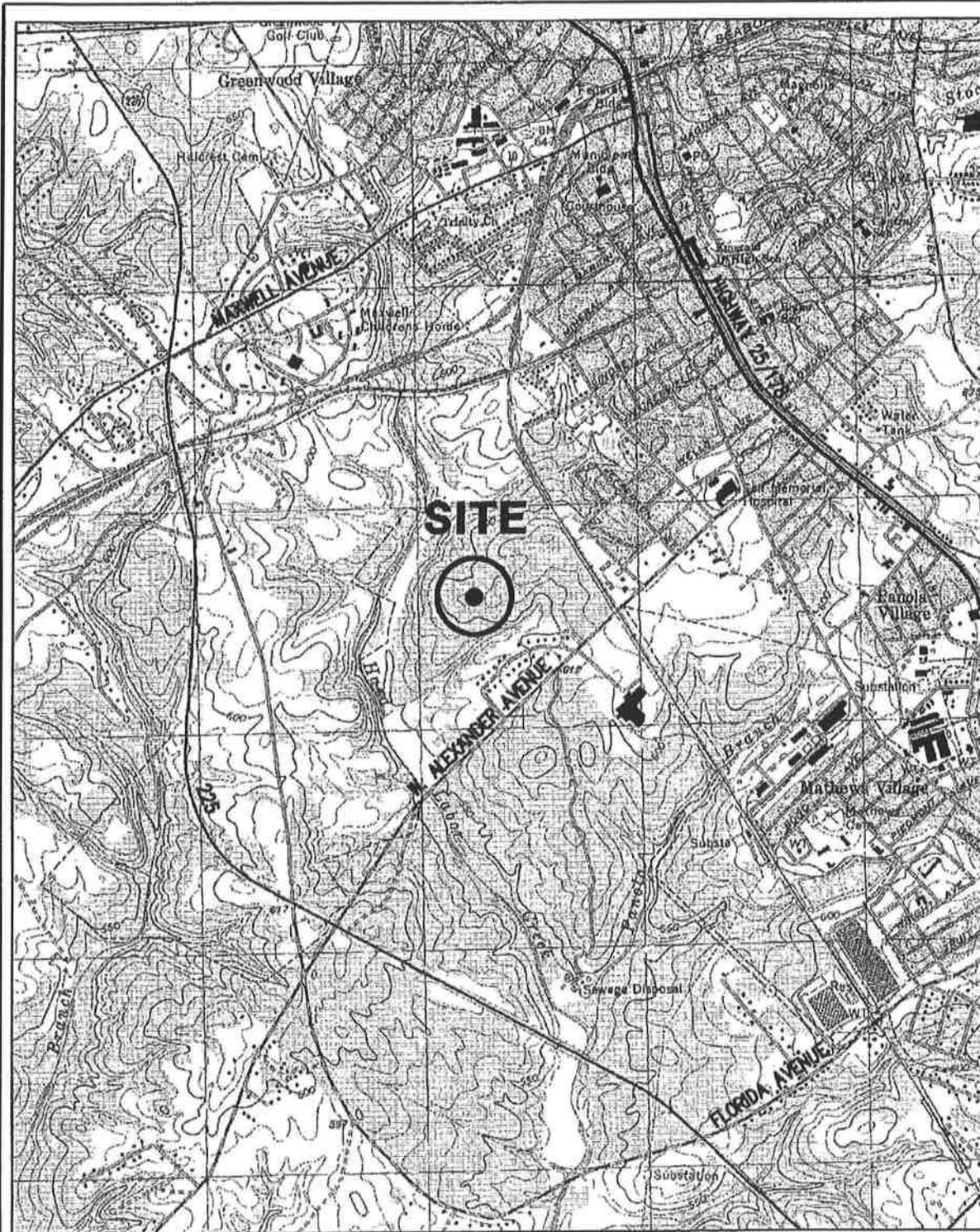
BLE has performed this ESA of the subject site located at 106 Gregor Mendel Circle in Greenwood, Greenwood County, South Carolina. The scope of the ESA was generally consistent with ASTM Practice E 1527-13. Resumes for the following environmental professionals are included in **Appendix D**. The referenced ASTM standard requires the following statement:

*We declare that, to the best of our professional knowledge and believe we meet the definition of Environmental Professional as defined in §312.10 of 40 CFR 312. We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.*

**BUNNELL-LAMMONS ENGINEERING, INC.**

Daniel R. Matz, E.I.T.  
Environmental Engineering Associate

Thomas L. Lammons, P.G., CHMM  
Principal  
Registered, South Carolina No. 893



REFERENCE:  
USGS TOPOGRAPHIC MAP, 7.5 MINUTE SERIES,  
GREENWOOD, S.C. QUADRANGLE, 1978.

DRAWN:	ACE	DATE:	04/30/2014
CHECKED:	DRM	CAD:	GREENWOODRP-SLM
APPROVED:	TLL	JOB NO:	J14-8474-03

**IBLE**  
**BUNNELL-LANNONS ENGINEERING, INC.**  
 8004 PONDERS COURT  
 GREENVILLE, SOUTH CAROLINA 29615  
 PHONE: (864)288-1265 FAX: (864)288-4430

SITE LOCATION MAP  
 GREENWOOD GENETIC CENTER  
 GREENWOOD, SOUTH CAROLINA

FIGURE  
1

**PROPERTY ACQUISITION INFORMATION FORMAT**

**PART I**

1. Project Number: H12-9908
2. County: Greenwood County
3. Description of Property: Two tracts totaling 1.68 acres (1.07 acres and 0.61 acres) located in the Greenwood County Research Park.
4. Grantor(s) Name and Address: Greenwood Genetics Center (1.07 acres)  
101 Gregor Mendel Circle  
Greenwood, S.C. 29646  
  
Greenwood Genetics Center Foundation (0.61 acres)  
1 Gregor Mendel Circle  
Greenwood, S.C. 29646
5. Grantee(s) Name and Address: Clemson University  
Clemson, S.C. 29634
6. County Location: Off Gregor Mendel Circle in the Greenwood County Research Park.
7. Acreage: 1.68 acres in two tracts. The tract from the Greenwood Genetics Center is 1.07 acres and the tract from the Greenwood Genetics Center Foundation is 0.61 acres.
8. Purpose for Acquisition: To provide a portion of the footprint for the new site for Clemson's Center for Human Genetics and provide direct walking access to the existing GGC research building from the new center.
9. Demonstrate the need to acquire the property: The additional acreage will provide connectivity and better access for researchers between Clemson's Center for Human Genetics and the Greenwood Genetics Center. It will provide direct walking access to the existing GGC research buildings and provide a portion of the footprint for the new site for Clemson's center, granting enhanced constructability. The research collaborative requires the direct line-of-sight access to enhance the interaction of the investigators in the buildings.
10. Purchase Price: N/A - donation
11. Current Year Property Tax Amount: N/A - tax exempt

**PART II**

1. How many sites were evaluated? One
2. Please list selection criteria used to evaluate sites. Property must be contiguous to property on which Clemson's Center for Human Genetics will be constructed.
3. How was the final selection of the site made? Property is contiguous to property on which Clemson's Center for Human Genetics will be constructed.

4. Why was this specific site selected? Property is contiguous to property on which Clemson's Center for Human Genetics will be constructed.
5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work? Construction of Clemson's Center for Human Genetics is estimated to cost \$6.5 million and is funded with \$5 million in Other, Research University Infrastructure Bonds and \$1.5 million Other, Gift from Greenwood County.
6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. None
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not. - Additional annual operating costs for Clemson's Center for Human Genetics are estimated to be approximately \$137,600 for utilities and maintenance and will be funded from University Generated Revenues.

*B&CB Form*

(c)

1. Letter from Agency
2. Environmental Results
3. Map
4. Cost Implications

South Carolina Department of  
**Natural Resources**

---



**DNR**

Alvin A. Taylor  
Director

July 30, 2014

Ms. Allyn Powell  
Executive Budget Office / Capital Budgeting Unit  
1205 Pendleton Street  
Edgar A. Brown Building, Suite 529  
Columbia, SC 29201

**RE: Berkeley - Keystone Tract Land Donation**

Dear Allyn:

Please accept this letter as a request for State Budget and Control Board approval to proceed with the purchase of +/- 1,681.75 acres of land in Berkeley County by the South Carolina Department of Natural Resources (SCDNR) from Quenby Barony, LLC. This property, which is known as the Keystone Tract, is one of several tracts that are part of the mitigation package required under the Federal Clean Water Act in association with the expansion of the Boeing Company aircraft facility in Charleston County. The Keystone Tract borders the Francis Marion National Forest and protected properties along the East Branch of the Cooper River, an area known as the Plantation Corridor. It has been intensively managed for timber for many decades. Much of it is now a loblolly pine monoculture with mixed hardwoods along some drains and in some isolated wetlands. Title to the Tract was recently conveyed to Quenby Barony, LLC, an affiliate of the Low Country Open Land Trust (LOLT). Quenby anticipates the retention of the title to the Tract for a period of about one to five years, subject to a conservation easement granted to LOLT. During that timeframe, LOLT will initiate and Boeing will fund wetland enhancement and restoration on the Tract. The overall goal of these actions will be to restore native vegetation in wetland areas that have been converted to a pine monoculture and to initiate restoration of the uplands to the native longleaf pine ecosystem, one of the most endangered pine ecosystems in the Southeast. Following the conveyance to the SCNDR, the Tract will be dedicated as South Carolina Heritage Preserve and placed in the corpus of the Heritage Trust. In that the property is being donated (from Quenby Barony, LLC), the Agency will not seek an appraisal of the land's value. Allyn, as always, thanks for your help and please let me know if there is anything else that you may need from me.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Speares".

Scott Speares

Assistant Deputy Director - Outreach & Support Services

**Rembert C. Dennis Building • 1000 Assembly St • P.O. Box 167 • Columbia, S.C. 29202**

EQUAL OPPORTUNITY AGENCY

[www.dnr.sc.gov](http://www.dnr.sc.gov)

PRINTED ON RECYCLED PAPER A small recycling symbol consisting of three chasing arrows forming a triangle.

1020

## 9.0 FINDINGS

The Phase I ESA notes the following:

- The Property is currently undeveloped, consisting of timberland in various stages of growth. Multiple access roads, streams, wetlands are located throughout the Property.
- The Property is generally bound by undeveloped woodlands, residences, United Drive, and Highway 41.
- Groundwater underlying the northern portions of the Property is expected to flow to the north and east towards tributaries and low-lying areas of Quinby Creek and Hester Canal. Groundwater underlying the southern portions of the Property is expected to flow to the south and west towards French Quarter Creek.
- The Property was not identified in any state or federal regulatory agency databases reviewed as part of this ESA.
- The absence of detailed city directory coverage in the area of the Property represents a data gap, but is not considered significant due to the availability of aerial photography showing the Property to have remained undeveloped and used for timber production. The inability to interview a representative of the Huger Rural Fire Department is considered a data gap. The lack of interview is not considered significant, since the Property has not been developed. Additionally, no listings in the vicinity of the Property were identified in the SPILLS or Emergency Response Notification System databases.

## 10.0 OPINION

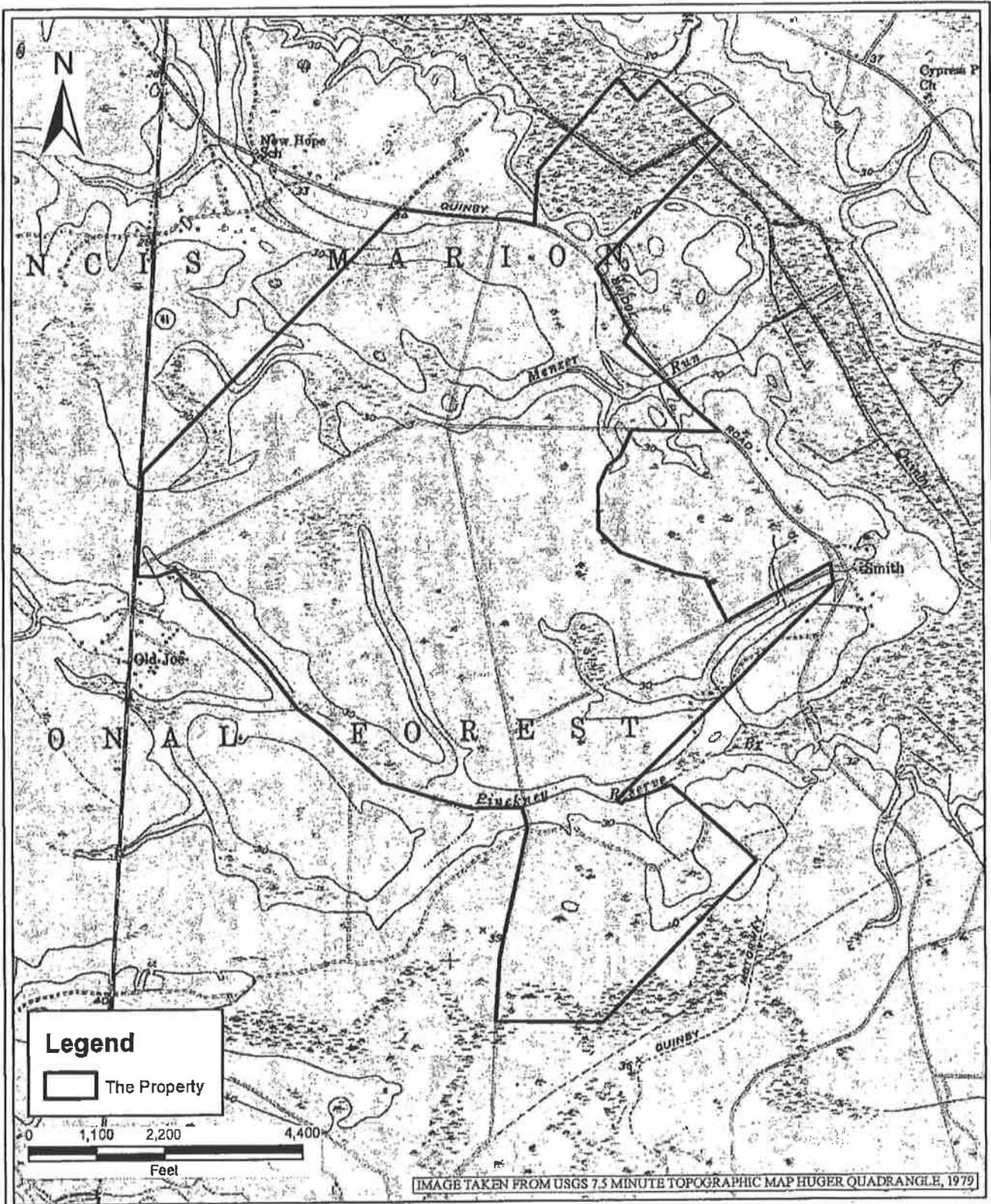
Based on the findings presented above, it is GEL's opinion that no RECs, historical RECs, or de minimis conditions were present at the time the site reconnaissance was conducted.

## 11.0 CONCLUSIONS

GEL has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 2247-08 of all or portions of 8 parcels (Berkeley County Tax Map Series Number (216-00-02-114, -115, -116, -119, 229-00-00-056, 240-00-00-071, -073, -074) and owned by RLF French Quarter Creek, LLC. Any exceptions to, or deletions from, this practice are described in Sections 12.0 and 13.0. This assessment has revealed no evidence of onsite or offsite RECs, historical RECs, or de minimis conditions in association with the Property.

## 12.0 DEVIATIONS

GEL is not aware of any deviations from ASTM Standard E 2247-08 or 40 CFR Part 312 in the text or preparation of this report.



<p>GEL Engineering, LLC  a Member of THE GEL GROUP, INC. <b>GEL</b>  P.O. BOX 30712 CHARLESTON, SC 29417  2040 SAVAGE ROAD 29407  (843) 769-7376 FAX (843) 769-7397  WWW.GEL.COM  ENGINEERING ENVIRONMENTAL ANALYTICAL</p>	<p>PROJECT: BRPH00413</p> <p>PHASE I ENVIRONMENTAL SITE ASSESSMENT  KEYSTONE PROPERTY  HUGER, SOUTH CAROLINA</p> <p>DATE: December 12, 2013</p>	<p>SITE LOCATION  MAP</p> <p>CREATED BY: EEW   APPRV BY: JEC</p>	<p>FIGURE  1</p>
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## BUDGET AND CONTROL BOARD PROPERTY INFORMATION

### Part I

1. PROJECT NUMBER: \_\_\_\_\_
  2. COUNTY: Berkeley
  3. DESCRIPTION: Fee simple acquisition of approximately 1,681.75 acres of undeveloped land in Berkeley County.
  4. GRANTOR(S): Quenby Barony, LLC, 43 Wentworth Street, Charleston, SC 29401.
  5. GRANTEE(S): SC Department of Natural Resources (DNR), 1000 Assembly Street, Columbia, SC 29201.
  6. COUNTY LOCATION: The site is located between Highway 41 and United Drive near Huger, SC and is currently undeveloped, consisting of timberland in various stages of growth.
  7. ACREAGE: Approximately 1,681.75 acres.
  8. PURPOSE/PROJECT: Dedicate a Heritage Preserve to protect the state's significant natural and cultural resources as outlined in the Heritage Trust Act (§51-17-140). The acquisition will provide additional habitat for the restoration of longleaf pine in the lower coastal plain of South Carolina. The property will be open to the public for outdoor recreational activities, including hunting, hiking, viewing wildlife, and enjoying nature. This project also will assist in economic development, in that wetlands on the subject property will be restored as part of a mitigation plan to be implemented by the Boeing Company.
1. NEED TO ACQUIRE PROPERTY: See Number 8.
  2. PURCHASE PRICE: None. This property will be donated.
  3. CURRENT YEAR PROPERTY TAX AMOUNT: According to information supplied by the current owner, property taxes for year 2013 are \$3,984.82.

### Part II

1. HOW MANY SITES WERE EVALUATED? No other sites were evaluated.

2. **SELECTION CRITERIA USED TO EVALUATE SITES?** Criteria concerning the DNR's Heritage Trust and Wildlife Management Area programs were used to evaluate the site. They include wildlife habitat, threatened and endangered species, habitat restoration, conversion threats, water quality, public access, and other related factors. The site has been recommended for acquisition by the South Carolina Heritage Trust Advisory Board.
3. **HOW WAS THE FINAL SELECTION MADE?** Approval by the Heritage Trust Advisory Board.
4. **WHY WAS THIS SPECIFIC SITE SELECTED?** The property is undeveloped forest land. Following restoration of aquatic habitat on the property, it will be donated to the SCDNR for long-term stewardship.
5. **ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK.** No construction or renovations will be done on the property by SCDNR.
6. **ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY.** The annual cost is estimated at \$20,000. The property will be managed as a State Wildlife Management Area and operating costs will be derived from the Wildlife Management Area account.
7. **ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY.** N/A

AGENCY: Procurement Services Division

SUBJECT: Patriots Point Development Authority, Naval & Maritime Museum, Procurement Exemption for Artifacts, Art, Collection Disciplines, and Exhibits

Consolidated Procurement Code Section 11-35-710 granted certain exemptions from its purchasing procedures. Similar to this request, the General Assembly granted the following exemption:

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval.

The Code also authorized “[t]he (Budget and Control) Board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter.” Similar to this request, the Board has granted the following:

Exempted from the purchasing procedures the acquisition of historical artifacts, weapons, flags, firearms, etc., which are rare and reasonably priced in the judgment of the Confederate Relic Room and Museum staff. (1985.08.27)

Exempted from the purchasing procedure of the Consolidated Procurement Code the following, as requested by the State Museum Commission: (a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Scientific specimens, to include study skins, skeletal mounts, taxidermy mounts, models, fossils, rocks and minerals, and other such materials representative of, or illustrative of, the natural world; (c) Artworks, to include examples of fine art, decorative art, and folk art and craft work; (d) Collection disciplines, to include cultural history, science and technology, art and natural history; and (e) Exhibits, to include design and fabrication and specialty materials not commercially available that are used as components of exhibits. (1991.07.12)

Citing “One of the core missions of the Authority is to develop a national naval museum of ships and to create a unique environment of historical and maritime studies by preserving our country’s military heritage through creation of a national naval and maritime museum”, the Patriots Point Development Authority requests an exemption from the Code for:

(a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Artworks, to include examples of fine art related to the mission of the museum; and (c) Collection disciplines, to include cultural history, science and technology, art and naval maritime history.

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AGENCY: Procurement Services Division

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SUBJECT: Patriots Point Development Authority, Naval & Maritime Museum, Procurement Exemption for Artifacts, Art, Collection Disciplines, and Exhibits

Patriots Point Development Authority will use this exemption to acquire:

(a) Military/historical artifacts such as, historic textiles (uniforms, flags, weapons etc.), artwork, historical film footage, aircraft, historic ship equipment and components, to provide the representation of authentic and historical scenes and displays; (b) various military equipment that is associated with the US Military, necessary to achieve the goals of the museum experience master plan at Patriots Point.

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BOARD ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, consider Patriots Point Naval & Maritime Museum's request for exemption from the Consolidated Procurement Code for:

(a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Artworks, to include examples of fine art related to the mission of the museum; and (c) Collection disciplines, to include cultural history, science and technology, art and naval maritime history.

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ATTACHMENTS:

Agenda item worksheet; Copy of Section 11-35-710 of the Code of Laws; Request Letter from Mac Burdette, Executive Director, Patriots Point Development Authority

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

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For meeting scheduled for: August 12, 2014

Regular Session

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**1. Submitted by:**

(a) Agency: Procurement Services Division

(b) Authorized Official Signature



John St. C. White

Interim Materials Management Officer

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**2. Subject:**

Patriots Point Development Authority, Naval & Maritime Museum, Procurement Exemption for Artifacts, Art, Collection Disciplines, and Exhibits

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**3. Summary Background Information:**

Consolidated Procurement Code Section 11-35-710 granted certain exemptions from its purchasing procedures. Similar to this request, the General Assembly granted the following exemption:

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval.

The Code also authorized “[t]he (Budget and Control) Board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter.” Similar to this request, the Board has granted the following:

Exempted from the purchasing procedures the acquisition of historical artifacts, weapons, flags, firearms, etc., which are rare and reasonably priced in the judgment of the Confederate Relic Room and Museum staff. (1985.08.27)

Exempted from the purchasing procedure of the Consolidated Procurement Code the following, as requested by the State Museum Commission: (a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Scientific specimens, to include study skins, skeletal mounts, taxidermy mounts, models, fossils, rocks and minerals, and other such materials representative of, or illustrative of, the natural world; (c) Artworks, to include examples of fine art, decorative art, and folk art and craft work; (d) Collection disciplines, to include cultural history, science and technology, art and natural history; and (e) Exhibits, to include design and fabrication and specialty materials not commercially available that are used as components of exhibits. (1991.07.12)

Citing “One of the core missions of the Authority is to develop a national naval museum of ships and to create a unique environment of historical and maritime studies by preserving our country’s military heritage through creation of a national naval and maritime museum”, the Patriots Point Development Authority requests an exemption from the Code for:

(a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Artworks, to include examples of fine art related to the mission of the museum; and (c) Collection disciplines, to include cultural history, science and technology, art and naval maritime history.

Patriots Point Development Authority will use this exemption to acquire:

(a) Military/historical artifacts such as, historic textiles (uniforms, flags, weapons etc.), artwork, historical film footage, aircraft, historic ship equipment and components, to provide the representation of authentic and historical scenes and displays; (b) various military equipment that is associated with the US Military, necessary to achieve the goals of the museum experience master plan at Patriots Point.

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**4. What is Board asked to do?**

Under authority of S.C. Code Section 11-35-710, consider Patriots Point Naval & Maritime Museum's request for exemption from the Consolidated Procurement Code for:

(a) Historical artifacts, to include both current, specific items and objects of future historical significance; (b) Artworks, to include examples of fine art related to the mission of the museum; and (c) Collection disciplines, to include cultural history, science and technology, art and naval maritime history.

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**5. What is recommendation of Board division involved?**

Consider the request for exemption by Patriots Point Development Authority, Naval & Maritime Museum.

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**6. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_  
(b) Division/Agency Name: \_\_\_\_\_

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**7. Supporting Documents:**

A-Copy of Section 11-35-710 of the Code of Laws

B-Request Letter from Mac Burdette, Executive Director, Patriots Point Development Authority

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STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 12, 2014

ITEM NUMBER 10

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AGENCY: University of South Carolina

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SUBJECT: Not Exceeding \$13,500,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) Series 2014 of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$13,500,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) Series 2014 of the State of South Carolina.

The proceeds of the bonds will be used to (i) design, construct, and equip a 64,500 square foot facility adjacent to and connected with the existing Thompson Student Health Center to consolidate and integrate public/patient support, administrative function, various types of medical clinics, ancillary support and campus wellness and education facilities; (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, and (iii) pay for expenses related to the issuance of such State Institution Bonds.

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BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$13,500,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) Series 2014 of the State of South Carolina.

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ATTACHMENTS:

Pope 7/21/14 letter; Resolution



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July 21, 2014

Mr. Delbert H. Singleton, Jr., Board Secretary  
South Carolina Budget and Control Board  
Wade Hampton Office Building  
1200 Senate Street, Room 612  
Columbia, South Carolina 29201

**VIA HAND DELIVERY**

Re: Not exceeding \$13,500,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 2014 of the State of South Carolina (the "Bonds")

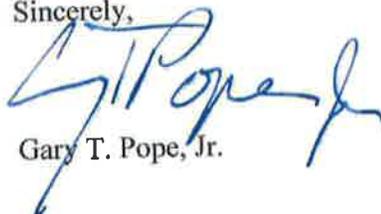
Dear Delbert:

On behalf of the University of South Carolina, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina Budget and Control Board (the "State Board") scheduled for August 12, 2014, we respectfully enclose the following for consideration:

1. An executed copy of a resolution adopted by the Board of Trustees of the University of South Carolina on December 17, 2013, requesting the issuance of the Bonds; and
2. A copy of the proposed State Board's resolution regarding the issuance of the Bonds.

We will also be sending you in Microsoft Word format an electronic version of Item 2 listed above so that you may revise it as necessary. Please let us know if you require anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

Enclosures

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer, Office of State Treasurer  
Charles D. FitzSimons, Dir. of Capital Budgets & Financing, University of South Carolina

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 12, 2014

ITEM NUMBER 11

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AGENCY: Clemson University

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SUBJECT: Not Exceeding \$183,000,000 Higher Education Revenue Bonds, Series 2014 of  
Clemson University

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$183,000,000 Higher Education Revenue Bonds, Series 2014 of Clemson University.

The proceeds of the Series 2014 bonds will be used to (i) provide the amount necessary, together with other available funds of the University, to defray the costs to plan, develop, construct and equip additional student housing facilities on the campus of the University, as well as dining, bookstore, retail, and other auxiliary facilities and services related thereto of the project; (ii) providing money to fund a debt service reserve fund, if established; (iii) providing moneys to pay the interest on the Series 2014 bonds during construction of the project; and (iv) paying certain costs and expenses related t the issuance of the Series 2014 bonds.

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BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$183,000,000 Higher Education Revenue Bonds, Series 2014 of Clemson University.

---

ATTACHMENTS:

Pope 7/21/14 letter; Resolution



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July 21, 2014

Mr. Delbert H. Singleton, Jr., Board Secretary  
South Carolina Budget and Control Board  
Wade Hampton Office Building  
1200 Senate Street, Room 612  
Columbia, South Carolina 29201

**VIA HAND DELIVERY**

Re: Not exceeding \$183,000,000 Higher Education Revenue Bonds, Series 2014 of  
Clemson University, South Carolina (the "Bonds")

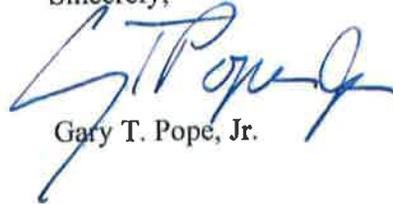
Dear Delbert:

On behalf of Clemson University, South Carolina, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina Budget and Control Board (the "State Board") scheduled for August 12, 2014, we respectfully enclose the following for consideration:

1. A copy of a series resolution adopted by the Board of Trustees of Clemson University on April 12, 2013, authorizing the issuance of the Bonds; and
2. A copy of the proposed State Board resolution regarding the issuance of the Bonds.

We will also be sending you in Microsoft Word format the electronic version of Item 2 listed above so that you may revise it as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

**Enclosures**

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer, Office of State Treasurer  
Steven H. Crump, Assoc. Vice President & University Controller, Clemson University

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$183,000,000 HIGHER EDUCATION REVENUE BONDS, SERIES 2014, OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE SOUTH CAROLINA BUDGET AND CONTROL BOARD, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina Budget and Control Board (the "State Board") finds:

Section 1.01

(a) The Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University, South Carolina (the "University"), is authorized by Chapter 147, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), to make provision for the issuance of revenue bonds ("Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of the acquisition, construction, reconstruction, renovation and improvement of land and certain facilities identified under the Enabling Act (the "Facilities") on the campus of the University. The Board of Trustees is authorized by the Enabling Act to secure the Revenue Bonds from certain revenues of the Facilities and a pledge of the proceeds of a special fee charged to all persons in attendance at any regular or summer session and who are enrolled in any course or class for which credit is given for any degree offered by the University.

(b) On December 1, 1997, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain Outstanding (a) \$7,200,000 of the originally issued \$22,130,000 Revenue Bonds, Series 2005 of Clemson University, South Carolina; and (b) \$19,385,000 of the originally issued \$21,200,000 Refunding Revenue Bonds, Series 2012 of Clemson University, South Carolina.

(c) On April 12, 2013, the Board of Trustees adopted a series resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING ONE HUNDRED EIGHTY THREE MILLION DOLLARS (\$183,000,000) AND OTHER MATTERS RELATING THERETO" (the "Series Resolution") authorizing the issuance of Higher Education Revenue Bonds, Series 2014 (the "Series 2014 Bonds") for the purpose of providing funds necessary to plan, develop, construct and equip additional student housing facilities on the campus of the University, as well as dining, bookstore, retail, and other auxiliary facilities and services related thereto (collectively, the "Project").

(d) The Series Resolution authorized the use of proceeds of the Series 2014 Bonds for the purposes of: (i) providing the amount necessary, together with other available funds of the University, to defray the costs of the Project; (ii) providing money to fund a debt service reserve fund, if established; (iii) providing moneys to pay the interest on the Series 2014 Bonds during construction of the Project, at the discretion of the University; and (iv) paying certain costs and expenses related to the issuance of the Series 2014 Bonds.

(e) The Board of Trustees has determined that the Project is advantageous to the University for its continued successful operation as a public institution of higher learning and the University hereby requests the State Board to approve at this time the issuance by the University of the Series 2014 Bonds to accomplish the Project and other matters related thereto.

#### Section 1.02

The Bond Resolution and the Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

#### Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2014 Bonds, including those required by the Bond Resolution, the Series Resolution, and the Enabling Act, will be met upon the issuance of the Series 2014 Bonds.

#### Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the Bond Resolution and the Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2014 BONDS

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of not exceeding \$183,000,000 principal amount Higher Education Revenue Bonds, Series 2014, of the University in the manner and under the conditions prescribed by the Series Resolution.

Section 2.02

On the basis of the foregoing, and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: August 12, 2014

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 12, 2014

ITEM NUMBER 12

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AGENCY: Clemson University

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SUBJECT: Not Exceeding \$13,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 of the State of South Carolina and Notes in Anticipation of the Issuance Thereof

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$13,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 of the State of South Carolina and Notes in Anticipation of the Issuance Thereof.

The proceeds of the Series 2014 bonds will be used to (i) construct, reconstruct, maintain, improve, furnish, and refurnish the building and other permanent improvements to the University including a water tower and utility infrastructure on the campus of the University; (ii) defray the costs of acquiring or improving land needed as sits for such improvements or for the campus of the University; (iii) reimburse the University for expenses incurred in anticipation of the issuance of such bonds ((i)-(iii)); and (iv) pay for expenses related to the issuance of such State Institution Bonds.

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BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$13,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 of the State of South Carolina and Notes in Anticipation of the Issuance Thereof.

---

ATTACHMENTS:

Pope 7/28/14 letter; Resolution



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July 28, 2014

Mr. Delbert H. Singleton, Jr., Board Secretary  
South Carolina Budget and Control Board  
Wade Hampton Office Building  
1200 Senate Street, Room 612  
Columbia, South Carolina 29201

**VIA HAND DELIVERY**

Re: Not exceeding \$13,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014 of the State of South Carolina (the "Bonds")

Dear Delbert:

On behalf of Clemson University, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina Budget and Control Board (the "State Board") scheduled for August 12, 2014, we respectfully enclose the following for consideration:

1. An executed copy of a resolution adopted by the Board of Trustees of Clemson University on February 7, 2014, requesting the issuance of the Bonds; and
2. A copy of the proposed State Board's resolution regarding the issuance of the Bonds.

We will also be sending you in Microsoft Word format an electronic version of Item 2 listed above so that you may revise it as necessary. Please let us know if you require anything further or if you have any questions or concerns.

Sincerely,

Gary T. Pope, Jr.

Enclosures

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer, Office of State Treasurer  
Steven H. Crump, Assoc. Vice President & University Controller, Clemson University

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**AGENCY:** Division of General Services

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**SUBJECT:** SC State Ports Authority Sale of Real Property

- The SC State Ports Authority requests approval to sell and convey approximately 15.7 highland acres (+/- based on final survey) of land for a sum of Three Million and no/100 Dollars (\$3,000,000) to Buyer of Parcel A, to include the Coal Tipple Structure.
- The parcel is part of a larger tract consisting of approximately 98 acres (+/- based on final survey) and generally known as the Coal Tipple Property. The sale does not include marshland below the mean high water. The sale does not require an easement over the marshlands to the Buyer from the State of South Carolina or the SC State Ports Authority.
- SC State Ports Authority will quitclaim the marshland below the mean high water mark to the State of South Carolina.
- The 15.7 highland acres (+/- based on final survey) to be acquired includes easements that encumber approximately 4.52 acres. The parcel includes a 35' entry road off of Greenleaf Street. The parcel includes the Coal Tipple Structure. The parcel is in the final stages of being subdivided from the larger tract and zoned light industrial.
- Three appraisals have been conducted on the property (dated 2007, 2010, and 2013) ranging from \$330,000 to \$360,000 with a combined average of \$346,000 per highland acre not encumbered by an easement. Based on an appraised value of \$330,000 per usable highland acre, the total value of the usable highland of approximately 11.18 acres (+/- based on final survey) encumbered by this sale would be approximately \$3,689,400.00. Additionally, an "indication of value" analysis was prepared by buyer which indicated a value of \$150,000 per useable highland acre. After receipt of the "indication of value" analysis, the SC State Ports Authority negotiated a sales price of \$3,000,000 which equates to an approximate value per usable highland acre of \$268,336.00 per acre.
- The SC State Ports Authority is requesting to sell the parcel for below the lowest appraised value based on the following considerations:
  - a) the sale provides a location for an economic development project supported by the SC Department of Commerce with an estimated capital investment of \$18M, 30 direct jobs, and 41 indirect jobs.
  - b) the Buyer has agreed to accept the Coal Tipple Structure which is considered an encumbrance on the property.
  - c) the parcel is oddly shaped, contains restrictive easements on the property, and is part of the Magnolia Cemetery view corridor.

---

AGENCY: Division of General Services

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SUBJECT: SC State Ports Authority Sale of Real Property

- d) zoning changes and subdivision are required.
  - e) Phase II environmental will need to be performed based upon findings of Phase I.
- The SC Attorney General's Office has provided a letter noting no objection to the proposed sale subject to the following three exceptions: "that the quitclaim deed and any other sales transaction documents must not convey title to the bottoms of waterways, permit the obstruction of waterways or exempt the property from state regulation that would otherwise apply to such property."

---

BOARD ACTION REQUESTED:

Consider approval of the SC State Ports Authority Sale of Real Property adjacent to Greenleaf Street, City of Charleston, County of Charleston, South Carolina, to include Coal Tipple Structure.

---

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 54-3-155 and 54-3-140; SC State Ports Authority Resolution Authorizing Sale of Real Property; Letter from J. Emory Smith, Jr., Deputy Solicitor General, Office of the Attorney General; Letter from Alan D. Young, Executive Director, Coordinating Council for Economic; Development, SC Department of Commerce; Maps; Quitclaim Deed from SC State Ports Authority to Buyer for highland acres; Quitclaim Deed from SC State Ports Authority to State of South Carolina for marshland; below the mean high water mark; Executed Purchase and Sale Agreement between the Buyer and SC State Ports Authority

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

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Meeting Scheduled for: August 12, 2014

Regular Agenda

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**1. Submitted by:**

(a) Agency: Division of General Services

(b) Authorized Official Signature:

\_\_\_\_\_  
Nolan L. Wiggins, Jr., Director

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**2. Subject:** SC State Ports Authority Sale of Real Property adjacent to Greenleaf Street, City of Charleston, County of Charleston, South Carolina, to include Coal Tipple Structure.

---

**3. Summary Background Information:**

- The SC State Ports Authority requests approval to sell and convey approximately 15.7 highland acres (+/- based on final survey) of land for a sum of Three Million and no/100 Dollars (\$3,000,000) to Buyer of Parcel A, to include the Coal Tipple Structure.
- The parcel is part of a larger tract consisting of approximately 98 acres (+/- based on final survey) and generally known as the Coal Tipple Property. The sale does not include marshland below the mean high water. The sale does not require an easement over the marshlands to the Buyer from the State of South Carolina or the SC State Ports Authority.
- SC State Ports Authority will quitclaim the marshland below the mean high water mark to the State of South Carolina.
- The 15.7 highland acres (+/- based on final survey) to be acquired includes easements that encumber approximately 4.52 acres. The parcel includes a 35' entry road off of Greenleaf Street. The parcel includes the Coal Tipple Structure. The parcel is in the final stages of being subdivided from the larger tract and zoned light industrial.
- Three appraisals have been conducted on the property (dated 2007, 2010, and 2013) ranging from \$330,000 to \$360,000 with a combined average of \$346,000 per highland acre not encumbered by an easement. Based on an appraised value of \$330,000 per usable highland acre, the total value of the usable highland of approximately 11.18 acres (+/- based on final survey) encumbered by this sale would be approximately \$3,689,400.00. Additionally, an "indication of value" analysis was prepared by buyer which indicated a value of \$150,000 per useable highland acre. After receipt of the "indication of value" analysis, the SC State Ports Authority negotiated a sales price of \$3,000,000 which equates to an approximate value per usable highland acre of \$268,336.00 per acre.
- The SC State Ports Authority is requesting to sell the parcel for below the lowest appraised value based on the following considerations:

- a) the sale provides a location for an economic development project supported by the SC Department of Commerce with an estimated capital investment of \$18M, 30 direct jobs, and 41 indirect jobs.
  - b) the Buyer has agreed to accept the Coal Tipple Structure which is considered an encumbrance on the property.
  - c) the parcel is oddly shaped, contains restrictive easements on the property, and is part of the Magnolia Cemetery view corridor.
  - d) zoning changes and subdivision are required.
  - e) Phase II environmental will need to be performed based upon findings of Phase I.
- The SC Attorney General's Office has provided a letter noting no objection to the proposed sale subject to the following three exceptions: "that the quitclaim deed and any other sales transaction documents must not convey title to the bottoms of waterways, permit the obstruction of waterways or exempt the property from state regulation that would otherwise apply to such property."
- 

**4. What is the Board asked to do?** Approve the SC State Ports Authority Sale of Real Property adjacent to Greenleaf Street, City of Charleston, County of Charleston, South Carolina, to include Coal Tipple Structure.

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**5. What is recommendation of the General Services Division?** Consider approval of the SC State Ports Authority Sale of Real Property adjacent to Greenleaf Street, City of Charleston, County of Charleston, South Carolina, to include Coal Tipple Structure.

---

**6. List of Supporting Documents:**

- SC Code of Laws Section 54-3-155 and 54-3-140
- SC State Ports Authority Resolution Authorizing Sale of Real Property
- Letter from J. Emory Smith, Jr., Deputy Solicitor General, Office of the Attorney General
- Letter from Alan D. Young, Executive Director, Coordinating Council for Economic Development, SC Department of Commerce
- Maps
- Quitclaim Deed from SC State Ports Authority to Buyer for highland acres
- Quitclaim Deed from SC State Ports Authority to State of South Carolina for marshland below the mean high water mark
- Executed Purchase and Sale Agreement between the Buyer and SC State Ports Authority

**§ 54-3-140. Powers of Authority.**

In order to enable it to carry out the purposes of this chapter, the Authority:

- (1) Shall have the powers of a body corporate, including the power to sue and be sued, to make contracts and to adopt and use a common seal and alter it as may be deemed expedient;
- (2) May rent, lease, buy, own, acquire, mortgage and dispose of such property, real or personal, as the Authority may deem proper to carry out the purposes and provisions of this chapter, all or any of them;
- (3) May acquire, construct, maintain, equip and operate wharves, docks, ships, piers, quays, elevators, compresses, refrigeration storage plants, warehouses and other structures and any and all facilities needful for the convenient use of the same in the aid of commerce, including the dredging of approaches thereto and the construction of belt line roads and highways and bridges and causeways thereon and other bridges and causeways necessary or useful in connection therewith and shipyards, shipping facilities and transportation facilities incident thereto and useful or convenient for the use thereof, including terminal railroads;
- (4) May acquire, construct, maintain, operate and contract to operate in any of said counties airports, seaplane bases, naval bases and any other facilities necessary or useful in carrying out the purposes of this chapter and of the Authority;
- (5) Shall adopt an organizational structure for authority operations implemented by the executive director;
- (6) Shall establish an office for the transaction of its business in the city of Charleston and such other offices within and without the State as may be deemed by the board to be necessary or useful in carrying out the purposes of this chapter;
- (7) May create and operate such agencies and departments as the board may deem necessary or useful for the furtherance of any of the purposes of this chapter;
- (8) May pay all necessary costs and expenses involved in and incident to the formation and organization of the Authority and incident to the administration and operation thereof and all other costs and expenses reasonably necessary or expedient in carrying out and accomplishing the purposes of this chapter;
- (9) May apply for and accept loans and grants of money from any Federal agency for any and all of the purposes authorized in this chapter and expend such moneys in accordance with the directions and requirements attached thereto or imposed thereon by any such Federal agency and give such evidences of indebtedness as shall be required by any such Federal agency, except that no indebtedness of any kind incurred or created by the Authority shall constitute an indebtedness of the State, or any political subdivision thereof, and no such indebtedness shall involve or be secured by the faith, credit or taxing power of the State, or any political subdivision thereof;
- (10) May act as agent for the United States of America or any agency, department, corporation or instrumentality thereof, in any matter coming within the purposes or powers of the Authority;
- (11) May adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted and in which the powers granted to it may be enjoyed and may provide for the appointment of such committees, and the functions thereof, as the Authority may deem necessary or expedient in facilitating its business;
- (12) May do any and all other acts and things in this chapter authorized or required to be done, whether or not included in the general powers in this section mentioned;
- (13) May do any and all things necessary to accomplish the purposes of this chapter; and

(14) May promulgate rules and regulations governing the use of or doing business on the Authority's property or facilities, including the adoption of safety standards and insurance coverage or proof of financial responsibility, and may provide for the licensing of persons, firms or corporations using or doing business on such property or facilities, and for license fees to cover the expense thereof. Licenses may be revoked after notice and hearing by the Authority for wilful breach of or failure to comply with such rules and regulations.

But the Authority shall not engage in shipbuilding except upon the unanimous vote of its members.

(15) Shall develop a long-range port development and capital financing plan, with a minimum twenty-year forecast period at the time of adoption that provides for the promotion, development, construction, equipping, maintaining, and operation of the state's harbors and seaports to maximize their economic benefit to the State, including, but not limited to, Charleston and Georgetown. The plan must be revised at least every five years, to reflect and account for changing conditions. The long-range plan must be submitted to the General Assembly;

(16) Shall review port operations and proposals for future operations and construction to determine whether utilizing a public-private partnership to achieve the current or proposed operational goals and development is the most advantageous method to the State and would result in the most timely, economical, efficient, and successful fulfillment of the operational goals or completion of the development project;

(17) Shall take all necessary steps it finds reasonable to establish rail access to port facilities in Charleston County by any Class I railway operating in Charleston County on the effective date of this item. The authority shall report annually to the General Assembly and the Governor on the status of efforts to establish rail access.

**§ 54-3-155. Sale of real property, building, terminals, or other permanent structures.**

Without prior approval from the State Budget and Control Board, the authority may not sell any real property or any buildings, terminals, or other permanent structures, excluding equipment, appurtenant to real property that are or may be used to carry out the purposes of the authority as provided in Section 54-3-130.

**RESOLUTION AUTHORIZING SALE OF REAL PROPERTY**  
**(Coal Tipple Property, Charleston, SC)**

WHEREAS, the South Carolina State Ports Authority is created as an instrumentality of the State for the accomplishment of its purposes, which include development and improvement of the harbors and seaports of Charleston, Georgetown and Jasper, for the handling of water-borne commerce from and to any part of this State and other states and foreign countries, to acquire, equip, maintain, develop and improve such harbors and their facilities, and to foster and stimulate the shipment of freight and commerce through such ports; and

WHEREAS, among its powers, the Authority may rent, lease, buy, own, acquire, mortgage and dispose of such property, real or personal, as the Authority may deem proper to carry out its purposes and the provisions of 1942 Act 626 of the General Assembly, all or any of them; and

WHEREAS, the Authority has title interest in a certain parcel of real property in the City of Charleston, South Carolina, known generally as the Coal Tipple Property, consisting of approximately 98 acres, Charleston County TMS No. 464-00-00-016; and

WHEREAS, a proposed buyer has offered to buy portions of said property shown on the drawing attached to this Resolution as Exhibit A, and is generally described as Parcel A, North of Belvedere Creek, bounded on the East by the Cooper River, comprising approximately 42.111 total acres of which approximately 16.392 acres are highland; and

WHEREAS, the proposed buyer has offered and agreed to pay to the Authority the sum of Three Million and no/100 Dollars (\$3,000,000.00) for purchase of Parcel A, approximately

15.7 acres of highland and additional marshland, subject to final survey, as is and where is, to be used for an economic development project involving waterborne commerce through the port of Charleston, and has submitted and offered a written Letter of Intent, and Purchase and Sale Agreement for said Parcel A for the price stated; and

WHEREAS, the Board has determined that the subject parcel is excess and not currently in use or necessary to continued operations of the Authority's terminals or to carry out the purposes of the Authority set forth in Section 54-3-130 of the South Carolina Code of Laws; and

WHEREAS, the market value of the said property was recently determined by review of an appraisal and estimate of value prepared by competent appraisers, each qualified as a State Certified General Real Estate Appraiser, and a Member of the Appraisal Institute (MAI), and knowledgeable in appraisal of property with water access in the Charleston harbor area; and

WHEREAS, the Board has determined that the purchase price for Parcel A of Three Million and no/100 Dollars (\$3,000,000.00) is reasonable and acceptable, and the sale of the property is desirable in the conduct of the Authority's business and does not materially impair the Authority's ability to comply with the provision of its Master Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED by the South Carolina State Ports Authority in meeting duly assembled:

1. The sale of the property by quitclaim pursuant to the proposed Letter of Intent for the price of Three Million and no/100 Dollars (\$3,000,000.00) for Parcel A, consisting of approximately 15.7 highland acres with associated marsh, subject to final survey, is hereby approved, subject to review and approval by the State Budget and Control Board in accordance with law; and

2. The President and Chief Executive Officer and the Chief Financial Officer of the Authority, upon approval of sale by the State Budget and Control Board, are authorized to take all actions and to prepare, complete and execute all contracts and documents necessary to sell Parcel A for the sum of Three Million and no/100 Dollars (\$3,000,000.00) Dollars, and the President and Chief Executive Officer and Chief Financial Officer are further authorized to sign and deliver a quitclaim deed for the above described property in consideration of payment of Three Million and no/100 Dollars (\$3,000,000.00).

Adopted at the regular meeting of the South Carolina State Ports Authority held May 22, 2014.

WITNESS the hand and seal of the Secretary of the South Carolina State Ports Authority.

SOUTH CAROLINA STATE PORTS AUTHORITY

By: Willie Jeffries  
Willie Jeffries,  
Secretary



ALAN WILSON  
ATTORNEY GENERAL

May 30, 2014

Mr. Nolan Wiggins  
Director, Division of General Services  
South Carolina Budget and Control Board  
Wade Hampton State Office Building  
Columbia, SC 29201  
Hand Delivery

Re: Proposed Sale by State Ports Authority of Coal Tipple site

Dear Mr. Wiggins:

I have been asked to write to you regarding the proposed sale of the above property scheduled to come before the Budget and Control Board next month. My understanding is that the property consists of two parcels: one section that is the property of the Authority pursuant to the provisions of S.C. Code Ann. §54-3-170 and another section that was quitclaimed to the Authority by the United States Army Corps of Engineers. I have not reviewed the documents conveying the property to the Ports Authority except that I note that I have seen, but not researched or examined, correspondence pertaining to an acquisition under §54-3-170. I have not reviewed the proposed quitclaim deeds of the property by the Authority to a purchaser.

Under a long line of case law, the State is the presumptive owner of land below mean high water unless such land has been conveyed by the sovereign. *See, eg., McQueen v. South Carolina Coastal Council*, 354 S.C. 142, 149, 580 S.E.2d 116, 119 (2003). My understanding is the proposed sale includes some marshland below mean high water; however, because the Authority acquired one of the parcels by the above State statute, we have no objection to the proposed sale of that property subject to the following three exceptions: that the quitclaim deed and any other sales transaction documents must not convey title to the bottoms of waterways, permit the obstruction of waterways or exempt the property from state regulation that would otherwise apply to such property. Although we do not know whether a grant from the sovereign is in the chain of title of the Corps to the second parcel quitclaimed to the Authority or whether the Corps acquired title to its parcel by other means, the Authority does have the power to acquire and dispose of real property under S.C. Code Ann. §54-3-140. Therefore, we do not object to the proposed quitclaim of that former Corps parcel to a purchaser provided that deed is approved by the Budget and

Mr. Nolan Wiggins  
May 30, 2014  
Page 2

Control Board and subject to the above three exceptions.

I emphasize again that I have not examined the documents by which the Authority acquired the property or the proposed quitclaim deed(s) of the properties. We do not comment on the form or execution of those documents or their compliance with State law.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Emory Smith, Jr.", written over a horizontal line.

J. Emory Smith, Jr.  
Deputy Solicitor General

cc: Philip L. Lawrence, General Counsel, State Ports Authority  
David K. Avant, General Counsel  
Ben A. Hagoood, Jr. Esquire

Nikki R. Haley  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

Robert M. Hitt III  
Secretary

May 29, 2014

Nolan Wiggins  
Director, General Services  
South Carolina Budget and Control Board  
1200 Senate Street, Suite 460  
Columbia, South Carolina 29201

Dear Mr. Wiggins:

I understand that Project Daily's purchase of the Coal Tipple site in Charleston from the South Carolina Ports Authority is scheduled to go before the Budget & Control Board at its meeting on June 9. I hope the Board approves this purchase.

I have worked at the Department of Commerce for over 20 years and have dealt with all ranges of projects including Boeing, BMW and Michelin. I can honestly say that the product produced by Project Daily gives this project the most unique site needs of any I have ever seen. We worked with the company for nearly a year to find a site that could meet those needs before finding the Coal Tipple Site, a site as unique as Project Daily itself. Many of the characteristics that make the site difficult if not impossible for the Ports Authority to sell or use make it attractive to the company.

Again, I hope the Board approves the sale of this property to Protect Daily. I believe this is the only property in South Carolina where the company can successfully manufacture and deliver their product, and South Carolina will benefit from the jobs and investment Project Daily anticipates making.

Thank you for your time and consideration of this matter. If you have any questions please feel free to contact me directly.

Sincerely,

  
Alan D. Young  
Executive Director  
Coordinating Council for Economic Development

cc: Robert M. Hitt, III

**SOUTH CAROLINA  
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT  
ENTERPRISE PROGRAM ECONOMIC IMPACT ANALYSIS**

**Project Daily  
Charleston County  
5/29/2014**

**PROJECT DATA**

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**ANNOUNCED CAPITAL INVESTMENT**

Land	\$	3,000,000
Existing Building	\$	-
New Building	\$	2,500,000
Machinery & Equipment	\$	12,500,000
<b>Total Investment</b>	<b>\$</b>	<b>18,000,000</b>

**NEW EMPLOYMENT/TOTAL PAYROLL**

Employment	30
Annual Payroll	\$1,080,000
Average Salary	\$36,000
Average Hourly Wage	\$18.00

**PROJECT MULTIPLIERS**

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Income	2.00
Investment -- Construction	1.60
Investment -- Machinery	0.20
Employment	2.35
SC Average Annual Salary	\$26,596

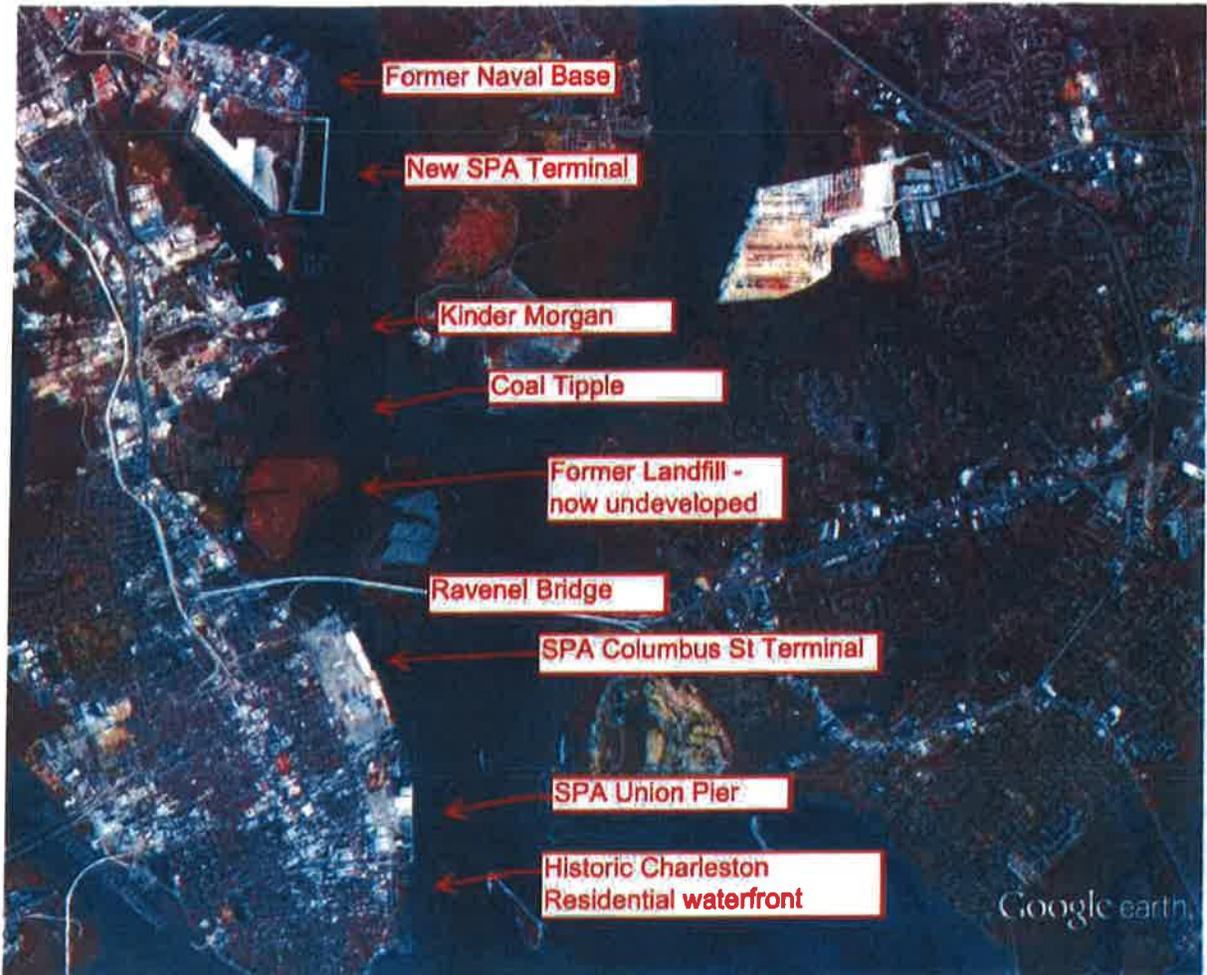
**EMPLOYMENT IMPACTS**

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Employment -- Direct	30
Employment -- Indirect	41
Total Employment Impact	71

## COST/BENEFIT ANALYSIS

	FIRST YEAR	PRESENT VALUE 15-YEAR TOTAL
<b>PUBLIC COSTS</b>		
Corporate Jobs Tax Credit	\$0	\$187,511
Multi-County Industrial Park	-	-
AFDC Jobs Tax Credit	-	-
Job Development Credit (JDC)	-	-
Special Schools	90,000	90,000
Economic Development Set-Aside Fund	500,000	500,000
State Grants	-	-
Increased State Education Costs	7,753	93,557
Infrastructure Improvements	-	-
Increased Local Education Costs	6,099	73,606
Other Costs	-	-
<b>Total Public Costs</b>	<b>\$603,852</b>	<b>\$944,674</b>
<b>INCOME BENEFITS</b>		
Total New Building (Direct & Indirect)	\$2,900,000	\$2,900,000
Total Machinery & Equipment (Direct & Indirect)	5,000,000	5,000,000
Total Payroll (Direct & Indirect)	2,160,000	26,066,396
State Revenues	754,500	2,547,480
Rural Infrastructure Fund	\$0	-
Reduction of AFDC Costs	4,968	59,953
Property Taxes from Project	284,472	2,014,678
Property Taxes from New Housing	3,109	37,524
Property Taxes from New Automobiles	830	8,354
<b>Total Income Benefits</b>	<b>\$11,107,879</b>	<b>\$38,634,384</b>
<b>PRESENT VALUES</b>		
<i>Private</i>		
<b>Total Value of Private Benefits</b>	<b>\$9,305,500</b>	<b>\$31,418,916</b>
<i>State</i>		
Present Value of State Benefits	\$759,468	\$2,607,432
Present Value of State Costs	597,753	1,047,290
<b>Total State Value</b>	<b>\$161,715</b>	<b>\$1,560,143</b>
<i>Local</i>		
Present Value of Local Benefits	\$288,411	\$2,060,557
Present Value of Local Costs	12,369	149,271
<b>Total Local Value</b>	<b>\$276,042</b>	<b>\$1,911,286</b>
<b>OVERALL NET BENEFIT</b>	<b>\$9,743,257</b>	<b>\$34,890,344</b>
<b>COST/BENEFIT RATIO</b>		30:1



Google earth

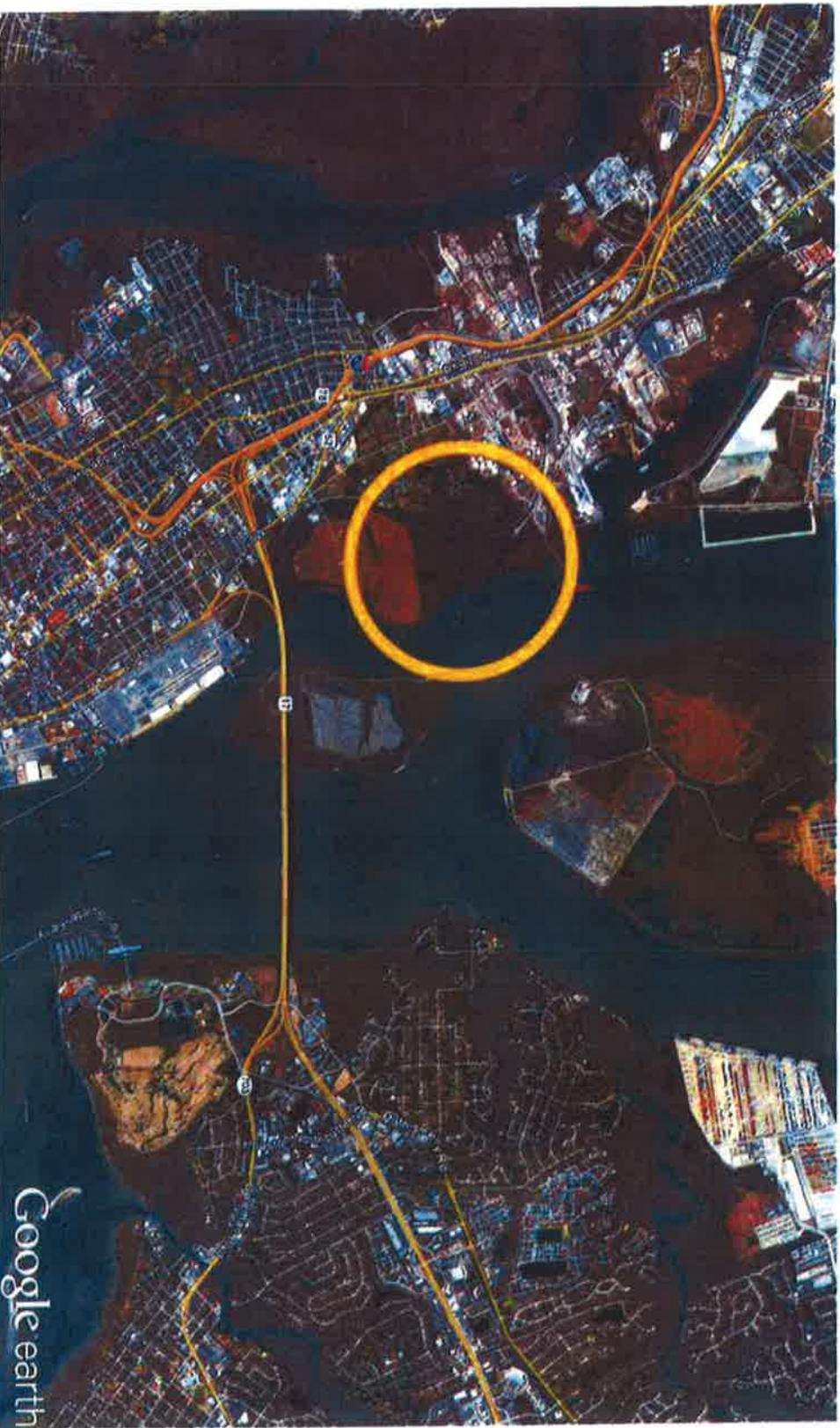
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## The Coal Tipple Property

This property is located along the Cooper River waterfront adjacent to the Kinder Morgan operation. It is composed of approximately 23 acres of highland. It is bisected near the middle by Belvedere Creek. Running down the west side of the property is an old CSX Railroad Spur and on the East side is the Cooper River. To the north is the Kinder Morgan operation.





### Proposed Sub-Division Parcels

The property will be subdivided into three parcels.





STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

**QUIT-CLAIM DEED**  
**(Title Not Examined by Attorney)**

**KNOW ALL MEN BY THESE PRESENTS**, that the **South Carolina Ports Authority**, an instrumentality of the State of South Carolina (referred to as the "**Grantor**"), in the State aforesaid, County aforesaid, for and in consideration of the sum of five and 0/100 (\$5.00) Dollars and other consideration, to Grantor in hand paid, at and before the sealing of these presents by **The State of South Carolina** (referred to as the "**Grantee**"), the receipt and sufficiency whereof is hereby acknowledged, have remised, released and forever quitclaimed, and by these presents do remise, release and forever quitclaim unto the said Grantee, the following described real property ("**Property**"):

ALL that piece, parcel, lot or tract of marshland, situate, lying and being in the City of Charleston, Charleston County, South Carolina, containing \_\_\_ acres of marsh, more or less, being shown and designated as "\_\_\_" on a plat by \_\_\_, dated \_\_\_, entitled in part "\_\_\_" and recorded \_\_\_ in the RMC Office for Charleston County, South Carolina, in Plat Book \_\_\_ at Page \_\_\_, and having such size, shape, buttings, boundings, dimensions and location as will appear by reference to said plat which is incorporated herein by reference, be all the dimensions and measurements shown thereon a little more or less.

THIS BEING the same property acquired by Grantor from the State of South Carolina pursuant to South Carolina Code of Laws Section 54-3-170 as acknowledged by letter of acknowledgement from Grantor filed with the South Carolina Secretary of State dated September 11, 1968 and the same property conveyed to Grantor herein by deed of the United States of America, dated September 17, 1964 and recorded October 1, 1964 in the RMC Office for Charleston County in Book G-81 at Page 233.

TMS #:

Grantee's Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TOGETHER** with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

**TO HAVE AND TO HOLD**, all and singular, the said premises unto Grantee, and Grantee's successors and assigns forever, so that neither Grantor, nor Grantor's successors or assigns, nor any other person or persons claiming by or through Grantor or Grantor's successors or assigns, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of thereof.

**WITNESS** the hand and seal of Grantor on this the \_\_\_ day of \_\_\_\_\_ in the







## PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (this "**Agreement**") is as of the latest date of execution by a party (the "**Effective Date**"), by [REDACTED] or its Assignee (as defined herein) ("**Buyer**") and **SOUTH CAROLINA STATE PORT AUTHORITY** ("**Seller**").

### **RECITALS**

A. Seller is in the owner of certain Property (as defined herein) located in the City of Charleston, Charleston County, South Carolina; and

B. Seller has agreed to sell, and Buyer has agreed to purchase, such Property upon the terms and conditions hereinafter set forth.

In consideration of the covenants and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. **Agreement to Sell and Purchase.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions of this Agreement, that certain property located in the City of Charleston, Charleston County, South Carolina, as more fully depicted on the drawing attached hereto as **Exhibit A**, together with all right, title and interest of Seller in and to any highland and any easements and appurtenances pertaining thereto (the "**Property**"); Seller and Buyer acknowledge that Seller shall convey to Kinder Morgan certain property depicted on **Exhibit A**, and that the Property conveyed to Buyer and Kinder Morgan pursuant to a subdivision plat approved by Seller, Buyer, and Kinder Morgan, the cost of such subdivision plat to be equally split between the three parties. Buyer's obligations hereunder are contingent upon Seller conveying to the State of South Carolina, via a quit claim deed, the marshland below the mean high water mark as depicted on **Exhibit A** of this Agreement.

2. **Purchase Price.** The purchase price for the Property is Three Million and 00/100 (\$3,000,000.00) Dollars (the "**Purchase Price**"), payable to Seller at Closing (as defined herein).

3. **Earnest Money.** On or before the third (3rd) business day after the Effective Date, Buyer shall deliver to Moore & Van Allen PLLC (the "**Escrow Agent**") as escrow agent, the sum of Five Thousand and 00/100 (\$5,000.00) Dollars in cash, check or wired funds (such amount, together with all interest, if any, earned thereon being referred to as the "**Earnest Money**"), to be invested by the Escrow Agent in a non-interest bearing account selected by Escrow Agent in the exercise of its reasonable discretion. Seller shall have the option of declaring a default and terminating this Agreement if the Earnest Money is not delivered to the Escrow Agent by the date the same is due hereunder. If the purchase of the Property is consummated pursuant to the terms of this Agreement, the Earnest Money shall be paid to Seller at Closing and applied to the payment of the Purchase Price. The Earnest Money shall be held in escrow upon the terms and conditions set forth in Exhibit B and the following terms and conditions:

- (a) Escrow Agent shall promptly notify Seller of payment by Buyer of the Earnest Money.
- (b) In the event of a default by Buyer under the terms of this Agreement, Escrow Agent is instructed to deliver the Earnest Money to Seller. In the event of a default by Seller under the terms of this Agreement that results in the termination of this Agreement by Buyer, or upon other termination of this Agreement in a circumstance that, by the terms of this Agreement, entitles Buyer to a return of the Earnest Money, Escrow Agent is instructed to deliver the Earnest Money to Buyer. In the event of the Closing of the sale of the Property, the Earnest Money shall be paid to Seller and applied against the Purchase Price.
- (c) Buyer and Seller agree that Escrow Agent shall not be liable for any reason except gross negligence or intentional misconduct, or breach of this Section 3 by Escrow Agent.
- (d) Escrow Agent shall comply with any specific terms contained in this Agreement with respect to the disbursement of the Earnest Money. Any request for disbursement of the Earnest Money shall be signed by Buyer and Seller; provided, however, that if either of Buyer or Seller otherwise makes a written request for disbursement to Escrow Agent without joinder of the other, Escrow Agent shall give notice of such request to the non-requesting party by any means permitted by this Agreement. If Escrow Agent receives a written objection to the disbursement of the Earnest Money within ten (10) business days of giving such notice to the non-requesting party, the Earnest Money shall be disbursed only in accordance with the joint written instructions of Buyer and Seller, or in accordance with the order of judgment of a court of competent jurisdiction. If Escrow Agent does not receive a written objection to the disbursement of the Earnest Money within ten (10) business days of giving such notice to the non-requesting party, the Earnest Money shall be disbursed as requested by the requesting party.
- (e) In the event of any dispute regarding the application of the Earnest Money, Escrow Agent shall be authorized to disburse the Earnest Money to a court of competent jurisdiction, to be held pending resolution of that dispute. If Escrow Agent is required to institute or participate in litigation as a result of this escrow (other than as a result of the gross negligence or intentional misconduct of Escrow Agent, or breach of this Section 3 by Escrow Agent), Buyer and Seller shall be jointly and severally obligated to reimburse Escrow Agent for any reasonable costs and expenses (including reasonable attorneys' fees) actually incurred by Escrow Agent.
- (f) The parties agree that Escrow Agent's agreement to serve as Escrow Agent in this transaction shall not prevent Moore & Van Allen PLLC from representing Buyer in this transaction or any dispute arising out of this transaction.

4. Closing. Closing ("Closing") shall be held within thirty (30) days after the Due Diligence Period Expiration Date (as defined herein). Buyer shall designate such Closing date by at least five (5) days advance written notice to Seller. Closing shall take place at the offices of Moore & Van Allen, PLLC, at 78 Wentworth Street, Charleston, SC, 29401.

5. Title and Survey Matters.

- (a) Buyer, at Buyer's sole cost and expense, shall have the right prior to the Due Diligence Expiration Date (the "Title Objection Deadline") to obtain a Commitment for Owner's Title Insurance (the "Title Commitment") with respect to the Property dated not earlier than the Effective Date, issued by Chicago Title Insurance Company or such other national title insurance company as is reasonably acceptable to Seller and Buyer (the "Title Company"). Buyer shall provide Seller with a copy of the Title Commitment prior to the Title Objection Deadline.
- (b) In the event any exceptions to title appear in the Title Commitment, or any matters appear on the Survey, that are unacceptable to Buyer, Buyer shall, not later than the Title Objection Deadline, notify Seller in writing of such objections. In the event Buyer does not notify Seller in writing of any title or Survey objections prior to the Title Objection Deadline, Buyer shall be deemed to have accepted all matters shown on the Title Commitment and Survey to which Buyer has not timely objected, whereupon such matters shall be deemed "Permitted Exceptions" under this Agreement. In the event that Buyer timely objects to any title exceptions or matters shown in either the Title Commitment or the Survey within the time period set forth above, Seller shall have ten (10) business days from receipt of notice of such objections ("Cure Period") within which (at Seller's option and without obligation) to eliminate or modify any such unacceptable matters or items to the reasonable satisfaction of Buyer, or to respond in writing as to whether Seller will undertake to satisfy any such unacceptable matters prior to Closing (hereinafter defined). In the event that Seller fails or refuses to eliminate or modify, or to undertake to eliminate or modify, any such unacceptable matters to the reasonable satisfaction of Buyer prior to the expiration of the Cure Period, Buyer shall have the right upon written notice to Seller delivered prior to the expiration of the Cure Period, to terminate this Agreement and receive an immediate refund of the Earnest Money, whereupon this Agreement shall automatically terminate and the parties shall have no further obligations to each other except as expressly provided in this Agreement to the contrary. If Buyer does not elect to terminate this Agreement as provided in this subparagraph (b), Buyer shall be deemed to have accepted title to the Property subject to such matters and objections, without adjustment of the Purchase Price (in which case such matters and objections shall also be deemed Permitted Exceptions and included in the Permitted Exceptions for purposes of this Agreement). Notwithstanding the foregoing, Seller shall be obligated to satisfy any monetary liens at or prior to Closing.

6. Seller Due Diligence Material. Seller shall provide to Buyer the following material and information (collectively, the "Seller Due Diligence Material"), but only to the extent such material and information is within Seller's possession or control, within seven (7) days of the Effective Date: (i) the latest surveys of the Property, if any; (ii) copies of all environmental, geotechnical, and property condition reports with respect to the Property, if any; (iii) copies of any title commitment or title policy with respect to the Property; (iv) any current appraisal of the Property performed by a licensed appraiser; (v) copies of any current service, maintenance or other contracts with respect to the Property; (vi) flood zone information with respect to the Property; and (vii) all warranties related to the Property, if any.

7. Buyer's Due Diligence. For purposes hereof, the phrase "Due Diligence Period" shall be the period commencing on the Effective Date and expiring at 9:00 P.M. E.S.T. on the one hundred eightieth (180th) day after the Effective Date (the "Due Diligence Period Expiration Date").

Buyer, with Seller's reasonable cooperation, and except for the notice requirement set forth below, may make all such inspections as it deems desirable within the Due Diligence Period at Buyer's sole cost and expense including but not limited to the inspections as to the environmental condition of the Property including conducting a Phase I and Phase II Environmental Assessment. Buyer shall have access to the Property for such inspections only during normal business hours and upon reasonable prior notice to Seller. Buyer agrees to defend, indemnify and hold Seller harmless from all liabilities, claims, damages, liens, costs and expenses (including reasonable attorneys' fees) in connection with its inspections of the Property except (i) to the extent of Seller's negligence or willful misconduct or (ii) to the extent related to the discovery of environmental conditions or other problems with respect to the Property not caused by Buyer, and Buyer shall repair, restore or replace any damage to the Property resulting from Buyer's entry onto the Property. The obligation of Buyer to indemnify Seller and hold Seller harmless as set forth in this paragraph shall specifically survive termination of this Agreement or any other failure of the Buyer to consummate the purchase of the Property anticipated by this Agreement.

If, during the Due Diligence Period, Buyer is not satisfied with any of the matters inspected or reviewed by it with respect to the Property, the title to the Property, the Survey, Buyer's proposed use thereof, or any other matter respecting the Property, then Buyer may elect in its sole and absolute discretion to terminate the Agreement by giving written notice of such decision to Seller on or before the Due Diligence Period Expiration Date. Upon such notification, the full amount of the Earnest Money shall be returned to Buyer. Failure to provide notice of termination to Seller on or before the Due Diligence Period Expiration Date shall be deemed a waiver of the Buyer's rights to such termination hereunder.

8. Seller Representations and Warranties. Seller, to induce Buyer to enter into this Agreement and to complete the sale and purchase of the Property hereunder, represents, warrants and covenants to Buyer as follows:

- (a) Seller holds fee simple title to the Property, subject, however, to the Permitted Exceptions. To best of Seller's knowledge no party has any right or option to acquire the Property or any portion thereof.
- (b) Seller has the power and authority to enter into this Agreement and to consummate the transactions herein contemplated. The execution and delivery of this Agreement has been approved by the Board of Directors of Seller and is subject to the approval of the South Carolina State Budget and Control Board.
- (c) No pending or, to the best of knowledge of Seller, threatened litigation exists which, if determined adversely, would restrain or impair the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or nonbinding any of Seller's obligations or covenants to Buyer.
- (d) To the best of Seller's knowledge, Seller's execution, delivery and performance of this Agreement does not (i) violate any judgment, decree, writ, injunction, award, determination or order currently in effect that names or is specifically directed at Seller or its property, and (ii) require the consent, approval, order or authorization of, or any filing with or notice to, any court or other governmental authority, other than the South Carolina State Budget and Control Board.
- (e) The joinder of no person or entity other than Seller is necessary to consummate the transactions to be performed by Seller and Seller has all necessary right and authority to perform such acts as are required and contemplated by this Agreement, subject to approval by the South Carolina State Budget and Control Board.
- (f) The Property is currently unoccupied.
- (g) Seller has not received notices of (i) adverse environmental matters, (ii) code or zoning violations or (iii) reassessments affecting real estate taxes, that there is no pending litigation or condemnation proceedings affecting the Property, that Seller has authority to convey, and the like.

9. Buyer's Representations and Warranties. For the purpose of inducing Seller to enter into this Agreement and to consummate the sale of the Property in accordance herewith, Buyer represents and warrants to Seller as of the Effective Date and as of Closing the following:

- (a) If Buyer (or its permitted Assignee) is a legal entity, Buyer is duly created and validly existing pursuant to the laws of the jurisdiction of its organization and is duly qualified to do business in the jurisdiction in which the Property is situated if and to the extent that such qualification is required.
- (b) No pending or, to the best of knowledge of Buyer, threatened litigation exists which, if determined adversely, would restrain or impair the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or nonbinding any of Buyer's obligations or covenants to Seller.

- (c) Buyer has the capacity and authority to execute this Agreement and perform the obligations of Buyer under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Buyer has been taken, and such action has not been rescinded or modified.
  - (d) Buyer's execution, delivery and performance of this Agreement does not (i) violate any judgment, decree, writ, injunction, award, determination or order currently in effect that names or is specifically directed at Buyer or its property, and (ii) require the consent, approval, order or authorization of, or any filing with or notice to, any court or other governmental authority, other than the South Carolina State Budget and Control Board.
  - (e) The joinder of no person or entity other than Buyer is necessary to consummate the transactions to be performed by Buyer and Buyer has all necessary right and authority to perform such acts as are required and contemplated by this Agreement.
  - (f) Buyer has not dealt with any broker, finder or any other person, in connection with the purchase of or the negotiation of the purchase of the Property, other than the Buyer's Broker, as defined herein below, that might give rise to any claim for commission against Seller or lien or claim against the Property.
10. Leasing, Improvements, and Alterations. Seller shall not enter into any lease or make any alterations or improvements to the Property without Buyer's prior written consent, which may be withheld in Buyer's sole discretion.

11. Closing Deliveries.

- (a) At Closing, Seller shall deliver to Buyer the following:
  - (i) A quit-claim deed to the Property duly executed and acknowledged by Seller and in proper form for recording (the "Deed");
  - (ii) A Nonforeign Person Certification as required under Section 1445 of the Internal Revenue Code;
  - (iii) A closing statement summarizing the transaction described herein (the "Closing Statement"), signed by Seller;
  - (iv) An assignment assigning to Buyer all of Seller's right, title and interest in and to: (A) any and all guaranties and warranties pertaining to the Property; (B) any contracts identified by Buyer related to the operation of the Property; and (C) any permits, licenses, certificates of occupancy, plans, authorizations and approvals relating to ownership, operation or occupancy of the Property, to the extent any exist or are assignable.

- (v) All keys and combinations to locks at the Property, in the possession of Seller or any property manager(s);
- (vi) An affidavit of title in favor of Buyer and Buyer's title insurer in the form used by such title insurance company, in form reasonably acceptable to Seller;
- (vii) A board resolution and evidence of State Budget and Control Board approval may be requested by Buyer, the Title Company, or its agent;
- (viii) A South Carolina non-resident withholding affidavit acceptable to Buyer; and
- (ix) Such other documents as reasonably may be required to consummate this transaction in accordance with this Agreement, to include a quit claim deed from Seller to the State of South Carolina for marshland below the mean high water mark as depicted on Exhibit A of this Agreement.

(b) At Closing, Buyer shall deliver:

- (i) The balance of the Purchase Price;
- (ii) The Closing Statement, signed by Buyer; and
- (iii) Such other documents as reasonably may be required to consummate this transaction in accordance with this Agreement.

12. Possession. Possession of the Property shall be given to Buyer at Closing free of any title encumbrances except as provided herein. Prior to Closing hereunder, Seller shall clean the Property of trash, debris, equipment, and vehicles.

13. Apportionments; Taxes.

- (a) Real estate taxes, all utilities, operating expenses and other apportionable income and expenses paid or payable by Seller shall be apportioned pro rata on a per diem basis as of Closing. Taxes shall be apportioned based on the fiscal year of the taxing authority. Seller shall cause any and all public utilities serving the Property to issue final bills to Seller on the basis of readings made as of Closing and all such bills shall be paid by Seller.
- (b) Seller shall be responsible for the costs of the preparation of the deed. In addition, all realty transfer taxes imposed on or in connection with this transaction shall be paid by Seller. Buyer shall be responsible for the costs of the Title Commitment and any title policy which Buyer elects to obtain. Buyer shall also be responsible for all costs incurred by Buyer in connection with its inspection of the Property. Each party shall be responsible for their own attorneys' fees and other closing costs.

14. Default and Remedy.

- (a) In the event Seller defaults or fails to perform any of the express conditions or material obligations of Seller under this Agreement or in the event any of the material representations and warranties contained herein are not true and correct as of the date hereof and as of the date of Closing, Buyer shall be entitled, as its sole and exclusive remedies, to either: (i) receive an immediate refund of the Earnest Money, or (ii) to obtain specific performance of the obligations of Seller under this Agreement.
- (b) In the event Buyer defaults or fails to perform any of the express conditions or material obligations of this Agreement, Seller's sole and exclusive remedy shall be to give written notice hereof to Buyer and to retain, as full liquidated damages, the Earnest Money, and to enforce any indemnity of Buyer, and Buyer shall provide Seller with copies of all Buyer's due diligence materials regarding the coal tittle property and any adjacent property, and Seller shall have any and all rights or remedies available at law or in equity to enforce such provision. It is agreed by the parties that the amount of the Earnest Money is a fair and reasonable measure of the damages to be suffered by Seller in the event of such default and that the exact amount thereof is incapable of ascertainment. Therefore, the payment of liquidated damages as agreed herein represents the reasonable damages of the Seller in the event of a default by the Buyer and not a penalty.

15. Condemnation. Seller covenants and warrants that Seller has not heretofore received any notice of any condemnation proceeding or other proceeding in the nature of eminent domain in connection with the Property. If prior to Closing any such proceeding is commenced or any change is made, or proposed to be made, to the Property, Seller agrees immediately to notify Buyer thereof in writing. Buyer then shall have the right, at Buyer's option, to terminate this Agreement and receive a refund of the Earnest Money by giving written notice to Seller within thirty (30) days after receipt of such notice. If Buyer does not so terminate this Agreement, Buyer shall proceed to Closing hereunder as if no such proceeding had commenced and will pay Seller the full Purchase Price in accordance with this Agreement. Further, Seller shall assign to Buyer all of its right, title and interest in and to any compensation for such condemnation, Seller shall not negotiate or settle any claims for compensation prior to Closing, and Buyer shall have the sole right (in the name of Buyer or Seller or both) to negotiate for, to agree to and to contest all offers and awards.

16. Risk of Loss. Risk of loss or damage to the Real Property by fire or other casualty shall be the responsibility of the Seller until Closing occurs. At Closing, Seller shall deliver to Buyer possession of the Property in substantially the same condition as of the date of this Agreement. If all or any substantial portion of the Property has been condemned or damaged by fire or other casualty prior to Closing, the Buyer may elect (i) to terminate this Agreement and if Buyer so elects, then Seller shall refund the Earnest Money, or (ii) to consummate this transaction with full entitlement to receive such condemnation award or insurance proceeds as may be paid or payable with respect to such taking or damage, together with a credit against the purchase price for any deductible portion of such insurance proceeds or claim.

17. Brokerage. Buyer represents and warrants to Seller and Seller represents and warrants to Buyer that each dealt with no broker, agent, finder or other intermediary in connection with this sale and purchase. Buyer agrees to indemnify, defend and hold Seller harmless from and against any broker's claim arising from any breach by such party of its representation and warranty in this paragraph.

18. Operation of the Property Prior to Closing. Prior to Closing:

- (a) At reasonable times following reasonable notice, Buyer, architects, consultants, attorneys, engineers, contractors and other representatives shall be afforded reasonable access to the Property to inspect, measure, appraise, test and make surveys of the Property. Buyer shall restore any area on the Property disturbed in the course of Buyer's testing to the conditions existing prior to any tests conducted by Buyer.
- (b) Seller shall comply with all of the obligations of all agreements and contractual arrangements affecting the Property by which Seller is bound. Seller promptly shall notify Buyer in writing of Seller's receipt of any notice from any party alleging that Seller is in default of its obligations under any agreement affecting the Property.
- (c) Unless the Buyer's written consent is first obtained, no contract for or on behalf of or affecting the Property shall be negotiated or entered into by Seller which cannot be terminated by Seller prior to Closing without charge, cost, penalty or premium.

19. Notice. All notices, demands and requests which may be given or which are required to be given by either party to the other under this Agreement, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective: (i) immediately, when personally delivered to the intended recipient; (ii) immediately, when delivered in person to the address set forth below for the party to whom the notice was given; (iii) at noon of the business day next following after having been deposited into the custody of a nationally recognized overnight delivery service, addressed to such party at the address specified below; (iv) immediately if sent electronic mail, followed by a notice sent in accordance with one of the other provisions set forth above; or (v) immediately, upon actual receipt. Any notice sent as required by this Section and refused by recipient shall be deemed delivered as of the date of such refusal. For purposes of this Section, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

If to the Seller: South Carolina State Ports Authority  
Attn: Peter O. Lehman, Vice President  
176 Concord Street  
Charleston, SC 29401  
Email: [plehman@scspa.com](mailto:plehman@scspa.com)

With a copy to: Philip L. Lawrence, General Counsel  
South Carolina State Ports Authority

176 Concord Street  
Charleston, SC 29401  
Email: [plawrence@scspa.com](mailto:plawrence@scspa.com)

If to the Buyer:



Email:

With a copy to:

Moore & Van Allen, PLLC  
Attn: Elizabeth W. Settle, Esq.  
78 Wentworth Street  
Charleston, SC 2941  
Email: [elizabethsettle@mvalaw.com](mailto:elizabethsettle@mvalaw.com)

If to Escrow Agent:

Moore & Van Allen, PLLC  
Attn: Elizabeth W. Settle, Esq.  
78 Wentworth Street  
Charleston, SC 2941  
Email: [elizabethsettle@mvalaw.com](mailto:elizabethsettle@mvalaw.com)

20. Further Assurances. After Closing, the parties shall execute, acknowledge and deliver, for no further consideration, all assignments, transfers, deeds and other documents as may reasonably be requested to carry out the purposes of this Agreement.

21. Assignment of this Agreement. Buyer shall be entitled to assign this Agreement and its rights hereunder to a corporation, limited liability company, general partnership, limited partnership or other lawful entity entitled to do business in the state where the Real Property is located provided such corporation, limited liability company or partnership shall be controlled, controlling or under the common control with Buyer (hereinafter called the "Assignee"); other than this right of Assignment, the Buyer shall have no other right of assignment. In the event of such an assignment of this Agreement to the Assignee (a) Buyer shall notify Seller; (b) Assignee shall assume all obligations of Buyer under this Agreement; and (c) from and after any such assignment the term "Buyer" shall be deemed to mean the Assignee under any such assignment. The foregoing notwithstanding, the Buyer shall remain liable for all of its obligations hereunder.

22. Miscellaneous.

- (a) In the event Buyer sells the Property within twenty-four months after Closing, Seller shall be entitled to one-half (1/2) of the net profit of Seller on the subsequent sale (but taking into account the value of improvements to the Property made by the Purchaser).

- (b) The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.
- (c) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.
- (d) This Agreement, including the exhibits attached hereto, contains the whole agreement as to the Property between Seller and Buyer and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this sale and purchase. This Agreement shall not be altered, amended, changed or modified except in writing executed by the parties hereto.
- (e) This Agreement shall be construed in accordance with the laws of the State of South Carolina. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.
- (f) Both parties to this Agreement having participated fully and equally in the negotiation and preparation hereof, this Agreement shall not be more strictly construed, or any ambiguities within this Agreement resolved, against either party hereto.
- (g) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one Agreement. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message.
- (h) TIME IS OF THE ESSENCE with respect to all matters. In computing any period of time prescribed or allowed by this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday under the laws of the United States or the State, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday nor a legal holiday, and the computation of any designated period of time that is calculated from the expiration of a previous period that ended on the next day

which is neither a Saturday, Sunday nor a legal holiday shall commence on said next day. For purposes of this Agreement, the term "business day" shall mean any day which is not a Saturday, Sunday or legal holiday.

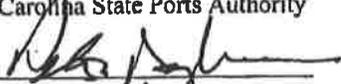
- (i) Neither Buyer nor Seller will have liability to the other, nor will any have any right to declare a default hereunder or terminate this Agreement because of the other's failure to perform any of its obligations in the Agreement if the failure is due to reasons beyond the party's reasonable control, including, without limitation, strikes or other labor difficulties, war, riot, civil insurrection, acts of God, governmental preemption in connection with a national emergency, hurricanes, and/or acts of terrorism, which for purposes of this Agreement shall be defined as reasons of "Force Majeure." If the party fails to perform its obligations because of any reasons of Force Majeure, the period for the party's performance will be extended day for day for the duration of the foregoing cause of such party's failure, provided notwithstanding such events, the party has in good faith, with due diligence, attempted to perform said obligations and continues to do so until completion thereof as soon as reasonably possible.

*The remainder of this page intentionally left blank*

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused this Agreement to be duly executed, under seal, as of the day and year first written above.

SELLER:

South Carolina State Ports Authority

By:   
PETER N HUGHES (print name)

Its: SR, V.P. CFO

Date: 8-4-14

BUYER:

  
By: 

Its: President

Date: August 4, 2014

Escrow Agent executes this Agreement to confirm its acceptance of its duties under the Agreement.

ESCROW AGENT:

Moore & Van Allen PLLC

By: \_\_\_\_\_

Elizabeth W. Settle

Its: \_\_\_\_\_

EXHIBIT A

Legal Description

[to be prepared by GEL]

## EXHIBIT B

1. All checks, money orders or drafts deposited with Escrow Agent under this Agreement will be processed for collection in the normal course of business. Escrow Agent may commingle funds received by it in escrow with funds of others and may, without limitation, deposit such funds in its trust or escrow accounts with Chicago Title and Trust Company or any other reputable Trust Company, Bank, Savings Bank or Savings Association. It is understood that Escrow Agent shall be under no obligation to invest the funds deposited with it on behalf of any depositor unless specifically so directed in writing by depositor and agreed to in writing by Escrow Agent and any other party hereto, nor shall it be accountable for any incidental benefit attributable to the funds which may be received by Escrow Agent while it holds such funds. Escrow Agent shall not be liable for any loss caused by the failure, suspension, bankruptcy or dissolution of any such investment vehicle or fund.
  
2. Escrow Agent shall not be liable for any loss or damage resulting from the following:
  - (a) Any defects or conditions of title to any property except those resulting from its own acts, or insured by a title insurance policy of Chicago Title Insurance Company which is issued or to be issued. No title insurance liability is created by this Agreement.
  - (b) Any defects in the property purchased, obligations or rights of any tenant or other party in possession, the surrender of possession or any misrepresentations made by any other party.
  - (c) Any default, error, action or omission of any other party.
  - (d) The expiration of any time limit or other delay, unless such time limit was known to Escrow Agent and such loss is solely caused by failure of Escrow Agent to proceed in its ordinary course of business.
  - (e) Lack of authenticity, sufficiency and effectiveness of any documents delivered to it and lack of genuineness of any signature or authority of any person to sign any such document.
  - (f) Any loss or impairment of funds deposited in the course of collection or while on deposit with a Trust Company, Bank, Savings Bank or Savings Association resulting from failure, insolvency or suspension of such institution.
  - (g) Escrow Agent complying with any and all legal process, writs, orders, judgments, and decrees of any court whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.
  - (h) Escrow Agent asserting or failing to assert any cause of action or defense in any judicial, administrative or other proceeding either in the interest of itself or any other party or parties.

(i) Any good faith act or forbearance by Escrow Agent.

3. Escrow Agent shall have no obligation to inquire into the authenticity of any written instructions delivered to it as required by this Agreement nor to inquire as to the genuineness of any signature of authority of any person to issue such instructions.

4. Escrow Agent will only disburse escrow funds upon written receipt of instructions from Purchaser and Seller. In case of conflicting instructions Escrow Agent may in its sole discretion file an interpleader action to resolve the conflict.

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 12, 2014

ITEM NUMBER 14

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AGENCY: Budget and Control Board

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SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Tuesday, October 14, 2014, in Room 252, Edgar A. Brown Building.

Remaining Meetings in 2014

Tuesday, December 9

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BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, October 14, 2014, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: