

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, January 29, 2013 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

Item	Agency	Subject
I.	MEETING OF THE TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY	
II.	MEETING OF THE BUDGET AND CONTROL BOARD	
A.	ADOPTION OF PROPOSED AGENDA	
B.	MINUTES OF PREVIOUS MEETING	
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4.	Division of Procurement Services	Procurement Audits and Certifications
5.	Executive Director	Revenue Bonds
D.	REGULAR SESSION	
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STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, January 29, 2013 -- 9:00 A. M.
Room 252, Edgar A. Brown Building

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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11.	University of South Carolina	Not Exceeding \$41,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013
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STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, January 29, 2013 -- 9:00 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 Conveyance
4.	Division of Procurement Services	Procurement Audits and Certifications
5.	Executive Director	Revenue Bonds

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 2013

BLUE AGENDA
ITEM NUMBER 1

AGENCY: State Treasurer

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
\$42,000,000 SC JEDA	Lutheran Homes of South Carolina	Haynsworth Sinkler Boyd	Parker Poe

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for January 29, 2013 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
\$42,000,000 SC JEDA	Lutheran Homes of South Carolina	Haynsworth Sinkler Boyd	Parker Poe	01/09/2013

OTHER REVENUE ISSUES:

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

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

AGENCY: Division of General Services

SUBJECT: Easements

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

- (a) County Location: Richland
From: Budget and Control Board
To: East Richland County Public Service District
Consideration: \$700
Description/Purpose: To grant a 0.118 acre easement for the construction, installation, operation and maintenance of a 42" sewer force main across Gills Creek near Bluff Road. The easement is part of a project to construct a new line to convey wastewater to the Gills Creek Wastewater Treatment Plant. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (b) County Location: Richland
From: Budget and Control Board
To: East Richland County Public Service District
Consideration: \$700
Description/Purpose: To grant a 0.225 acre easement for the construction, installation, operation and maintenance of a 36" force main with discharge of treated effluent to the Congaree River near I-77. The easement is part of a project to replace an existing aging line at the same discharge location. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (c) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to water lines together with a 0.905 acre easement for the purpose of ingress, egress, operation and maintenance of said lines serving the South Carolina State Museum. The deed/easement will convey the existing water system to the City of Columbia.

AGENCY: Division of General Services

SUBJECT: Easements

- (d) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to sewer lines together with a 0.49 acre easement for the purpose of ingress, egress, operation and maintenance of said lines serving the South Carolina State Museum. The deed/easement will convey the existing sewer system to the City of Columbia
- (e) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To grant a 0.11 acre easement and a 0.66 acre easement for the reconstruction, operation and maintenance of storm drainage lines, together with the right of ingress and egress, on property of the South Carolina State Museum. The easements will address the need for formal written documents for the existing storm drainage lines.

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

- (f) County Location: Marion
From: Department of Natural Resources
To: CSX Transportation
Consideration: \$3,975
Description/Purpose: To grant a 2.78 acre permanent access easement over land within the Marsh Wildlife Management Area for the purpose of providing ingress and egress to real property proposed for sale by DNR to CSX. This easement is part of the transaction to sell 4.65 acres to CSX for the replacement and maintenance of an existing railroad bridge. Consideration is \$500 plus the appraised value.

AGENCY: Division of General Services

SUBJECT: Easements

- (g) County Location: Pickens
From: Department of Natural Resources
To: Timothy P. and Nancy J. Tovar
Consideration: \$5,500
Description/Purpose: To grant a 0.70 acre permanent access easement along a gravel road through the Jocassee Gorges for the purpose of providing ingress and egress to landlocked property. The easement will address the issue of legal access to the adjacent landowner's property. Consideration is \$500 plus the appraised value.
- (h) County Location: Pickens
From: Department of Natural Resources
To: Margaret E. Sutton
Consideration: \$5,500
Description/Purpose: To grant a 0.70 acre permanent access easement along a gravel road through the Jocassee Gorges for the purpose of providing ingress and egress to landlocked property. The easement will address the issue of legal access to the adjacent landowner's property. Consideration is \$500 plus the appraised value.

BOARD ACTION REQUESTED:

Approve the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90 and 1-11-10

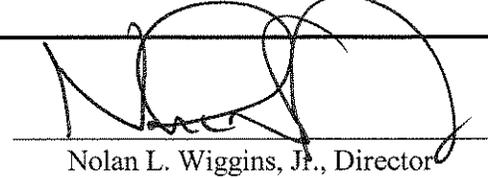
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 29, 2013

Blue Agenda

1. Submitted by:

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



Nolan L. Wiggins, Jr., Director

2. Subject: EASEMENTS

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: Richland
From: Budget and Control Board
To: East Richland County Public Service District
Consideration: \$700
Description/Purpose: To grant a 0.118 acre easement for the construction, installation, operation and maintenance of a 42" sewer force main across Gills Creek near Bluff Road. The easement is part of a project to construct a new line to convey wastewater to the Gills Creek Wastewater Treatment Plant. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (b) County Location: Richland
From: Budget and Control Board
To: East Richland County Public Service District
Consideration: \$700
Description/Purpose: To grant a 0.225 acre easement for the construction, installation, operation and maintenance of a 36" force main with discharge of treated effluent to the Congaree River near I-77. The easement is part of a project to replace an existing aging line at the same discharge location. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (c) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to water lines together with a 0.905 acre easement for the purpose of ingress, egress, operation and maintenance of said lines serving the South Carolina State Museum. The deed/easement will convey the existing water system to the City of Columbia.

(d) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to sewer lines together with a 0.49 acre easement for the purpose of ingress, egress, operation and maintenance of said lines serving the South Carolina State Museum. The deed/easement will convey the existing sewer system to the City of Columbia

(e) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To grant a 0.11 acre easement and a 0.66 acre easement for the reconstruction, operation and maintenance of storm drainage lines, together with the right of ingress and egress, on property of the South Carolina State Museum. The easements will address the need for formal written documents for the existing storm drainage lines.

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

(f) County Location: Marion
From: Department of Natural Resources
To: CSX Transportation
Consideration: \$3,975
Description/Purpose: To grant a 2.78 acre permanent access easement over land within the Marsh Wildlife Management Area for the purpose of providing ingress and egress to real property proposed for sale by DNR to CSX. This easement is part of the transaction to sell 4.65 acres to CSX for the replacement and maintenance of an existing railroad bridge. Consideration is \$500 plus the appraised value.

(g) County Location: Pickens
From: Department of Natural Resources
To: Timothy P. and Nancy J. Tovar
Consideration: \$5,500
Description/Purpose: To grant a 0.70 acre permanent access easement along a gravel road through the Jocassee Gorges for the purpose of providing ingress and egress to landlocked property. The easement will address the issue of legal access to the adjacent landowner's property. Consideration is \$500 plus the appraised value.

(h) County Location: Pickens
From: Department of Natural Resources
To: Margaret E. Sutton
Consideration: \$5,500
Description/Purpose: To grant a 0.70 acre permanent access easement along a gravel road through the Jocassee Gorges for the purpose of providing ingress and egress to landlocked property. The easement will address the issue of legal access to the adjacent landowner's property. Consideration is \$500 plus the appraised value.

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

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

6. **List of Supporting Documents:**
SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130

AGENCY: Division of General Services

SUBJECT: Real Property Conveyance

The Division of General Services recommends approval of the following property conveyance:

Agency:	Department of Natural Resources
Acreage:	4.65± acres
Location:	On U.S. 378 along the east side of an existing bridge adjacent to the Great Pee Dee River
County:	Marion
Purpose:	To sell real property located on the southeast boundary of the Marsh Wildlife Management Area to CSX Transportation to replace an existing railroad bridge and to conduct future maintenance activities.
Appraised Value:	\$11,625 as of 11/16/12
Price/Transferred To:	\$11,625/CSX Transportation
Disposition of Proceeds:	To be retained by Department of Natural Resources.
Additional Information:	This transaction also includes the conveyance of a 20 foot wide permanent access easement extending from the subject property to U.S. 378.

BOARD ACTION REQUESTED:

Approve the property conveyance as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

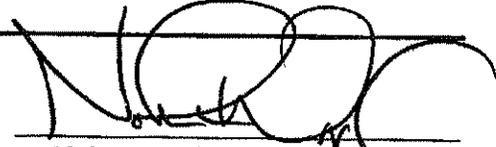
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 29, 2013

Blue Agenda

1. Submitted by:

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



Nolan L. Wiggins, Jr., Director

2. Subject: REAL PROPERTY CONVEYANCE

3. Summary Background Information:

Agency:	Department of Natural Resources
Acreage:	4.65± acres
Location:	On U.S. 378 along the east side of an existing bridge adjacent to the Great Pee Dee River
County:	Marion
Purpose:	To sell real property located on the southeast boundary of the Marsh Wildlife Management Area to CSX Transportation to replace an existing railroad bridge and to conduct future maintenance activities.
Appraised Value:	\$11,625 as of 11/16/12
Price/Transferred To:	\$11,625/CSX Transportation
Disposition of Proceeds:	To be retained by Department of Natural Resources.
Additional Information:	This transaction also includes the conveyance of a 20 foot wide permanent access easement extending from the subject property to U.S. 378.

4. What is Board asked to do? Approve the property conveyance as requested.

5. What is recommendation of Board Division involved? Recommend approval of the property conveyance as requested.

6. List of Supporting Documents:

- 1. SC Code of Laws Section 1-11-65
- 2. Letter of December 17, 2012 from Department of Natural Resources
- 3. Maps

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 Department of
Natural Resources



DNR
Alvin A. Taylor
Director

December 17, 2012

Linda Gordon
South Carolina Budget and
Control Board
1201 Main Street, Suite 410
Columbia, South Carolina 29201

RE: Sale of DNR Property in Marion County

Dear Ms. Gordon:

The Department of Natural Resources (DNR) proposes to sell approximately 4.65 acres of land in Marion County to CSX Transportation (CSX) and also to convey an access easement to them comprising approximately 2.78 acres. Please place this item on the agenda for the January 2013 meeting of the Budget and Control Board.

The property is requested by CSX to replace an existing railroad bridge and to conduct maintenance activities in the future. The land is located on the southeast boundary of DNR's Marsh Wildlife Management Area. The access easement will extend from U.S. Highway 378 across DNR land to the subject property. Staff has evaluated the request and finds that there will be no impact to natural or cultural resources, nor any negative impact to future management activities. CSX proposes paying fair market value for the land. Enclosed is an appraisal of the property. The sale was approved by the DNR Board on October 16, 2012.

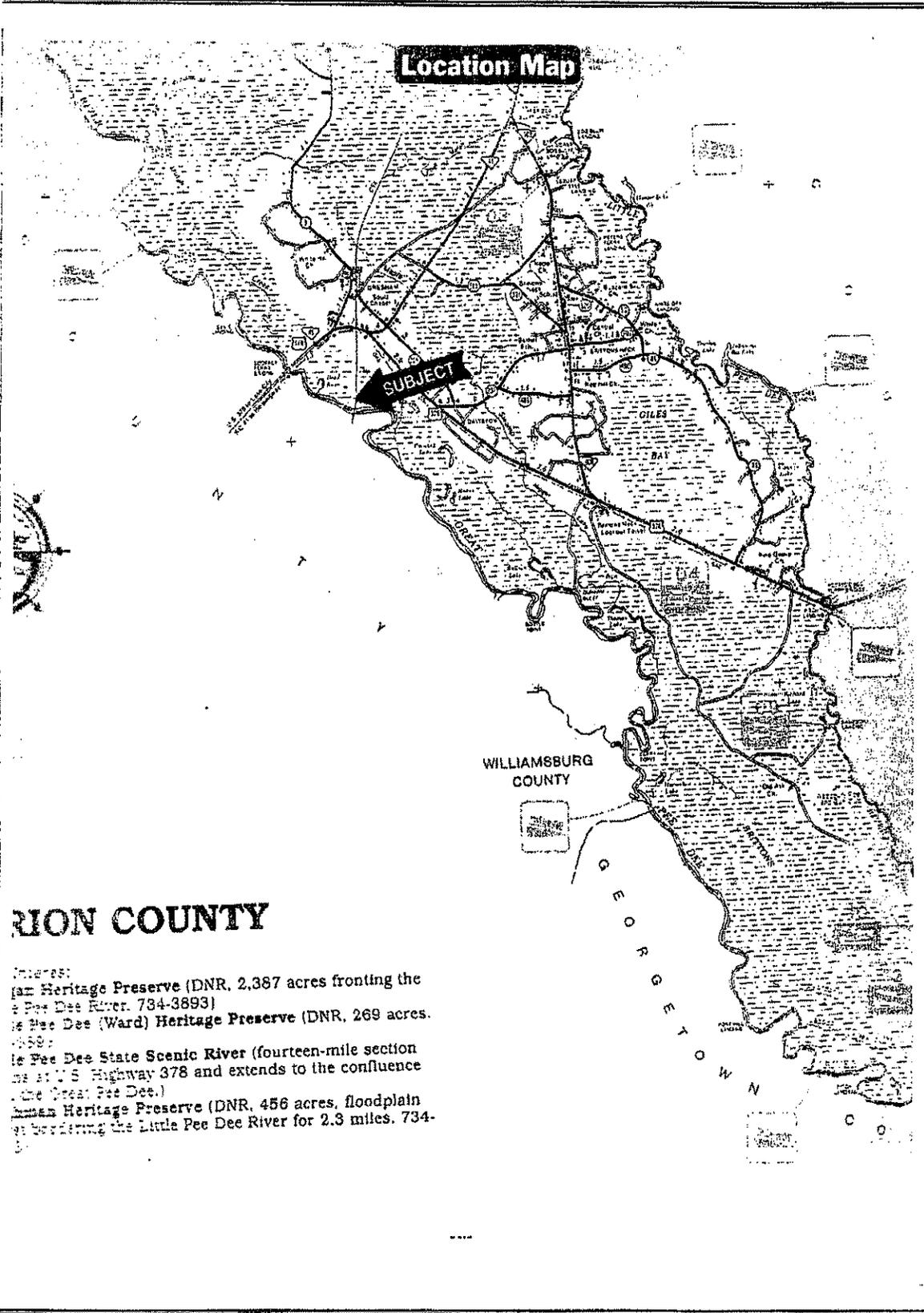
If you need any additional information, please call Ken Prosser at 734-3914. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to be "AAT", with a horizontal line extending to the right.

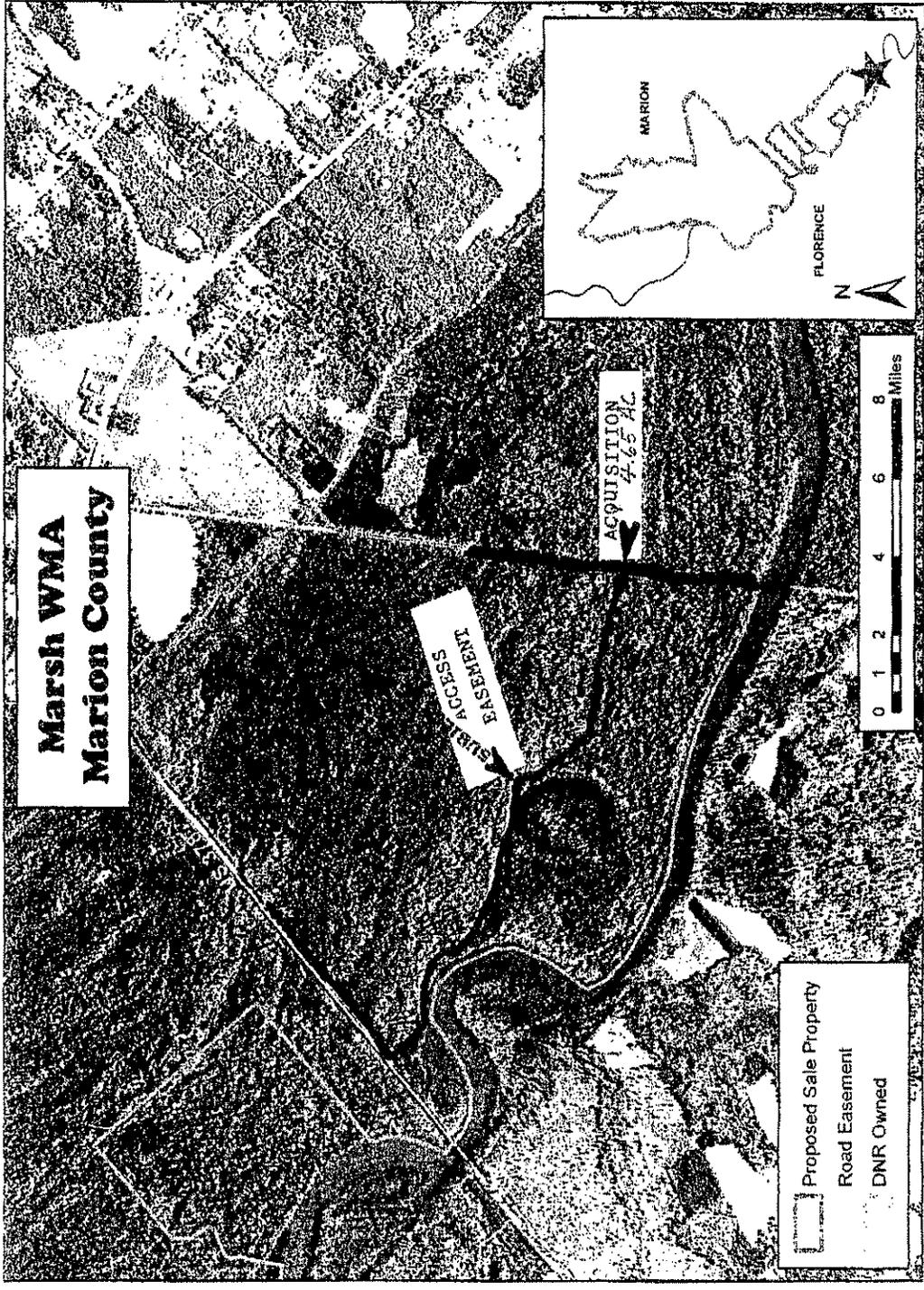
Alvin A. Taylor
Director

C: Emily Cope, DNR
Ken Prosser, DNR
Paul League, DNR



WILLIAMSBURG COUNTY

- Interests:
- 1. **Ward Heritage Preserve** (DNR, 2,387 acres fronting the Little Pee Dee River. 734-3893)
 - 2. **Ward Heritage Preserve** (DNR, 269 acres. 734-3893)
 - 3. **Little Pee Dee State Scenic River** (fourteen-mile section from U.S. Highway 378 and extends to the confluence with the Great Pee Dee.)
 - 4. **Ward Heritage Preserve** (DNR, 456 acres, floodplain area bordering the Little Pee Dee River for 2.3 miles. 734-3893)



AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agencies and recommends certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

- a. Department of Health and Environmental Control (for a period of three years): annual term contracts for drugs, biological for human use; contraceptives, biochemical and biochemical research, \$12,000,000* per commitment; annual term contracts for: hospital sundries and germicides, \$1,000,000* per commitment; all other goods and services, \$2,000,000* per commitment; information technology, \$225,000* per commitment; consultant services, \$250,000* per commitment.

*Total potential purchase commitment whether single or multi-term contracts are used.

DHEC requested an increase in a specialized area of certification for Drugs, Biological for Human use, Contraceptives, Biochemicals and Biochemical Research because the current limit is inadequate. Also, the certification would apply to the total potential value of the contract, whether single year or multi-term contracts are used whereas before, the certification applied annually to all such contracts combined. While no dollar increase occurs with the certification for Hospital Sundries and Germicides, the certification would apply to the total potential value of each contract, whether single year or multi-term contracts are used. The Division of Procurement Services believes the recommendation addresses the needs of DHEC and strategically targets its expertise for procurements while restating the certification to make it more manageable. The audit confirms DHEC's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications.

- b. Winthrop University (for a period of three years): supplies and services, \$100,000* per commitment; consultant services, 100,000* per commitment; information technology, none recommended; construction services, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used.

The reduction in certification results from Winthrop University's failure to follow the State's Procurement Code in the acquisition of an \$18.9 million student housing facility and the University's \$4.6 million in inappropriate sole source procurements of an Enterprise Resource Management system even after the Chief Procurement Officer advised the University not to sole source the system. An examination will be performed within one year to determine if Winthrop's certification should be restored to its previous levels.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant the following procurement certification within parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agencies:

- a. Department of Health and Environmental Control (for a period of three years): annual term contracts for drugs, biological for human use; contraceptives, biochemical and biochemical research, \$12,000,000* per commitment; annual term contracts for: hospital sundries and germicides, \$1,000,000* per commitment; all other goods and services, \$2,000,000* per commitment; information technology, \$225,000* per commitment; consultant services, \$250,000* per commitment.

*Total potential purchase commitment whether single or multi-term contracts are used.

- b. Winthrop University (for a period of three years): supplies and services, \$100,000* per commitment; consultant services, 100,000* per commitment; information technology, none recommended; construction services, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used.

The reduction in certification results from Winthrop University's failure to follow the State's Procurement Code in the acquisition of an \$18.9 million student housing facility and the University's \$4.6 million in inappropriate sole source procurements of an Enterprise Resource Management system even after the Chief Procurement Officer advised the University not to sole source the system. The Division of Procurement Services will perform an examination within one year to determine if Winthrop's certification should be restored to its previous levels.

ATTACHMENTS:

Agenda item worksheets and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: January 29, 2013

Blue Agenda

1. Submitted by:

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


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Health and Environmental Control

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the South Carolina Department of Health and Environmental Control and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Drugs, Biological for Human use; Contraceptives, Biochemicals and Biochemical Research	\$7,500,000 Maximum of all contracts combined annually	*\$12,000,000 Per Commitment
II. Hospital Sundries and Germicides	\$1,000,000 Maximum of all contracts combined annually	*\$ 1,000,000 Per Commitment
III. All other Goods and Services	*\$2,000,000 Per Commitment	*\$ 2,000,000 Per Commitment
IV. Information Technology	*\$ 225,000 Per Commitment	*\$ 225,000 Per Commitment
V. Consultant Services	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment

*Total potential purchase commitment whether single year or multi-term contracts are used.

DHEC requested an increase in a specialized area of certification for Drugs, Biological for Human use, Contraceptives, Biochemicals and Biochemical Research because the current limit is inadequate. Also, the certification would apply to the total potential value of the contract, whether single year or multi-term contracts are used whereas before, the certification applied annually to all such contracts combined. While no dollar increase occurs with the certification for Hospital Sundries and Germicides, the certification would apply to the total potential value of each contract, whether single year or multi-term contracts are used. We believe the recommendation addresses the needs of DHEC and strategically targets its expertise for procurements while restating the certification to make it more manageable. The audit confirms DHEC's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications.

4. What is Board asked to do?

Grant procurement certification for the South Carolina Department of Health and Environment Control by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: January 29, 2013

Blue Agenda

1. Submitted by:

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


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for Winthrop University

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of Winthrop University and recommends its certification be reduced within the parameters described in the audit report for the following limits for a period of one year.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$200,000 Per Commitment	*\$100,000 Per Commitment
II. Consultant Services	*\$200,000 Per Commitment	*\$100,000 Per Commitment
III. Information Technology	*\$200,000 Per Commitment	None Recommended
IV. Construction Services	\$100,000 Per Commitment	\$100,000 Per Commitment
V. Construction Contract Change Order	\$50,000 Per Change Order	\$50,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The reduction in certification results from Winthrop University's failure to follow the State's Procurement Code in the acquisition of an \$18.9 million student housing facility and the University's \$4.6 million in inappropriate sole source procurements of an Enterprise Resource Management system even after the Chief Procurement Officer advised the University not to sole source the system. We will perform an examination within one year to determine if Winthrop's certification should be restored to its previous levels.

4. What is Board asked to do?

Grant procurement certification for Winthrop University by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$37,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: CSRA Senior Living, Inc.
Employment Impact: create or maintain employment of approximately 80 people in the first 12 months, and 100 people in the first 24 months
Project Description: acquire and construct a new senior living community, with 80 skilled nursing units, 20 assisted living units, and 20 memory care units, in Graniteville
Note: private sale to an underwriter for public distribution thereafter
Bond Counsel: Tigerron A. Wells, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$42,000,000 Health Facilities Revenue Bonds (\$25,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: The Lutheran Homes of South Carolina, Inc.
Employment Impact: N/A
Project Description: to acquire land, construct a building, and necessary furnishings and equipment on existing Rice Estates campus in NE Columbia and renovate existing Heritage at Lowman campus in White Rock
Note: private sale and/or underwriting for public distribution thereafter
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$5,250,000 Multifamily Housing Revenue Bonds
Allocation Needed: -0-
Name of Project: The Parker at Cone
Employment Impact: n/a
Project Description: to finance the acquisition, construction, and equipping of a 96-unit affordable apartment development located in Greenville County
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS: Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE AND/OR UNDERWRITING OF NOT EXCEEDING \$37,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CSRA SENIOR LIVING, INC. PROJECT), IN ONE OR MORE SERIES, 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 (CSRA Senior Living, Inc. Project), in one or more series, in the aggregate principal amount of not exceeding \$37,000,000 (the "**Bonds**"), through private sale and/or underwriting 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 through a private sale to investors and/or underwriting by a financial institution for public distribution thereafter, depending on the series of Bonds, 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 investors and/or underwriting by a financial institution for public distribution thereafter, depending on the series of Bonds, 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 THROUGH PRIVATE SALE AND/OR UNDERWRITING OF NOT EXCEEDING \$42,000,000 AGGREGATE PRINCIPAL AMOUNT HEALTH FACILITIES REVENUE BONDS (THE LUTHERAN HOMES OF SOUTH CAROLINA, INC.) SERIES 2013, 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 Health Facilities Revenue Bonds (The Lutheran Homes of South Carolina, Inc.) Series 2013, in the aggregate principal amount of not exceeding \$42,000,000 (the "**Bonds**") in one or more series through private sale and/or underwriting 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 private sale and/or underwriting for public distribution thereafter 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 and/or underwriting for public distribution thereafter be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.



A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE PARKER AT CONE)

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 January 7, 2013 (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 (The Parker at Cone) in the principal amount not to exceed \$5,250,000.

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.

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 2013

REGULAR SESSION
ITEM NUMBER 1

AGENCY: Executive Director

SUBJECT: Update on Request for Proposal to Develop a Statewide Program for Information Security and Risk Management

The Budget and Control Board at its December 12, 2012, meeting authorized the Board's Executive Director to issue an RFP (Request for Proposals) to develop a statewide program for information security and risk management and authorized the Executive Director to designate a coordinator to work with the vendor chosen in the RFP process. The Board also directed the Executive Director to report back to the Board at its January 2013 meeting with a status report on the RFP.

BOARD ACTION REQUESTED:

Receive as information an update from the Executive Director regarding the issuance of the RFP to develop a statewide program for information security and risk management.

ATTACHMENTS:

AGENCY: Division of General Services

SUBJECT: Department of Parks, Recreation and Tourism (PRT) Sublease to Sanctuary Pointe, LLC

PROJECT BACKGROUND:

- The area known as Sanctuary Pointe is located near the SC/GA border behind the SC Welcome Center at Lake Hartwell off US I-85 on SC Hwy 11.
- The U.S. Army Corps of Engineers (USACE) owns the property known as Lake Hartwell State Park consisting of 686.68 acres, and leases it to PRT by lease dated January 30, 2008 for a fifty (50) year term ending January 29, 2058. The development of the property as a resort with a hotel(s) and conference center, golf course, and resort harbor complex to be used for public recreational purposes is part of the Hartwell Lake Master Plan dated 1980.
- In 2008, PRT did an RFP to identify and contract with a developer for the resort project. The only participant in the RFP was Sanctuary Pointe, LLC (LLC).
- The project never moved forward when the economy slowed down. The LLC is now in a position to obtain financing, which is contingent on finalizing a sublease of the property between PRT and the LLC. No public funds will be expended for the project.

SUBLEASE:

- As part of the contract with the LLC, PRT will sublease approximately 325 acres at Lake Hartwell State Park to the LLC for a term of 46 years ending January 29, 2058. The term of the sublease must be consistent with the term of the prime lease between the USACE and PRT. There is an option to extend the lease term and/or to renew upon the approval of the USACE and PRT. The USACE intends to extend the lease term between USACE and PRT to 2062 upon approval by the Budget and Control Board of the sublease to the LLC. The sublease will then immediately be amended to extend the term to 50 years with an end date of January 29, 2062.
- For rent, PRT will receive 1% in years 1-3 and 1.5% in years 4-46 of the gross receipts derived from the operation of the resort development payable quarterly on January 30, April 30, July 30 and October 30 of each year.
- The sublease complies with certain restrictions and obligations placed upon PRT in the master lease with USACE and has been approved by USACE, as evidenced by their signature on the sublease.
- The sublease incorporates requirements of the LLC per the RFP (proformas, marketing studies, environmental studies, animal/habitat studies).

AGENCY: Division of General Services

SUBJECT: Department of Parks, Recreation and Tourism (PRT) Sublease to Sanctuary Pointe, LLC

- The Development Time Table requires that Phase One of the Master Element Concept Plan which includes the infrastructure, hotel(s) and conference center, golf course and resort harbor complex is to be completed or in the process of completion by December 2020. Phase Two is dependent on economic and market conditions.
- The LLC can be considered in default and the sublease terminated if the LLC fails to make progress so as to endanger the performance of the contract or if it fails to use its best efforts, in a good and workmanlike manner to achieve completion of Phase One by 2020. An annual progress review is required.
- The LLC can be considered in default and the sublease terminated if the LLC fails to make progress so as to endanger the performance of the contract or if it fails to use its best efforts, in a good and workmanlike manner.

BOARD ACTION REQUESTED:

Consider approval of the current proposed 46 year lease-out by the SC Department of Parks, Recreation and Tourism to Sanctuary Pointe, LLC and the extension of the sublease to 50 years upon approval of extension of the prime lease to 2062 by the USACE.

ATTACHMENTS:

Agenda item worksheet; SC Department of Parks, Recreation and Tourism letter dated November 14, 2012; SC Department of Parks, Recreation and Tourism, Executive Summary, Sanctuary Pointe Project; SC Department of Parks, Recreation and Tourism, Sublease Summary of Terms and Conditions; SC Code of Laws Sections 1-11-55 and 1-11-56; SC Code of Regulations 19-447.1000

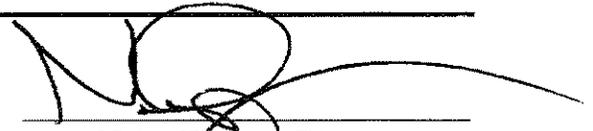
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 29, 2013

Regular Agenda

1. Submitted by:

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



Nolan Wiggins, Director

2. Subject: SC Department of Parks, Recreation and Tourism (PRT) sublease to Sanctuary Pointe, LLC

3. Summary Background Information:

PROJECT BACKGROUND:

- The area known as Sanctuary Pointe is located near the SC/GA border behind the SC Welcome Center at Lake Hartwell off US I-85 on SC Hwy 11.
- The U.S. Army Corps of Engineers (USACE) owns the property known as Lake Hartwell State Park consisting of 686.68 acres, and leases it to PRT by lease dated January 30, 2008 for a fifty (50) year term ending January 29, 2058. The development of the property as a resort with a hotel(s) and conference center, golf course, and resort harbor complex to be used for public recreational purposes is part of the Hartwell Lake Master Plan dated 1980.
- In 2008, PRT did an RFP to identify and contract with a developer for the resort project. The only participant in the RFP was Sanctuary Pointe, LLC (LLC).
- The project never moved forward when the economy slowed down. The LLC is now in a position to obtain financing, which is contingent on finalizing a sublease of the property between PRT and the LLC. No public funds will be expended for the project.

SUBLEASE:

- As part of the contract with the LLC, PRT will sublease approximately 325 acres at Lake Hartwell State Park to the LLC for a term of 46 years ending January 29, 2058. The term of the sublease must be consistent with the term of the prime lease between the USACE and PRT. There is an option to extend the lease term and/or to renew upon the approval of the USACE and PRT. The USACE intends to extend the lease term between USACE and PRT to 2062 upon approval by the Budget and Control Board of the sublease to the LLC. The sublease will then immediately be amended to extend the term to 50 years with an end date of January 29, 2062.
- For rent, PRT will receive 1% in years 1-3 and 1.5% in years 4-46 of the gross receipts derived from the operation of the resort development payable quarterly on January 30, April 30, July 30 and October 30 of each year.
- The sublease complies with certain restrictions and obligations placed upon PRT in the master lease with USACE and has been approved by USACE, as evidenced

by their signature on the sublease.

- The sublease incorporates requirements of the LLC per the RFP (proformas, marketing studies, environmental studies, animal/habitat studies).
- The Development Time Table requires that Phase One of the Master Element Concept Plan which includes the infrastructure, hotel(s) and conference center, golf course and resort harbor complex is to be completed or in the process of completion by December 2020. Phase Two is dependent on economic and market conditions.
- The LLC can be considered in default and the sublease terminated if the LLC fails to make progress so as to endanger the performance of the contract or if it fails to use its best efforts, in a good and workmanlike manner to achieve completion of Phase One by 2020. An annual progress review is required.

4. What is the Board asked to do? Approve the current proposed 46 year lease-out by the SC Department of Parks, Recreation and Tourism to Sanctuary Pointe, LLC and the extension of the sublease to 50 years upon approval of extension of the prime lease to 2062 by the USACE.

5. What is the recommendation of the Division of General Services? As requested by the SC Department of Parks, Recreation and Tourism, consider approving the proposed 46 year lease-out by the Department to Sanctuary Pointe, LLC, to sublease and develop property that the Department currently leases from the U.S. Army Corps of Engineers at Lake Hartwell in Oconee County and the extension of the sublease to 50 years upon approval of extension of the prime lease to 2062 by the USACE.

6. List of Supporting Documents:

- (a) SC Department of Parks, Recreation and Tourism letter dated November 14, 2012
- (b) SC Department of Parks, Recreation and Tourism, Executive Summary, Sanctuary Pointe Project
- (c) SC Department of Parks, Recreation and Tourism, Sublease Summary of Terms and Conditions
- (d) SC Code of Laws Sections 1-11-55 and 1-11-56
- (e) SC Code of Regulations 19-447.1000

File

 **COPY**

South Carolina

Department of Parks, Recreation & Tourism

Nikki R. Haley
Governor

Duane N. Parrish
Director

November 14, 2012

Marla Adams
Executive Director
South Carolina Budget and Control Board
Wade Hampton Bldg., 6th Floor
PO Box 2444
Columbia, SC 29211

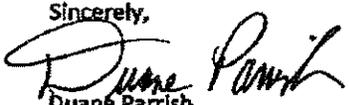
Dear Ms. Adams:

The South Carolina Department of Parks Recreation and Tourism requests the South Carolina Budget and Control Board at the December 12, 2012 meeting to consider its request for approval of a proposal from Sanctuary Point, LLC to sub-lease and develop property that SCPRT currently leases from the U.S. Army Corps of Engineers. The property is approximately 325 undeveloped acres of mostly high ground east of Interstate 85 at Exit 1 in Oconee County. The property is a peninsula that extends into Lake Hartwell.

In keeping with the original intent of the site, (commercial development for public recreation) the proposal is for Sanctuary Pointe LLC to develop or assist with the development of the property as was originally intended. Proposed features include a 4 Star Resort Hotel associated with an International Brand Operation, Resort Spa and Conference Center. In addition a Limited Services Hotel associated with an International Brand Operation and a Resort Golf Course, Resort Restaurants, Resort Harbor Area and Special Events Venues.

PRT and the Corps agree and will insist that the project be sustainable, both financially and for the utilization of the natural and recreational resources of the site for a proposed term of 50 years. It is anticipated that this project will bring much needed jobs and new economic vitality to Oconee County as well as the adjoining areas.

Thank you for your favorable consideration of this proposed project.

Sincerely,

Duane Parrish



Executive Summary

Sanctuary Pointe Project

The Property

The property at the center of this project is approximately 325 undeveloped acres of beautiful, pristine, mostly high ground east of Interstate 85 at Exit 1 in Oconee County. The property constitutes a peninsula that extends into Lake Hartwell near the Georgia and South Carolina state line. It is located on one of the main corridors of traffic between the metropolitan areas of Charlotte, North Carolina and Atlanta, Georgia.

The History

In 1978, the South Carolina Department of Parks, Recreation and Tourism (SCPRT) and the US Army Corps of Engineers (USACE) began discussion and lease negotiations for the above described property. In 1979, the SCPRT and the USACE signed a 50 year lease for the property based on a feasibility study and master plan prepared by the SCPRT in 1978. This plan was continually refined resulting in a plan, the core elements of which were a hotel, rental cottages, a lodge, golf course, shopping complex, and various marina associated elements. In 2000, the SCPRT issued a Request for Proposal (RFP) for a developmental proposal, but there were no interested parties. In 2007, the SCPRT and the USACE renewed the Prime Lease with a provision for it to be extended to a 50 year lease with the approval of a new Master Plan. In 2008, the SCPRT again issued an RFP for the development of this property.

The Project

In keeping with the original intent of the site, (commercial development for public recreation) it was also intended that the proposal have the previously mentioned core elements. Sanctuary Pointe, LLC, the sole respondent, has committed to develop or assist with the development of the property as was originally intended. Proposed features include a 4 Star Resort Hotel associated with an International Brand Operation, Resort Spa and Conference Center. In addition a

Limited Services Hotel associated with an International Brand Operation and a Resort Golf Course, Resort Restaurants, Resort Harbor Area and Special Events Venues.

SCPRT and USACE have worked diligently with Sanctuary Pointe, LLC. over the last four years to reach an agreement on a Sub-lease of the property which fairly addresses the concerns of SCPRT and the USACE that the project be sustainable, both financially and for the utilization of the natural and recreational resources of the site for a proposed term of 50 years. Sanctuary Pointe's foundation for resort sustainability is economically independent, self-supporting elements. Each development element has to have a base by which it can sustain itself as an economically stand-alone operation. At the same time, Sanctuary Pointe's multi-use approach has each element utilizing the other as an amenity and attraction. Sanctuary Pointe's Resort Concept Master Plan is based on years of experience and successful developments of this nature by its principals. Sanctuary Pointe has put together a quality plan consisting of a quality financial package, internationally recognized brands, and a solid development management team.

The Future

It is anticipated that this project will bring much needed jobs and new economic vitality to Oconee County as well as the adjoining counties of the South Carolina upstate. It will serve the most desired use for public benefit by creating facilities and services to meet public recreational demand at fair and reasonable costs. In keeping with the original intent of the site, (commercial development for public recreation) the Sanctuary Pointe proposal meets all of the criteria and comes at a time when the economics appear to be beneficial for construction.

This project will be totally financed and developed by the private sector; there will be no expenditure of public funds. It is projected that Sanctuary Pointe will create approximately 400 construction jobs during the Phase I construction of the project. Once Phase I is operational, it is projected that approximately 500 permanent new jobs directly related to the project will be created. The entire Upstate will benefit from this project not only in new jobs, but in business opportunities created by Sanctuary Pointe Resort.

Summary of Terms and Conditions

Sublease between Sanctuary Pointe, LLC and SC PRT

The Sublease is by and between the South Carolina Department of Parks, Recreation & Tourism (SCPRT) and Sanctuary Pointe, LLC (SP) for approximately 325 acres of property out of the original approximately 686.68 acres of federally owned land leased to the SCPRT by the Secretary of the Army (USACE). The Prime Lease is incorporated in the Sublease.

Purpose. The Sublease is also the culmination of the solicitation of the Request for Proposal by SCPRT through the Office of Materials Management (MMO) for the development of the acreage into a resort area to include a hotel(s) and conference center, golf course and resort harbor complex to be used for public recreational purposes. The RFP is incorporated in the Sublease.

The **Term** of the Sublease will be 50 years and there is an option to renew upon the approval of the USACE and SCPRT. (Paragraphs 3 and 4)

The **Rent** is years 1-3 of the production of gross receipts, 1% of the gross receipts; and years 4 through the term of the Sublease, 1.5% of the gross receipts. (Paragraph 6 iii)

Development Time Table. Phase One of the Master Element Concept Plan which includes the infrastructure, hotel(s) & conference center, golf course and resort harbor complex is to be completed or in the process of completion by December 2020. Phase Two is dependent on economic and market conditions. (Paragraph 7(b))

SP can be considered in **Default** and the Sublease terminated if SP fails to make progress so as to endanger the performance of the contract or if it fails to use its best efforts, in a good and workmanlike manner to achieve completion of Phase One by 2020. An annual progress review is required. (Paragraph 14)

Insurance. SP will obtain and maintain for the term of the Sublease, at its sole cost and expense, all liability insurance coverage required by SCPRT and will include SCPRT as an additional named insured on all policies. SP will also obtain and maintain for the term of the Sublease, at its sole cost and expense, insurance coverage for property damage. To the extent SP subleases a portion of the Subleased Premises to other sub- sublessees, the insurance coverage will be provided by the sub- sublessees as long as coverage complies with the previous terms and SCPRT is named as an additional insured. (Paragraph 11)

Indemnity. SP agrees to indemnify SCPRT against, and to defend and hold harmless SCPRT from, any and all losses, damages, costs, expenses, including attorney's fees, relating to any claim, demand, action or lawsuit of any kind or nature arising from SP's use of occupancy of the Subleases Premises unless such loss or damage is the result of the negligence or willful act of SCPRT or USACE. Also all further subleases of SP must contain a provision for the indemnification of SCPRT. (Paragraph 15)

Indemnification of SCPRT by SP also extends to any penalty, fine, claim etc. by reason of SP's failure to comply the environmental laws and requirements. (Paragraph 20(c))

Subletting. All sub-Sublease agreements between SP and others are subject to approval by SCPRT and USACE. (Paragraph 16(c))

Financing Agreements are subject to review and approval of the State Budget and Control Board, Division of General Services, SCPRT, and USACE. (Paragraph 23)

Choice of Law. Any dispute, claim, or controversy relating to the Sublease, and all rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. (Paragraph 21)

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.

(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.

19-447.1000. Leasing of Real Property.

A. LEASE OF NON STATE-OWNED REAL PROPERTY

No governmental body shall contract for the lease, rental, or use of non state-owned real property without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of non state-owned real property unless the governmental body has been exempted.

1. GENERAL REGULATIONS

(a) The Office of General Services shall be accountable for the procurement of leased real property for governmental bodies in accordance with the regulations promulgated by the Board.

(b) All leases shall require the written approval of the Office of General Services, except when such lease is exempt from approval by the Budget and Control Board.

(c) Before approving any lease, Office of General Services shall:

(1) assure that all appropriate approvals have been obtained.

(2) verify that adequate funds exist for the lease payments;

(3) verify that lease payments represent no more than fair market rental;

(4) verify that upfitting costs represent no more than current market costs;

(5) verify that a multi-year financial plan has been submitted by the requesting agency for review by the Budget and Control Board's budget office.

(d) All requests for leased real property by governmental bodies and agencies shall be submitted to the Office of General Services on a "Request for Space Form" provided by General Services.

(1) This form shall include, but not be limited to:

(a) The purpose for which the space will be used.

(b) Any special requirements or needs with written justification (computer rooms, etc.).

(c) Parking requirements and justification.

(d) The general location or area desired.

(e) A multi-year financial plan for review by the Board's budget office.

(2) The amount of office space desired shall be computed and justified using the standards specified in Code Section 1-11-55.

(3) Other types of space (warehouse, laboratory, etc.) shall require a written letter of justification from the requesting agency or governmental body and shall include documentation of market standards for use of this type space. The Office of General Services shall be accountable for investigating the existing space or any other information given in the justification.

(4) The "Request for Space Form" or any other document requesting space or justifying the need for space shall be certified by the Director of the requesting agency or governmental body.

(c) An agency or governmental body desiring to renew an existing lease is responsible for notifying the Office of General Services in writing of its intention to do so at least 60 days before the renewal deadline as stated in the lease. Upon approval by appropriate boards and the Office of General Services, the governmental body or agency shall notify the Lessor that it has elected to exercise its right of renewal pursuant to the lease. The Office of General Services may send each a renewal request form and a reminder notice well in advance of these deadlines.

(f) Under no circumstances will the requesting governmental body or state agency contact or negotiate lease terms with any real estate agency, broker, builder, owner, or representative in reference to space needs without the prior written consent of the Office of General Services.

(g) The Office of General Services will begin investigation of available rental space within ten (10) working days after receiving the "Request for Space Form".

(h) When processing requests for space, the Office of General Services will first determine whether appropriate state-owned or state-leased space is available before exploring commercial space alternatives. If such space is available, the Office of General Services will direct the requesting agency or governmental body to occupy said space. If state-owned or state-leased space is unavailable or

inappropriate, the Office of General Services shall begin a solicitation process to secure proposals for commercial space from as many qualified developers and/or brokers as is practicable.

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

- (1) all prior approvals have been obtained;
- (2) adequate funds exist for the lease payments;
- (3) lease payments are no more than fair market rental; and
- (4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

(b) The Office of General Services shall determine which of the above regulations are applicable to any special lease situation and may adopt additional procedures to meet special needs on a case by case basis.

8. STANDARD LEASE DOCUMENTS

(a) The Office of General Services will be responsible for drafting and updating the state standard lease document.

(b) The state standard lease document will be used in all lease negotiations unless a substitute document is approved in advance by the Office of General Services.

(c) The state lease document will incorporate cancellation provisions including a right to cancel in the event of a (a) non-appropriation of funds for the renting agency, (b) dissolution of the agency and (c) the availability of public space in substitution for private space being leased by the agency.

B. LEASE OF STATE-OWNED REAL PROPERTY

No governmental body shall contract with any commercial entity or other governmental body for the lease, rental, or use of state-owned real property whether it be titled in the name of the State of South Carolina or any governmental body, without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of state-owned real property unless the governmental body has been exempted.

C. EXEMPTIONS

The Budget and Control Board may exempt governmental bodies from leasing state-owned and non state-owned real property through the leasing procedure herein required provided, however, that annual reports be filed with the Office of General Services, prior to July 1 of each year. Annual reports shall contain copies of all existing leases of state-owned and non state-owned real property. The Budget and Control Board may limit or withdraw any exemptions provided for in this Regulation.

HISTORY: Added by State Register Volume 23, Issue No. 5, eff May 28, 1999.

AGENCY: Division of General Services

SUBJECT: College of Charleston Lease at 4750 Goer Drive in North Charleston

The College of Charleston requests approval to lease from Virgie C. Simmons Family, LLC (Landlord) 44,318 square feet at 4750 Goer Drive, Suites D & E in North Charleston. Landlord is a South Carolina limited liability company with its principal office in Charleston, South Carolina.

The College currently occupies the leased space at an annual cost of \$236,658.12 (\$5.34 per square foot) by lease agreement which expired October 14, 2011, and is currently in holdover status. In addition to rent, the College is responsible for electricity, janitorial and security charges of approximately \$23,477 annually. The College's total annual cost for the present year under the current lease is approximately \$260,135.12 (\$5.87 per square foot). The leased space is used to house the College's central warehouse and receiving department.

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years commencing December 15, 2012. Rent will be \$18,465.83 per month or \$221,590.00 per year (\$5.00 per square foot annually) for the first two years of the lease; thereafter, the annual rate per square foot will increase to \$5.10 for years three (3) and four (4), \$5.20 for years five (5) and six (6), \$5.30 for years seven (7) and eight (8), and \$5.40 for years nine (9) and ten (10). In addition to rent, the College will continue to be responsible for its electricity, janitorial and security charges. All other operating costs are included with rent and the College is not responsible for any increases of such expenses.

Landlord will continue to provide adequate surface parking adjacent to the building. The proposed lease will save the College \$15,068.12 in the first year of the lease and an estimated \$62,045.20 over ten years. The proposed lease further avoids moving, network wiring and other costs associated with relocating to a new facility.

The maximum rent over the term of the lease with estimated electricity, janitorial and security charges (other charges) is as follows:

Year	Rent	Rent Rate/SF	Other Charges (est.)	Total Cost (estimated)	Total Cost/SF
1	\$ 221,590.00	\$ 5.00	\$ 23,477.00	\$ 245,067.00	\$ 5.53
2	\$ 221,590.00	\$ 5.00	\$ 23,477.00	\$ 245,067.00	\$ 5.53
3	\$ 226,021.80	\$ 5.10	\$ 23,477.00	\$ 249,498.80	\$ 5.63
4	\$ 226,021.80	\$ 5.10	\$ 23,477.00	\$ 249,498.80	\$ 5.63
5	\$ 230,453.60	\$ 5.20	\$ 23,477.00	\$ 253,930.60	\$ 5.73
6	\$ 230,453.60	\$ 5.20	\$ 23,477.00	\$ 253,930.60	\$ 5.73
7	\$ 234,885.40	\$ 5.30	\$ 23,477.00	\$ 258,362.40	\$ 5.83
8	\$ 234,885.40	\$ 5.30	\$ 23,477.00	\$ 258,362.40	\$ 5.83
9	\$ 239,317.20	\$ 5.40	\$ 23,477.00	\$ 262,794.20	\$ 5.93
10	\$ 239,317.20	\$ 5.40	\$ 23,477.00	\$ 262,794.20	\$ 5.93
Ten year total	\$2,304,536.00			\$2,539,306.00	
Ten year average	\$ 230,453.60	\$ 5.20		\$ 253,930.60	\$ 5.73

AGENCY: Division of General Services

SUBJECT: College of Charleston Lease at 4750 Goer Drive in North Charleston

Comparables of similar commercial warehouse space leased in the Charleston area are as follows:

Lease Date	Agency/Location	Rate
Commercial	Shalom Byit, LLC (Owner), 1026 Legrand Blvd., Charleston	\$8.00
Commercial	311 Huger, LLC (Owner), 311 Huger Street, Charleston	\$7.28
Commercial	Amstar/CK Charleston LLC, 2345 Charleston Regional Parkway	\$6.13

The College has adequate funds for the lease according to a Budget Approval Form dated November 16, 2012, which also includes a multi-year plan. The leased space includes 28,492 square feet of non-climate-controlled warehouse space and 11,094 square feet of climate-controlled warehouse space. The remaining 4,732 square feet is office space to accommodate 6 employees and includes a restroom, entry area, break room, kitchen, and receiving area.

No option to purchase the property is included in the lease. The warehouse building at 4750 Goer Drive was constructed in 1979. An environmental assessment dated November 11, 2008, recommends no further assessment is necessary. The lease was approved by Stephen C. Osborne, Executive Vice President for Business Affairs on behalf of the College of Charleston and by Virgie C. Simmons, sole member of Landlord. The lease was approved by the Commission on Higher Education on May 26, 2011.

The lease was presented to JBRC for approval on June 1, 2011, at which time the College of Charleston was asked to consider space on the Charleston Naval Base. The only available space on the Naval Base is the South Carolina Public Railways warehouse. Upon visiting the site, the College of Charleston determined that the site was not suitable for its needs due to its location, the extensive renovations that would be required to make the space usable, and the higher rent rate. No terms of the original lease presented on June 1, 2011, have changed with the exception of an additional reduction in rent from a ten year average of \$5.93 per square foot to \$5.73 per square foot. The lease was presented again and approved by the Joint Bond Review Committee at its December 4, 2012, meeting.

BOARD ACTION REQUESTED:

Approve the proposed ten year lease for the College of Charleston at 4750 Goer Drive in North Charleston.

ATTACHMENTS:

Agenda item worksheet; Letters from the College of Charleston dated May 9, 2011 and November 13, 2012; SC Code of Laws Sections 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: **January 29, 2013**

Regular Agenda

1. Submitted by:

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


Nolan Wiggins, Director

2. Subject: College of Charleston Lease at 4750 Goer Drive in North Charleston

3. Summary Background Information:

The College of Charleston requests approval to lease from Virgie C. Simmons Family, LLC (Landlord) 44,318 square feet at 4750 Goer Drive, Suites D & E in North Charleston. Landlord is a South Carolina limited liability company with its principal office in Charleston, South Carolina.

The College currently occupies the leased space at an annual cost of \$236,658.12 (\$5.34 per square foot) by lease agreement which expired October 14, 2011 and is currently in holdover status. In addition to rent, the College is responsible for electricity, janitorial and security charges of approximately \$23,477 annually. The College's total annual cost for the present year under the current lease is approximately \$260,135.12 (\$5.87 per square foot). The leased space is used to house the College's central warehouse and receiving department.

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years commencing December 15, 2012. Rent will be \$18,465.83 per month or \$221,590.00 per year (\$5.00 per square foot annually) for the first two years of the lease; thereafter, the annual rate per square foot will increase to \$5.10 for years three (3) and four (4), \$5.20 for years five (5) and six (6), \$5.30 for years seven (7) and eight (8), and \$5.40 for years nine (9) and ten (10). In addition to rent, the College will continue to be responsible for its electricity, janitorial and security charges. All other operating costs are included with rent and the College is not responsible for any increases of such expenses.

Landlord will continue to provide adequate surface parking adjacent to the building. The proposed lease will save the College \$15,068.12 in the first year of the lease and an estimated \$62,045.20 over ten years. The proposed lease further avoids moving, network wiring and other costs associated with relocating to a new facility.

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4. What is the Board asked to do? Approve the proposed ten year lease for the College of Charleston at 4750 Goer Drive in North Charleston.

5. What is the recommendation of the Division of General Services? Approval of the proposed ten year for the College of Charleston at 4750 Goer Drive in North Charleston.

6. List of Supporting Documents:

- (a) Letters from the College of Charleston dated May 9, 2011 and November 13, 2012
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

COLLEGE of
CHARLESTON

May 9, 2011

Lisa H. Catalanotto
Program Manager/Attorney, Real Property Management
South Carolina Budget and Control Board
General Services Division
Property Services
1201 Main Street, Suite 420
Columbia, SC 29201

RE: Lease Number 002753/4750 Goer Drive Units D & E

Dear Ms. Catalanotto:

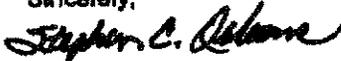
The College requests approval to renew lease number 002753 for 4750 Goer Drive Units D & E for a ten year period beginning October 15, 2011 and ending on October 14, 2021.

This lease provides the College with 44,318 SF of rentable office and warehouse space as well as thirteen (13) parking spaces, which is used to house our central warehouse and receiving department.

A recent solicitation was conducted by the Office of General Services and indicated that this lease is the best value. There are no facilities with a comparable number of storage, office and parking spaces available at lower rental rates.

We appreciate your assistance in obtaining JBRC and Budget and Control Board approval for the requested renewal of this lease.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

COLLEGE of
CHARLESTON

November 13, 2012

Ashley Lancaster
South Carolina Budget and Control Board
General Services Division
Property Services
1201 Main Street, Suite 420
Columbia, SC 29201

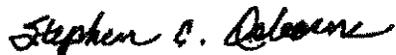
RE: Warehouse Space

Dear Ms. Lancaster:

The College conducted an in-depth review of South Carolina Public Railways' lease proposal and its warehouse space. We believe that it is in the best interest of the College and the State for us to renew our current lease for warehouse space based on the proposal from Simmons Realty Company dated August 23, 2011.

We respectfully request that this lease be included on the agenda for the Budget and Control Board meeting in December.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

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.

(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.

AGENCY: Division of General Services

SUBJECT: University of South Carolina (USC) Lease-Out to the US Department of Justice (DOJ)

PROJECT BACKGROUND:

- In August of 2002, USC entered into an agreement with the DOJ for DOJ to lease 52,726 square feet from USC on the second and third floors of 1600 Hampton Street in Columbia for office and training space for the National Advocacy Center (NAC). Currently, DOJ operates the NAC in Columbia on the USC campus and provides year round training for United States Attorneys from around the country.
- This lease is to renew the space that the DOJ currently occupies in support of its operation at the National Advocacy Center. The lease constitutes Addendum B of the Cooperative Agreement between USC and DOJ for establishment of the NAC on the USC campus. The initial lease was for a term of ten (10) years at a rate of \$14/sq. ft., and the DOJ invested \$2,000,000 in shell space development and improvements which will remain with USC once the DOJ vacates the space. The lease included a ten (10) year renewal option with the specification that the renegotiated lease rate not exceed annual increases of 1.5%.
- USC and DOJ are seeking to renew this lease for a term of 10 years with an end date of September 30, 2022, at a rate of \$14.22 for the first year, with annual increases of 1.5% for the remaining years. The rate schedule is as follows:

Year	Rent Rate/SF	Rent
1	\$14.22	\$749,763.72
2	\$14.43	\$761,010.18
3	\$14.65	\$772,425.33
4	\$14.87	\$784,011.71
5	\$15.09	\$795,771.88
6	\$15.32	\$807,708.46
7	\$15.55	\$819,824.09
8	\$15.78	\$832,121.45
9	\$16.02	\$844,603.27
10	\$16.26	\$857,272.32
Ten year total		\$8,024,512.41
Ten year average	\$15.22	

AGENCY: Division of General Services

SUBJECT: University of South Carolina (USC) Lease-Out to the US Department of Justice (DOJ)

- Because the terms for maintenance, operation, and repair costs remain the same in the lease renewal, the cost benefit of the new lease to USC is \$496,971.91 for the ten (10) year term.

BOARD ACTION REQUESTED:

Approve the proposed 10 year lease-out renewal for the space at 1600 Hampton Street by the University of South Carolina to Department of Justice.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; SC Code of Regulations 19-447.1000

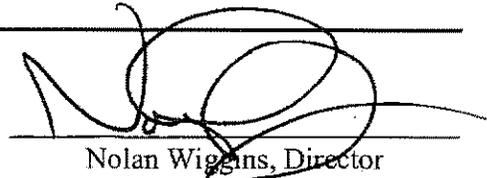
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 29, 2013

Regular Agenda

1. Submitted by:

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



Nolan Wiggins, Director

2. Subject: University of South Carolina (USC) lease-out to the US Department of Justice (DOJ).

3. Summary Background Information:

PROJECT BACKGROUND:

- In August of 2002, USC entered into an agreement with the DOJ for DOJ to lease 52,726 sq ft from USC on the second and third floors of 1600 Hampton Street in Columbia for office and training space for the National Advocacy Center (NAC). Currently, DOJ operates the NAC in Columbia on the USC campus and provides year round training for United States Attorneys from around the country.
- This lease is to renew the space that the DOJ currently occupies in support of its operation at the National Advocacy Center. The lease constitutes Addendum B of the Cooperative Agreement between USC and DOJ for establishment of the NAC on the USC campus. The initial lease was for a term of ten (10) years at a rate of \$14/sq. ft., and the DOJ invested \$2,000,000 in shell space development and improvements which will remain with USC once the DOJ vacates the space. The lease included a ten (10) year renewal option with the specification that the renegotiated lease rate not exceed annual increases of 1.5%.
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- Because the terms for maintenance, operation, and repair costs remain the same in the lease renewal, the cost benefit of the new lease to USC is \$496,971.91 for the ten (10) year term.

4. **What is the Board asked to do?** Approve the proposed 10 year lease-out renewal for the space at 1600 Hampton Street by USC to DOJ.

5. **What is the recommendation of the Division of General Services?** Approval of the proposed 10 year lease-out renewal for the space at 1600 Hampton Street by USC to DOJ.

6. List of Supporting Documents:

- (a) SC Code of Laws Sections 1-11-55 and 1-11-56
- (b) SC Code of Regulations 19-447.1000

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(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.

(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.

19-447.1000. Leasing of Real Property.

A. LEASE OF NON STATE-OWNED REAL PROPERTY

No governmental body shall contract for the lease, rental, or use of non state-owned real property without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of non state-owned real property unless the governmental body has been exempted.

1. GENERAL REGULATIONS

(a) The Office of General Services shall be accountable for the procurement of leased real property for governmental bodies in accordance with the regulations promulgated by the Board.

(b) All leases shall require the written approval of the Office of General Services, except when such lease is exempt from approval by the Budget and Control Board.

(c) Before approving any lease, Office of General Services shall:

(1) assure that all appropriate approvals have been obtained.

(2) verify that adequate funds exist for the lease payments;

(3) verify that lease payments represent no more than fair market rental;

(4) verify that upfitting costs represent no more than current market costs;

(5) verify that a multi-year financial plan has been submitted by the requesting agency for review by the Budget and Control Board's budget office.

(d) All requests for leased real property by governmental bodies and agencies shall be submitted to the Office of General Services on a "Request for Space Form" provided by General Services.

(1) This form shall include, but not be limited to:

(a) The purpose for which the space will be used.

(b) Any special requirements or needs with written justification (computer rooms, etc.).

(c) Parking requirements and justification.

(d) The general location or area desired.

(e) A multi-year financial plan for review by the Board's budget office.

(2) The amount of office space desired shall be computed and justified using the standards specified in Code Section 1-11-55.

(3) Other types of space (warehouse, laboratory, etc.) shall require a written letter of justification from the requesting agency or governmental body and shall include documentation of market standards for use of this type space. The Office of General Services shall be accountable for investigating the existing space or any other information given in the justification.

(4) The "Request for Space Form" or any other document requesting space or justifying the need for space shall be certified by the Director of the requesting agency or governmental body.

(e) An agency or governmental body desiring to renew an existing lease is responsible for notifying the Office of General Services in writing of its intention to do so at least 60 days before the renewal deadline as stated in the lease. Upon approval by appropriate boards and the Office of General Services, the governmental body or agency shall notify the Lessor that it has elected to exercise its right of renewal pursuant to the lease. The Office of General Services may send each a renewal request form and a reminder notice well in advance of these deadlines.

(f) Under no circumstances will the requesting governmental body or state agency contact or negotiate lease terms with any real estate agency, broker, builder, owner, or representative in reference to space needs without the prior written consent of the Office of General Services.

(g) The Office of General Services will begin investigation of available rental space within ten (10) working days after receiving the "Request for Space Form".

(h) When processing requests for space, the Office of General Services will first determine whether appropriate state-owned or state-leased space is available before exploring commercial space alternatives. If such space is available, the Office of General Services will direct the requesting agency or governmental body to occupy said space. If state-owned or state-leased space is unavailable or

inappropriate, the Office of General Services shall begin a solicitation process to secure proposals for commercial space from as many qualified developers and/or brokers as is practicable.

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

- (1) all prior approvals have been obtained;
- (2) adequate funds exist for the lease payments;
- (3) lease payments are no more than fair market rental; and
- (4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

(b) The Office of General Services shall determine which of the above regulations are applicable to any special lease situation and may adopt additional procedures to meet special needs on a case by case basis.

8. STANDARD LEASE DOCUMENTS

(a) The Office of General Services will be responsible for drafting and updating the state standard lease document.

(b) The state standard lease document will be used in all lease negotiations unless a substitute document is approved in advance by the Office of General Services.

(c) The state lease document will incorporate cancellation provisions including a right to cancel in the event of a (a) non-appropriation of funds for the renting agency, (b) dissolution of the agency and (c) the availability of public space in substitution for private space being leased by the agency.

B. LEASE OF STATE-OWNED REAL PROPERTY

No governmental body shall contract with any commercial entity or other governmental body for the lease, rental, or use of state-owned real property whether it be titled in the name of the State of South Carolina or any governmental body, without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of state-owned real property unless the governmental body has been exempted.

C. EXEMPTIONS

The Budget and Control Board may exempt governmental bodies from leasing state-owned and non state-owned real property through the leasing procedure herein required provided, however, that annual reports be filed with the Office of General Services, prior to July 1 of each year. Annual reports shall contain copies of all existing leases of state-owned and non state-owned real property. The Budget and Control Board may limit or withdraw any exemptions provided for in this Regulation.

HISTORY: Added by State Register Volume 23, Issue No. 5, eff May 28, 1999.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

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 3-2013: JBRC Item 1. Clemson University
Project: 9906, Core Campus Development
Funding Source: \$1,440,000 Other, Housing Improvement funds which result from bond-covenant required transfers from Housing Operations to allow for the maintenance and replacement of capital assets funded by bond issues.
Request: Establish project and budget for \$1,440,000 (Other, Housing Improvement funds) to begin design work to construct an approximately 260,000 square foot mixed use housing and dining facility at Clemson. The facility will include approximately 700 beds in the approximately 179,000 square foot residential portion, a dining facility, convenience store, retail restaurant, and administrative support spaces in the approximately 76,000 square foot dining portion, and approximately 5,000 square feet of shared-use academic seminar and meeting space for faculty and students. The facility will replace the Johnstone complex and Harcombe Dining Hall, both built in 1953. Johnstone is worn out, incapable of being renovated to meet the needs and expectations of students and parents, and has rooms that are too small with inadequate infrastructure. Harcombe was created for a different population, does not have efficient layouts, and is not energy efficient. Construction of this facility, in combination with others, will allow for Johnstone, Harcombe and a majority of the Union to be demolished by 2020.
- (b) Summary 3-2013: JBRC Item 2. Clemson University
Project: 9907, Lehotsky Hall Renovation
Funding Source: \$350,000 Other, Institutional Capital Project Funds which are excess debt service funds held by the State Treasurer's Office and required to be expended for capital projects.
Request: Establish project and budget for \$350,000 (Other, Institutional Capital Project Funds) to begin design work to renovate Lehotsky Hall which houses the School of Agriculture, Forestry and Environmental Sciences at Clemson. The work will include installing new HVAC and sprinkler systems, making structural reinforcements, improving the electrical, plumbing and information

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

technology systems, upgrading the building envelope, and installing ADA-accessible features. The renovation will also include reprogramming some existing space to meet anticipated academic needs and priorities. The 94,000 square foot building is 38 years old and has not had a comprehensive renovation since construction. Most building systems are original to the building, are inefficient and do not meet current building code requirements. The renovation will bring the building up to current codes.

- (c) Summary 3-2013: JBRC Item 3. University of South Carolina
Project: 6098, Sumwalt Laboratory Renovations
Funding Source: \$28,500 Other, Institutional funds which are funds available to the university from a variety of sources, including tuition and fees, sales and services activities, and other miscellaneous sources.
Request: Establish project and budget for \$28,500 (Other, Institutional funds) to begin design work to renovate approximately 5,100 square feet of space in the Sumwalt Building at USC. The renovation will provide three additional teaching labs. The work will include demolishing existing partitions and fixtures and installing new partitions, ceilings, finishes, lab furniture and equipment. It will also include reconfiguring and updating the mechanical, electrical and plumbing systems to accommodate the new laboratory functions and installing new rooftop mechanical units to provide heating and cooling to the labs. Additional lab space is needed to meet current student demands for introductory and intermediate science lab courses in the College of Arts and Sciences.
- (d) Summary 3-2013: JBRC Item 4. University of South Carolina
Project: 6099, Broadcast Studio Construction
Funding Source: \$22,500 Other, Institutional funds which are funds available to the university from a variety of sources, including tuition and fees, sales and services activities, and other miscellaneous sources.
Request: Establish project and budget for \$22,500 (Other, Institutional funds) to begin design work to construct a broadcast studio at USC. The studio will be constructed adjacent to the Health Sciences Building which will be renovated to house the College of Mass Communications and Information Studies. The proposed studio will be operated in conjunction with the broadcast program in the renovated Health Sciences multimedia newsroom. It will also act as the communications hub that will serve the university as a whole while enhancing the curriculum and student experience by creating additional opportunities for

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

practicing the live reporting techniques demanded of television reporters. The university's existing studio is used by numerous programs and classes which creates scheduling challenges. The addition of this studio will also allow expansion of studio production capability to courses that do not currently have access due to the limited time the existing studio is free.

- (e) Summary 3-2013: JBRC Item 5. State Board for Technical and Comprehensive Education
Project: 6078, Greenville - Barton Campus Technical Resource Center Renovation
Funding Source: \$150,000 Other, Local College Plant funds which are funds, primarily from County appropriations, that are accumulated over time and ultimately used for capital projects.
Request: Establish project and budget for \$150,000 (Other, Local College Plant funds) to begin design work to renovate the Technical Resource Center at the Barton campus of Greenville Tech. The work will include constructing a 5,900 square foot addition to the library to include tutoring rooms, student rooms, media lab and collaborative areas, reconfiguring interior spaces to create a printing center, cyber café/events area, testing center, learning center, Center for Teaching Excellence and other areas, renovating the auditorium, and installing new energy efficient lighting, plumbing, and HVAC systems, exterior windows and doors. Most building systems are original to the 20 year-old building and past their useful lives. The renovation is needed to address deferred maintenance, to develop locations for students to study in small groups and non-traditional learning environments, and to provide a single location for training faculty in updated methodologies and technologies for teaching and learning.

Establish Construction Budget

- (f) Summary 3-2013: JBRC Item 11. State Board of Technical and Comprehensive Education
Project: 6077, Midlands - Morris Hall Addition
Funding Source: \$1,100,000 Other, College funds which are derived from a \$75 per semester capital fee for providing additional facilities and improvements that has not increased in more than 11 years.
Request: Increase budget to \$1,100,000 (add \$1,083,500 Other, College funds) to add an addition to Morris Hall on the Airport campus of Midlands Tech. The project was established in June 2011 for pre-design work which is now complete. The work will include adding a 3,757 square foot addition with educational

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

technology labs, offices and student support spaces and renovating approximately 954 square feet of the existing building to create a corridor to the new addition. The addition will provide instructional training spaces needed for faculty to learn state-of-the-art instructional delivery methods and will provide student support spaces needed because of increased enrollment. Because enrollment is up 12% at the college and 10% on the Airport campus since 2005, more space is needed to provide support services to students and for the faculty who serve the students. Energy savings and conservation measures will include the installation of insulated glass, roof and walls and an energy efficient HVAC system. The agency reports the total projected cost of this project is \$1.1 million and additional annual operating costs ranging from \$21,600 to \$23,200 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2013 and for completion of the construction is October 2014. (See Attachment 1 for additional annual operating costs.)

(g) Summary 4-2013: JBRC Item 1. Budget and Control Board

Project: 9909, Sims-Aycock Building Roof and Wall Leak Repairs

Funding Source: \$1,514,000 Other, Depreciation Reserve funds which are funds derived from the rent account, which receives rent charged to state agencies that occupy Budget and Control Board space in state-controlled office buildings.

Request: Increase budget to \$1,514,000 (add \$1,494,200 Other, Depreciation Reserve funds) to replace the roof on the Sims-Aycock Building which houses DHEC. The project was established in May 2012 for pre-design work which is now complete. The work will include replacing the roofing membrane, flashing and insulation and refurbishing approximately 12,000 square feet of the metal window wall system on the fourth floor. The roof is 12 years old, past its useful life, and out of warranty. The roof and window wall system leak, which can damage the building's interior. Replacing them will stop the leaks and improve the thermal performance of the building. Energy savings and conservation measures will include the installation of a white roof surface and energy efficient insulation. The agency reports the total projected cost of this project is \$1,514,000 and annual operating cost savings of \$6,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is October 2013. (See Attachment 2 for annual operating cost savings.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (h) Summary 4-2013: JBRC Item 3. University of South Carolina
Project: 6101, Coker Seventh Floor Laboratory Renovation
Funding Source: \$1,150,000 Other, Institutional funds which are funds available to the University from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.
Request: Establish project and budget for \$1,150,000 (Other, Institutional Funds) to renovate a portion of the seventh floor in the Coker Life Sciences Building at USC. Pre-design work has been completed, as the project was not originally anticipated to exceed the \$1 million project level until construction documents were developed. The work will include renovating approximately 6,850 square feet on the seventh floor to create research labs and offices, upgrading the mechanical, electrical and plumbing systems in the space, and installing new partitions, finishes and lab casework. The renovation is needed for the College of Pharmacy to house the SmartState Chair in Translational Cancer Therapeutics and to upgrade the existing space to meet the programmatic requirements of the research functions of the college. Energy savings and conservation measures will include the installation of energy efficient air handling and lighting systems, low flow water faucets, and occupancy sensors. The agency reports the total projected cost of this project is \$1,150,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is November 2013.
- (i) Summary 4-2013: JBRC Item 4. Budget and Control Board
Project: 9641, B&CB Facilities Fire Alarm/Smoke Detector Code Compliance Upgrade Phases I - V
Funding Source: \$7,854,382 which includes \$3,551,545 Other, Depreciation Reserve funds which are funds derived from the rent account which receives rent charged to state agencies that occupy Budget and Control Board space in state-controlled office buildings and \$4,302,837 in Capital Improvement Bond, Appropriated State and Federal funds previously approved for earlier phases of work on the project.
Request: Increase budget to \$7,854,382 (add \$1,869,450 Other, Depreciation Reserve funds) to fund Phase V of upgrades to fire alarm and smoke detector systems in Budget and Control Board buildings. The project was established in 1997 and increased numerous times to fund four phases of the fire alarm system upgrades and pre-design of phase V, which is now complete. Phases I through III involved replacing systems in 18 of 34 buildings and phase IV, approved in

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Fall 2012, will involve replacing systems in seven additional buildings. Phase V includes replacing the fire alarm and smoke detector systems in an additional seven buildings, DSS Harden Street, Sims Aycock, Laurel Street Warehouse, Surplus Garage, State Surplus Office Building, Federal Surplus Office Building, and South Main Street complex. The existing fire alarm systems in three phase V buildings are more than 23 years old and four phase V buildings have no fire alarm system. Energy savings and conservation measures are not applicable to this project. The agency reports the total projected cost of five phases is \$7,854,382 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the phase V contract is August 2013 and for completion of construction is April 2014.

(j) Summary 4-2013: JBRC Item 5. Budget and Control Board

Project: 9855, Calhoun Building Renovations

Funding Source: \$6,202,472 which includes \$2,899,899 Other, SC Judicial Department funds which derive from Circuit Court and Family Court filing fees carried forward to the current year, \$1,195,415 Other, Depreciation Reserve funds which derive from the rent account which receives rent charged to state agencies that occupy Budget and Control Board space in state-controlled office buildings, and \$2,107,158 Appropriated State funds previously approved for an earlier phase of work on the project.

Request: Increase budget to \$6,202,472 (add \$3,999,899 - \$2,899,899 Other, SC Judicial Department and \$1,100,000 Other, Depreciation Reserve funds) to begin a second phase of building and site improvements to the Calhoun Building on the Capitol Complex which houses the Court of Appeals and administrative functions of the Judicial Department. The project was established in January 2008 for pre-design work and increased for the construction budget in August 2009 to do exterior renovations to the building, which are nearing completion. Phase II of work will include renovating 12,500 square feet on the ground floor to allow for more efficient use of space and improve building security and handicap accessibility by restoring the north side of the main entrance to the building. The mechanical system on the ground floor will be replaced, windows will be repaired, and infrastructure provisions will be made to facilitate future building systems renovations including the extension of a fire suppression system to other floors. The building is 88 years old and the last

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

major renovation was in 1987. Energy savings and conservation measures will include the installation of an energy efficient mechanical system and lighting and occupancy sensors. The agency reports the total projected cost of this project, including completed exterior renovations, is \$6,202,472 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is October 2013 and for completion of construction is June 2014.

(k) Summary 4-2013: JBRC Item 6. Budget and Control Board

Project: 9913, Data Center Generator and Chiller Installation

Funding Source: \$1,486,400 Other, Depreciation Reserve funds which are funds derived from the rent account, which receives rent charged to state agencies that occupy Budget and Control Board space in state-controlled office buildings.

Request Increase budget to \$1,486,400 (add \$1,461,380 Other, Depreciation Reserve funds) to install a second emergency generator and an additional chiller for the Budget and Control Board's Data Center. The project was established in October 2012 for pre-design work which is now complete. The work will include installing a 1,500 kilowatt generator, a 200-ton air-cooled chiller and associated electrical work. The generator and chiller will support the projected increase in computer room electrical load from the present 340 kilowatts to a projected 640 kilowatts. The generator and chiller are needed to provide the necessary level of redundancy for the projected electrical loads needed to meet the data processing requirements of the center's customers and to provide a level of redundancy required by a recent Tier study of the Data Center. Energy savings and conservation measures will include the installation of an energy efficient chiller. The agency reports the total projected cost of this project is \$1,486,400 and additional annual operating costs of \$8,400 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is October 2013. (See Attachment 3 for additional annual operating costs.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Increase Budget

- (I) Summary 4-2013: JBRC Item 7. Vocational Rehabilitation Department
Project: 9595, Lancaster Parking Lot Improvements
Funding Source: \$445,000 which includes \$244,662 Other, Workshop Production Revenue funds which is program income generated from the Work Training Centers and \$200,338 in Capital Reserve Fund, Federal, and Other funds previously approved for the project.
Request: Increase budget to \$445,000 (add \$200,000 Other, Workshop Production Revenue funds) to proceed with parking lot and loading area improvements at the Vocational Rehabilitation Center in Lancaster. The project was established in October 2009 and was put on hold due to budget constraints at the time. The agency wishes to proceed with the project now and has revised the project cost estimate. Recent subsurface investigations reveal greater deterioration of the existing paved area, thus requiring more extensive work to be done. Exterior lighting will also be added to the parking areas for safety and security due to recent break-ins at the remote location. The work will now include removing existing paving and base material, recompacting the subsurface, replacing the base and paving, and installing security lighting. The facility is more than 30 years old and parking and loading areas are in need of renovations and repairs. Energy savings and conservation measures will include the installation of energy efficient lighting and timers. The agency reports the total projected cost of this project is \$445,000 and additional annual operating costs of \$1,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2013 and for completion of construction is November 2013. (See Attachment 4 for additional annual operating costs.)

BOARD ACTION REQUESTED:

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

ATTACHMENTS:

Attachments

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

1. AGENCY
Code H59 Name Midlands Technical College

2. PROJECT
Project # 6077 Name Midlands - Morris Hall Addition

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) 2013-14	\$	\$	\$21,600	\$ 21,600
2) 2014-15	\$	\$	\$22,400	\$ 22,400
3) 2015-16	\$	\$	\$23,200	\$ 23,200

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

Local County funds.

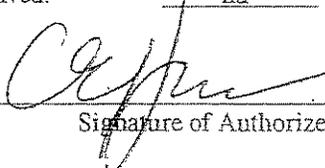
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

Costs will be paid by Local County Funds within the Operations budget.

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>\$12,000</u>
2. <u>Maintenance</u>	<u>\$3,000</u>
3. <u>Custodial</u>	<u>\$6,000</u>
4. <u>Insurance: Bldgs & Contents</u>	<u>\$600</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$21,600</u>

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

9. Submitted By:  Director of Operations 10/17/12
Signature of Authorized Official and Title Date

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

ATTACHMENT 2

1. AGENCY
Code F03 Name: SC Budget and Control Board / Division of General Services

2. PROJECT
Project # 9909 Name: Sims/ Aycock Building - Roof and Wall Leak Repair

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) 2013-14	\$	\$	\$4,000.00	\$4,000.00 *
2) 2014-15	\$	\$	\$6,000.00	\$6,000.00
3) 2015-16	\$	\$	\$6000.00	\$6,000.00

* partial yr.

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

Rent Account

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>Electricity</u>	<u>\$4,000.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$4,000.00</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: Carla Griffin, Deputy Director of General Services 10/22/12
Signature of Authorized Official and Title Date

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

1. AGENCY
Code F03 Name: South Carolina Budget & Control Board / General Services Division

2. PROJECT
Project # 9913 Name: Data Center – Generator and Chiller Installation

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) FY13-14 (part)	\$	\$	\$5,600	\$5,600
2) 2014-2015	\$	\$	\$8,400	\$8,400
3) 2015-2016	\$	\$	\$8,400	\$8,400

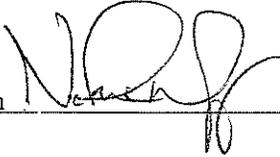
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Maintenance is funded from the rent account which receives rent charged to agencies – statutory authority is derived from SC Code of Laws 1-11-67 and 1-11-180.

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>generator maintenance (8 months)</u>	<u>\$ 933.00</u>
2. <u>chiller maintenance (8 months)</u>	<u>4,667.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$5,600.00</u>

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

9. Submitted By: Nolan Wiggins, Director, General Services Division  1/10/13
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for January 29, 2013 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
H12-9906	Clemson University - Core Campus Development	\$1,440,000 for pre-design	1/29/13	\$1,440,000	1/29/13	2012 CPIP Year 1	To Be Determined
H12-9907	Clemson University - Lehotsky Hall Renovation	\$350,000 for pre-design	1/29/13	\$350,000	1/29/13	2012 CPIP Year 1	To Be Determined
H27-6098	University of South Carolina - Sumwalt Laboratory Renovations	\$28,500 for pre-design	1/29/13	\$28,500	1/29/13	No	To Be Determined
H27-6099	University of South Carolina - Broadcast Studio Construction	\$22,500 for pre-design	1/29/13	\$22,500	1/29/13	No	To Be Determined
H59-6078	Greenville Tech - Barton Campus Technical Resource Center Renovation	\$150,000 for pre-design	1/29/13	\$150,000	1/29/13	No	To Be Determined
H59-6077	Midlands Tech - Morris Hall Addition	\$16,500 for pre-design	6/14/11	\$16,500	6/14/11	2011 CPIP Year 1	\$1,100,000
F03-9909	Budget and Control Board - Sims-Aycock Building Roof and Wall Leak Repairs	\$19,800 for pre-design	5/9/12	\$19,800	5/9/12	No	\$1,514,000
H27-6101	University of South Carolina - Coker Seventh Floor Laboratory Renovation	\$1,150,000	1/29/13	N/A	N/A	No	\$1,150,000
F03-9641	Budget and Control Board - B&CB Facilities Fire Alarm/Smoke Detector Code Compliance Upgrade Phases I - V	\$186,595 for survey	7/8/97	\$1,744,096	11/9/99	No	\$7,854,382
F03-9855	Budget and Control Board - Calhoun Building Renovations	\$99,275 for pre-design	1/31/08	\$2,200,000	11/9/11	No	\$6,202,472

Permanent Improvement Project Information for January 29, 2013 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
F03-9913	Budget and Control Board - Data Center Generator and Chiller Installation	\$25,020 for pre-design	10/30/12	\$25,020	10/30/12	No	\$1,486,400
H73-9595	Vocational Rehabilitation Department - Lancaster Parking Lot Improvements	\$245,000	10/13/09	N/A	N/A	No	\$445,000

Attachment 6
Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects

Item (a) - Clemson University Core Campus Development

The source of funds for A&E pre-design is \$1,440,000 Other, Housing Improvement Funds. Housing Improvement funds result from bond covenant-required transfers from Housing Operations to allow for the maintenance and replacement of capital assets funded by bond issues. The current uncommitted balance of Housing Improvement funds is \$3,077,669 as of September 30, 2012.

The proposed sources of funds for construction are Other, Housing Improvement funds, Other, Dining Improvement funds and Revenue Bond funds.

1) Housing Improvement funds are defined above. The current uncommitted balance of Housing Improvement funds is \$3,077,669.

2) Dining Improvement funds result from bond covenant-required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues. In addition to these transfers from dining operations, the Dining Improvement Fund has been augmented by approximately \$8 million in contributions from ARAMARK, the university's food service provider. These contributions are contractually negotiated and required for the replacement of university dining facilities. The current uncommitted balance of Dining Improvement funds is \$19,269,870.

3) Revenue bonds are bonds issued by the institutions and supported by auxiliary revenues collected. Until such factors as construction costs, interest rates, and market liquidity are known, it would not be prudent for the university to commit to or adhere to a pre-determined funding model for these three revenue sources to fund the estimated \$96 million project. The current uncommitted balance of Revenue Bonds, which will have to be issued once the needed amount is determined, is zero.

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

Item (b) - Clemson University Lehotsky Hall Renovation

The source of funds for A&E pre-design is \$350,000 Other, Institutional Capital Project Funds. Institutional Capital Project Funds are excess debt service funds held by the State Treasurer's Office and required to be expended for permanent improvement projects. The current uncommitted balance of Institutional Capital Project Funds is \$36,595,647 as of September 30, 2012.

The proposed source of funds for construction is State Institution Bond funds. Institution Bond funds are general obligation debt of the State backed by a pledge of University tuition and fees. The current uncommitted balance of Institution Bond funds is zero. A bond resolution is anticipated to be submitted to the Budget and Control Board in February 2013 and will be followed by the bond issuance.

The University reports that no increase in any student fee or tuition will be required for pre-design or renovation of this facility. The fee structure currently in place will suffice to cover principal and interest payments once the bonds are issued.

Item (c) - University of South Carolina Sumwalt Laboratory Renovations

The source of funds for A&E pre-design is \$28,500 Other, Institutional Funds. Institutional Funds are funds available to the University from a variety of sources including tuition and fees, sales and services

activities, and other miscellaneous sources. After funding of this project for both A&E and construction budget, estimated at \$1.9 million, there are no uncommitted Institutional Funds. All funds have been allocated to University capital projects and operating needs.

The proposed source of funds for construction is Other, Institutional Funds which are defined above. After full funding of this project, there are no uncommitted Institutional Funds. All funds have been allocated to University capital projects and operating needs.

The University reports that no increase in any student fee or tuition is directly related to funding of this project.

Item (d) - University of South Carolina Broadcast Studio Construction

The source of funds for A&E pre-design is \$22,500 Other, Institutional Funds. Institutional Funds are funds available to the University from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources. After funding of this project for both A&E and construction budget, estimated at \$1.5 million, there are no uncommitted Institutional Funds. All funds have been allocated to University capital projects and operating needs.

The proposed source of funds for construction is Other, Institutional Funds which are defined above. After full funding of this project, there are no uncommitted Institutional Funds. All funds have been allocated to University capital projects and operating needs.

The University reports that no increase in any student fee or tuition is directly related to funding of this project.

Item (e) - Greenville Tech Barton Campus Technical Resource Center Renovation

The source of funds for A&E pre-design is \$150,000 Other, Local College Plant funds. Local College Plant funds are funds, primarily from County appropriations, that are accumulated over time and ultimately used for capital projects. The current uncommitted balance of Local College Plant funds is \$11,856,621.

The proposed source of funds for construction is Other, Local College Plant funds which are defined above. The current uncommitted balance of Local College Plant funds is \$11,856,621.

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

Item (g) - Midlands Technical College Morris Hall Addition

The source of funds for construction is \$1.1 million Other, College funds. College funds come from a \$75 per semester capital fee for providing additional facilities and improvements that has not increased in more than 11 years. The statutory authority for the use of these funds is Code Sections 59-53-150 and 59-53-151. The current uncommitted balance of College funds is \$1.1 million. The balance of all other College funds has been committed to other projects.

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

Item (i) – University of South Carolina Coker Seventh Floor Laboratory Renovation

The source of funds for construction is \$1,150,000 Other, Institutional Funds. Institutional funds are funds available to the University from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources. There is no specific statutory authority other than the general authority to charge fees as necessary for operations (Code Section 59-117-40(9)). After funding this project, there are no uncommitted Institutional funds. All funds have been allocated to University capital projects and operating needs.

The University reports that no increase in any student fee or tuition is directly related to funding of this project.

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

The Division of State Budget recommends approval of the following real property acquisitions:

- (a) **Agency:** **University of South Carolina**
Acreage: 1.14± acres
Location: At the corner of Williams and Catawba Streets in Columbia.
County: Richland
Purpose: To consolidate ownership of property in the block where Carolina Stadium is located and provide control for future development to complement athletic operations.
Appraised Value: \$570,000
Price/Seller: \$570,000 / Housing Authority of the City of Columbia
Source of Funds: Athletic Operating
Project Number: H27-6097
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op Cost/SOF: Additional annual operating costs for grounds maintenance are estimated to be \$6,500 and will be paid from Athletic Operating funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 10/18/12; JBRC on 12/4/12
Additional Information: This request also includes approval of a budget increase to the permanent improvement project of \$550,000 from the fund source noted above.
- (b) **Agency:** **Department of Natural Resources**
Acreage: 79.5± acres
Location: Adjacent to DNR's Santee Delta Wildlife Management Area on the North Santee River south of Georgetown.
County: Georgetown
Purpose: To protect habitat for waterfowl and offer additional hunting opportunities for the public.
Appraised Value: N/A
Price/Seller: Donation / The Nature Conservancy, Arlington, Virginia
Source of Funds: N/A
Project Number: P24-9924

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as DNR currently manages the adjacent area.
Current Year Property Tax: N/A – Exempt
Approved By: JBRC on 12/4/12

(c) **Agency:** Coastal Carolina University
Acreage: 19.51± acres
Location: On Highway 544 in Conway
County: Horry
Purpose: To construct a new student housing facility.
Appraised Value: \$3,500,000
Price/Seller: \$3,300,000 / CCU Student Housing Foundation
Source of Funds: Revenue Bonds
Project Number: H17-9594
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition. Construction of the student housing facility is estimated to cost \$85 million and will be funded with Housing Revenue Bonds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 12/3/12; JBRC on 1/23/13
Additional Information: This request also includes approval of a budget increase to the permanent improvement project of \$3,300,000 from the fund source noted above.

BOARD ACTION REQUESTED:

Approve the real property acquisitions as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

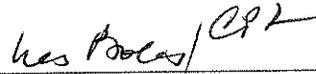
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 29, 2013

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
(b) Authorized Official Signature:



Les Boles, Director

2. Subject:

REAL PROPERTY ACQUISITIONS

3. Summary Background Information:

- (a) **Agency:** University of South Carolina
Acreage: 1.14± acres
Location: At the corner of Williams and Catawba Streets in Columbia.
County: Richland
Purpose: To consolidate ownership of property in the block where Carolina Stadium is located and provide control for future development to complement athletic operations.
Appraised Value: \$570,000
Price/Seller: \$570,000 / Housing Authority of the City of Columbia
Source of Funds: Athletic Operating
Project Number: H27-6097
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: Additional annual operating costs for grounds maintenance are estimated to be \$6,500 and will be paid from Athletic Operating funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 10/18/12; JBRC on 12/4/12
Additional Information: This request also includes approval of a budget increase to the permanent improvement project of \$550,000 from the fund source noted above.
- (b) **Agency:** Department of Natural Resources
Acreage: 79.5± acres
Location: Adjacent to DNR's Santee Delta Wildlife Management Area on the North Santee River south of Georgetown.
County: Georgetown
Purpose: To protect habitat for waterfowl and offer additional hunting opportunities for the public.
Appraised Value: N/A
Price/Seller: Donation / The Nature Conservancy, Arlington, Virginia
Source of Funds: N/A
Project Number: P24-9924
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as DNR currently manages the adjacent area.
Current Year Property Tax: N/A - Exempt
Approved By: JBRC on 12/4/12

(c)	Agency: Acreage: Location: County: Purpose: Appraised Value: Price/Seller: Source of Funds: Project Number: Environmental Study: Building Condition Assessment: Additional Annual Op Cost/SOF: Current Year Property Tax: Approved By: Additional Information:	Coastal Carolina University 19.51± acres On Highway 544 in Conway Horry To construct a new student housing facility. \$3,500,000 \$3,300,000 / CCU Student Housing Foundation Revenue Bonds H17-9594 Approved N/A No additional annual operating costs will result from the acquisition. Construction of the student housing facility is estimated to cost \$85 million and will be funded with Housing Revenue Bonds. N/A - Exempt CHE on 12/3/12; JBRC on 1/23/13 This request also includes approval of a budget increase to the permanent improvement project of \$3,300,000 from the fund source noted above.
-----	---	---

4. What is Board asked to do?

Approve the real property acquisitions requested.

5. What is recommendation of Board Division involved?

Recommend approval of the real property acquisitions as 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) University of South Carolina
 - (b) Department of Natural Resources
 - (c) Coastal Carolina University

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.

(a) University of South Carolina
Richland County
H27-6097

List of Supporting Documents:

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



UNIVERSITY OF
SOUTH CAROLINA

Facilities Planning and Programming

743 Greene Street
Columbia, SC 29208

PHONE 803-777-1184
FAX 803-777-0484

RECEIVED

OCT 18 2012

Budget & Control Board
OFFICE OF STATE BUDGET

October 16, 2012

Carol Routh
Assistant Director
Capital Budgeting
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Re: H27-6097 Williams Street Acquisition

Dear Carol Routh

On October 5, 2012, the University Board of Trustees approved the purchase of the Williams Street property with a purchase price of \$570,000. This acquisition will consolidate ownership of the property in the block where Carolina Stadium is located, providing control of future development on the site.

It is requested that the necessary action be taken to obtain all required approvals for this transaction. The Property Acquisition Information form, the appraisal of the property, and the Level I Environmental Survey are enclosed.

You will be copied with the Form A-1 and the Form A-49 when they are sent to the Commission on Higher Education for approval.

Your assistance in this matter will be greatly appreciated. If you have any questions, please do not hesitate to contact me.

Sincerely

Derek S. Gruner, LEED AP, AIA, NCARB
Director of Facilities Planning and Programming
University Architect

Carter Commercial Appraisal Group, Inc.

1620-A Lady Street
Columbia, South Carolina 29201
Phone (803) 799-1776
Facsimile (803) 799-2345

August 10, 2012

Mr. Gus Hoffmeyer, III
Property Manager
University of South Carolina
743 Greene Street
Columbia, South Carolina 29201

RE: Appraisal of a 1.14 Acre Land Tract
Located at Williams and Catawba Streets
Columbia, Richland County, South Carolina

Dear Mr. Hoffmeyer:

The above referenced property is a land tract with an area of 1.14 acres. It is located at the northwest corner of Williams and Catawba Streets, right beside the Carolina Baseball Stadium.

In accordance with your request, we have inspected the property, including any available plats or surveys. The purpose of these inspections was to estimate the Market Value "As Is" and to report our findings to you in an appraisal of appropriate scope.

It is our understanding that the sole function of this report is to assist you, the client of this report, with internal due diligence matters. The intended users of this report are you and your assigns.

After gathering and analyzing all of the pertinent data and applying the methods and techniques prescribed by the Uniform Standards of Professional Appraisal Practice, and subject to the Assumptions and Limiting Conditions found later in this report, it is our opinion that the property had a value of:

Asset Condition	Effective Date	Value
"As Is"	August 2, 2012	\$570,000

Mr. Hoffmeyer
Page Two

The facts and data that led to the above stated value conclusion can be found in the appraisal report attached hereto. If you have any questions or comments regarding this report, please contact me at your convenience.

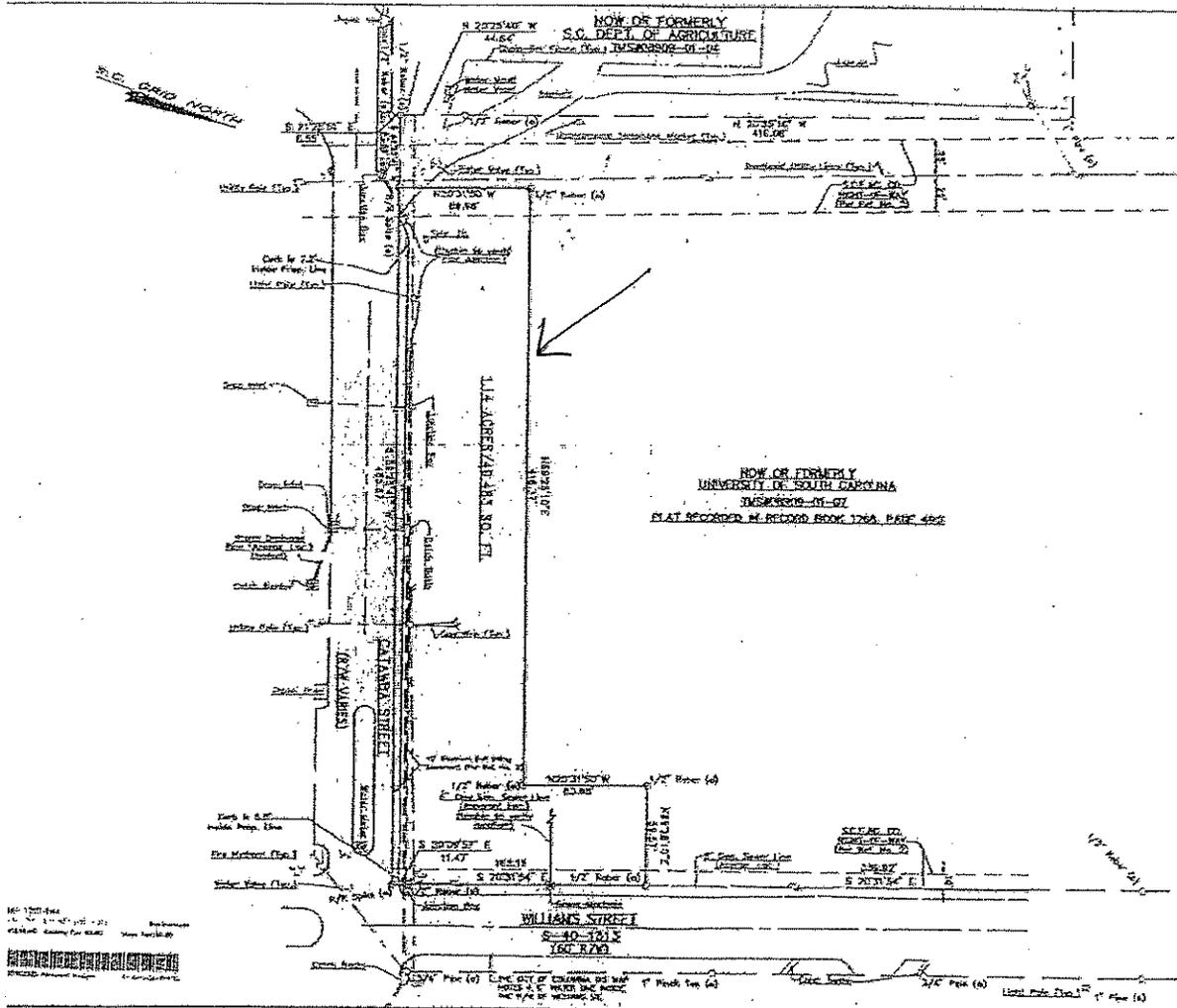
Respectfully submitted,

Carter Commercial Appraisal Group

A handwritten signature in black ink, appearing to read "Joe Carter", with a large, stylized initial "J" that loops around the first part of the name.

Joseph J.T. Carter, II
State Certification #CG646

PLAT



PLAT	CERTIFICATION:	REFERENCES:
<p>PREPARED FOR COLUMBIA HOUSING AUTHORITY DEVELOPMENTS, INC.</p>	<p>I hereby certify that to the best of my knowledge, information, and belief, the foregoing plat is true and correct and that the same is a true and correct copy of the original plat on file in the office of the Register of Deeds for the County of Columbia, South Carolina.</p>	<p>1. RECORDS SHOWING THE BOUNDARIES OF THE LAND OF WHICH THIS PLAT IS MADE. 2. RECORDS SHOWING THE BOUNDARIES OF THE LAND OF WHICH THIS PLAT IS MADE. 3. RECORDS SHOWING THE BOUNDARIES OF THE LAND OF WHICH THIS PLAT IS MADE.</p>

* The subject property is outlined in red *

MARSHALL DODDS COMPANY, INC.



Schnabel
ENGINEERING

October 23, 2012

Mr. Gus Hoffmeyer, III – Property Manager
University of South Carolina
Facilities Planning and Programming
743 Greene Street
Columbia, SC 29201

**Subject: Phase I ESA Report – Parcel at Williams Street and Catawba Street
SE JOB # 12619042.00**

Dear Mr. Hoffmeyer:

Schnabel Engineering Consultants (Schnabel) has reviewed the referenced report prepared by Schnabel Engineering dated August 13, 2012. In response to your email of October 23, 2012 we are comfortable reiterating the opinion offered in Section 9.0 of the report. No recognized environmental conditions were identified on the site property or on properties immediately adjacent to the site that could pose an actual or potential impact to the site. Neither our records research nor our site visit indicates the need for additional historical research or collection and analysis of environmental samples (a Phase II investigation) at the site.

Please contact me if there are any questions.

Sincerely,
Schnabel Engineering Consultants



Raymond L. Knox, P.G. (SC #311)
Senior Associate

schnabel-eng.com

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: H27-6097 Williams Street Acquisition
2. County: Richland
3. Description of Property: The site is a 1.14 acre land tract located at the NW corner of Williams and Catawba Streets in Columbia, SC. The site is undeveloped and covered with grass and a few small trees.
4. Grantor(s) Name and Address: Housing Authority of the
City of Columbia, SC
1917 Harden Street
Columbia, SC 29204
5. Grantee(s) Name and Address: University of South Carolina
Columbia, SC 29208
6. County Location: The site is located in Richland County, one block south of Blossom Street in downtown Columbia, SC.
7. Acreage: 1.14 acres
8. Purpose for Acquisition: To consolidate ownership of property in the block where Carolina Stadium is located
9. Demonstrate the need to acquire the property: Location of the property (adjacent to the University's Carolina Stadium) provides the opportunity to control future development of the property to complement Athletic operations.
10. Purchase Price: \$570,000
11. Current Year Property Tax Amount:
2011 Tax Value/Tax Amount: \$247,000; not taxed

PART II

1. How many sites were evaluated?
No other sites were evaluated. The location, adjacent to the University's Carolina Stadium, provides the opportunity to consolidate ownership of property in the block and to control future development of the property.
2. Please list the selection criteria used to evaluate sites.
See No. 1
3. How was the final selection of the site made?
See No. 1
4. Why was this specific site selected?
See No. 1
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?
No immediate construction or renovation costs are associated with the acquisition of the property.
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.
Projected additional annual operating costs: \$6,500
Anticipated source of funds: Athletic Operating Funds
Cost factors: Grounds maintenance
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.
No immediate additional operating costs will result from construction/renovation on the property.

**(b) Department of Natural Resources
Georgetown County
P24-9924**

List of Supporting Documents:

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

Natural Resources



DNR

Alvin A. Taylor
Director

October 22, 2012

Carol Routh
Office of State Budget
1201 Main Street
Columbia, SC 29201

RE: Project P24-9924 - Georgetown County - Santee Delta WMA Property Acquisition (Donation)

Dear Carol:

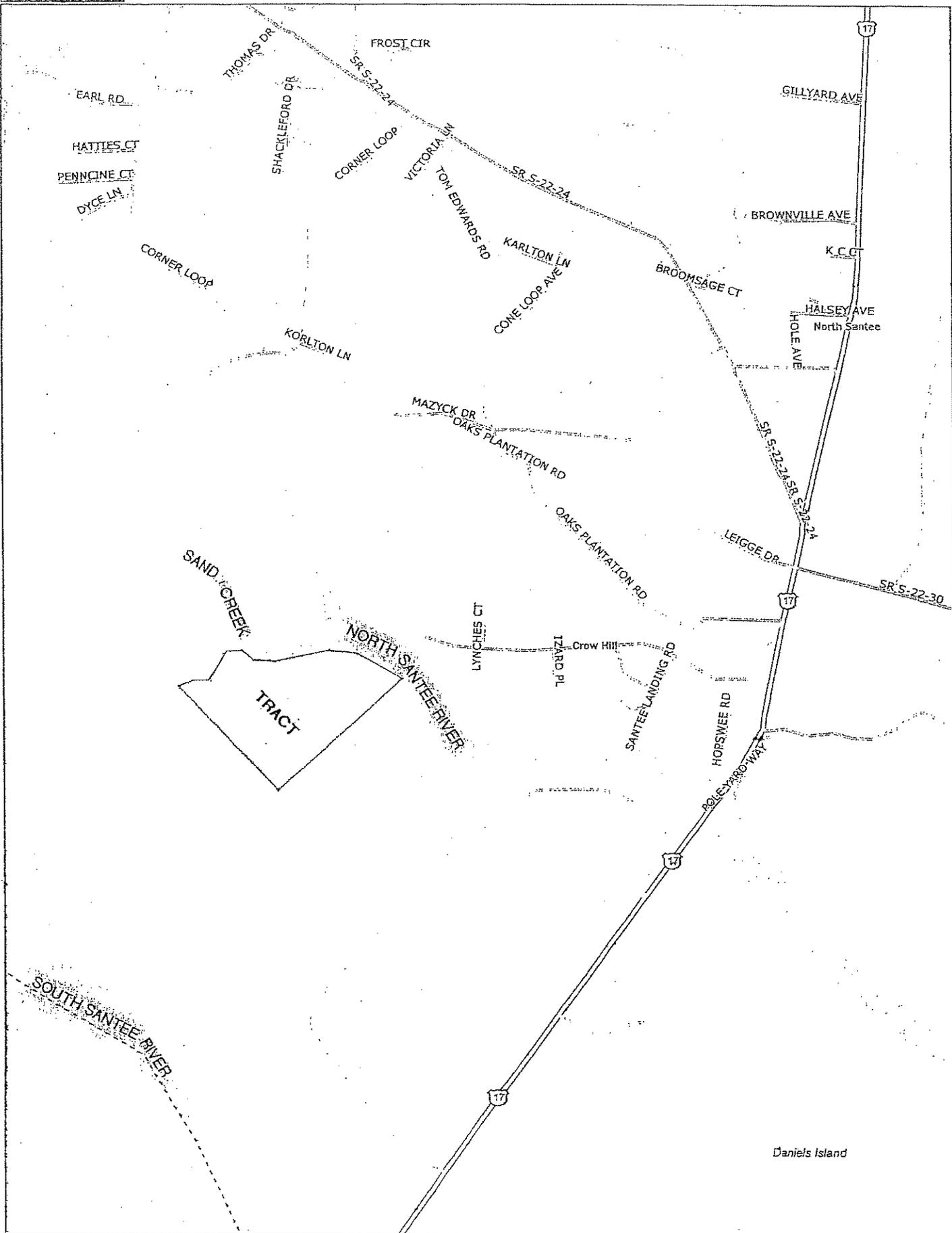
With the receipt of a favorable environmental report, the Department of Natural Resources is seeking Budget & Control Board approval to complete the acquisition of +/- 79.5 acres that adjoins the agency's Santee Delta Wildlife Management Area (WMA) in Georgetown county. This property, which has been valued at \$159,000, is being donated by The Nature Conservancy to the agency. The total cost of this acquisition is estimated to be \$5,000.00.

Acquisition of this property will protect water quality, conserve wildlife habitat, and provide public recreation opportunities.

Sincerely,

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

Scott Speares
Assistant Deputy Director - Outreach & Support Services

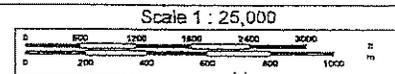


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www.delorme.com

PLAT SLIDE 77, PAGE 2A



1" = 2,083.3 ft Data Zoom 13-0

SITE VICINITY MAP

WWW.FMECOL.COM

COLUMBIA OFFICE
3112 Devine Street
Columbia, SC 29205
P 803.254.4540
F 803.254.4542

BEAUFORT OFFICE
26 John Galt Road, Suite A
Beaufort, SC 29906
P 843.522.0246
F 803.254.4542

PHASE I ENVIRONMENTAL SITE ASSESSMENT

79.5-ACRE PORTION OF SANTEE DELTA WMA ADDITION
SANTEE RIVER, SAND CREEK, AND PUSH & GO CREEK
GEORGETOWN COUNTY, SOUTH CAROLINA
GEORGETOWN COUNTY TMS #01-1007-007.00.00

A. SUMMARY

F&ME CONSULTANTS has performed this Phase I Environmental Site Assessment on the approximately 79.5-acre Portion of Santee Delta WMA Addition located along the south reaches of the North Santee River, Sand Creek, and Push & Go Creek in Georgetown County, South Carolina, for the South Carolina Department of Natural Resources.

This assessment was conducted in general compliance with the procedures and guidelines outlined in the South Carolina State Budget and Control Board Guidelines for Obtaining Studies for Land Acquisitions (11-16-10), ASTM E1527-05, and ASTM E2247-08. The investigation consisted of reasonably ascertainable: title search, historical records review, historical photographs review, and review of South Carolina Department of Health and Environmental Control (SCDHEC) records.

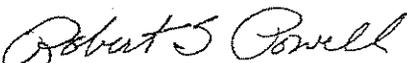
The tract was visually inspected on June 11, 2012. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire and ASTM E2247-08 User Questionnaire were completed as required.

We have recorded our findings, recommendations, and responses to the ASTM Questionnaires herein. No Phase II Environmental Site Assessment is recommended at this time. Refer to Section H Findings, and Section J Conclusions.

If there are any questions concerning this Phase I Environmental Site Assessment, or if we can be of any further assistance on this project, please do not hesitate to contact us at (803) 254-4540. We appreciate the opportunity to provide this service.

Sincerely,

F&ME CONSULTANTS


Robert S. Powell, P.G.
Senior Environmental Consultant


AASHTO ACCREDITED
LABORATORY

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9924
2. COUNTY: Georgetown
3. DESCRIPTION: Fee-simple donation of 79.5 acres adjoining the DNR's Santee Delta Wildlife Management Area.
4. GRANTOR(S): The Nature Conservancy, 4245 North Fairfax Drive, Suite 100, Arlington, VA 22203.
5. GRANTEE(S): South Carolina Department of Natural Resources, 1000 Assembly Street, PO Box 167, Columbia, SC 29202.
6. COUNTY LOCATION: South side of the North Santee River west of U.S. Highway 17 approximately 14 miles south of Georgetown.
7. ACREAGE: 79.5 acres.
8. PURPOSE/PROJECT: To accept a property donation of 79.5 acres to protect habitat for waterfowl and offer additional hunting opportunities for the public.
9. NEED TO ACQUIRE PROPERTY: See above. The property is a donation that originated as a gift from a family estate and via mutual agreement will be transferred from The Nature Conservancy to DNR.
10. PURCHASE PRICE: \$0.00. The property will be donated to DNR by The Nature Conservancy.
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$0.00. No property taxes are currently being paid by The Nature Conservancy.

Part II

1. HOW MANY SITES WERE EVALUATED? Numerous sites are evaluated throughout the year for participation in DNR's Heritage Trust and Wildlife Management Area Programs.
2. SELECTION CRITERIA USED TO EVALUATE SITES? Eligibility criteria for the Heritage Trust Program and Forest Legacy Program were used to evaluate the site. They include scenic values, forest production potential, fish and wildlife habitat values, threatened and endangered species values, water quality issues, level of conversion threat, and links to other habitat protection initiatives.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

3. HOW WAS THE FINAL SELECTION MADE? Approval by the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? The land contains waterfowl habitat, adjoins DNR property and has been offered to the agency as a donation.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROEPRTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional annual operating costs are anticipated for the acquisition because DNR is currently managing the adjoining area and this acquisition does not constitute a large increase in acreage.
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

(c) Coastal Carolina University
Horry County
H17-9594

List of Supporting Documents:

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

November 29, 2012

Ms. Carol Routh
Assistant Director, Capital Budgeting Section
Office of State Budget
1205 Pendleton Street,
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Re: Student Housing Land Acquisition (Elvington Property)

Dear Carol:

Please accept this letter as a request for State Budget and Control Board approval for the purchase of 19.51 acres of land in the amount of \$3,300,000. This purchase will provide the land needed for the construction of new student housing at Coastal Carolina University (Project #9592)

Thank you for your assistance in this regard.

Sincerely,



Stacie A. Bowie
Vice President for Finance & Administration

magrath ■
appraisal

George N. Magrath, Jr., MAI
CG 1391

gmagrath@magrathappraisal.com

July 2, 2012

RECEIVED

DEC 03 2012

Budget & Control Board
OFFICE OF STATE BUDGET

Sandy Williams
Coastal Carolina University
PO Box 261954
Conway, SC 29528-6054

Re: 19.51 acres as reflected in Plat Book 248 at Page 328 and commonly known as the "Elvington Property, Highway 544, Conway, SC 29526
Appraisal as of June 26, 2012

Dear Sandy:

This letter confirms that on June 26, 2012, I appraised the captioned property and judged the market value of the property to be:

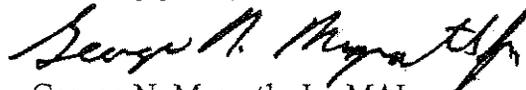
Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000)

That value estimate was for real property only and no personal property was included.

This letter specifically incorporates the June 26, 2012 appraisal which I did for Coastal Carolina University in its entirety including with all assumptions, limiting conditions as well as the appraisal certification that is included in that report.

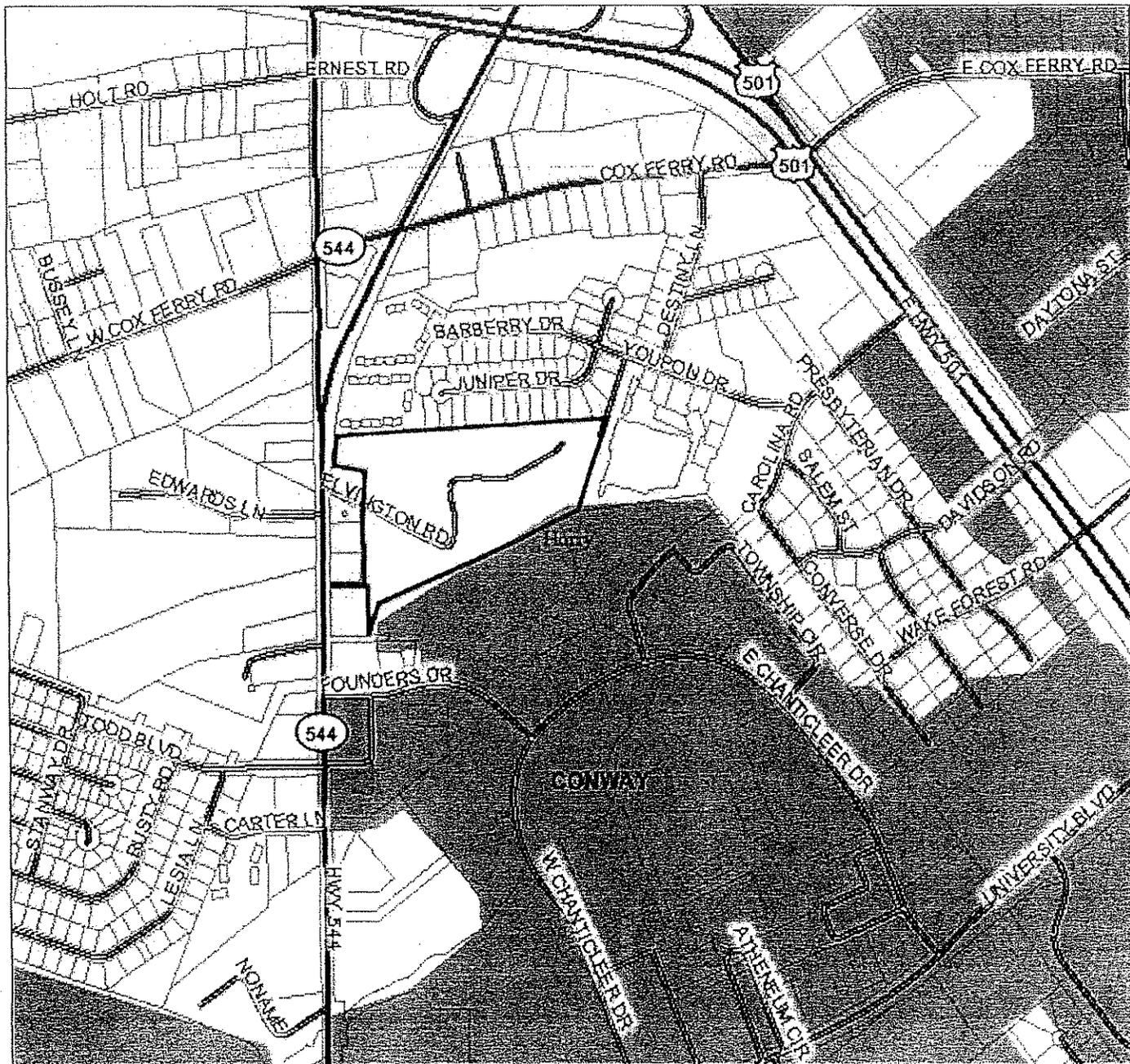
Please don't hesitate to call if you have questions and thank you for this business. With kind regards, I remain

Sincerely yours,


George N. Magrath, Jr., MAI

Magrath Appraisal Services, Inc.
PO Box 1665
Conway, SC 29528-1665

(843) 488-2103 phone
(843) 248-4876 fax
www.magrathappraisal.com



TMS #150-00-07-161
"Elvington Property"
Highway 544, Conway, SC 29526

SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 19.51 acres, located east of and adjacent to Highway 544 and west of the Coastal Carolina University (CCU) campus, in Conway (Horry County), South Carolina. This summary is intended as an overview of the Phase I ESA for the convenience of the reader. The complete report must be reviewed in its entirety prior to making decisions regarding this site.

The purpose of this Phase I ESA was to identify, to the extent feasible pursuant to ASTM E 1527-05, Recognized Environmental Conditions (RECs) in connection with the site. The ASTM Standard Practice E 1527-05 defines "good commercial and customary practice for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and to petroleum products". This practice is intended to permit a user to satisfy one of the requirements to qualify for the "innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations to CERCLA liability."

On November 27, 2012, Mrs. Dawn Schoolcraft, an environmental technologist with S&ME, under the guidance of Thomas Still, P.E., an environmental professional, conducted a site reconnaissance to evaluate the subject property for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of recognized environmental conditions. Portions of the subject property are developed with three former residential dwellings which are currently vacant or utilized by CCU, gravel parking areas, a greenhouse, two sheds, and two ponds. The remainder of the subject property is mostly wooded land. The adjacent properties consist of buildings associated with CCU, Conway Wrecker Service, and Kangaroo gas station.

S&ME contracted Environmental Data Resources (EDR) to prepare a Field Check™ Radius Report compiling federal and state environmental database information. S&ME also viewed historical aerial photographs to determine past uses of the subject site and its adjacent properties. Interviews with the current property owner and with the local fire department were also conducted to further determine the environmental status of the subject site. This process revealed that the subject property has historically remained mostly wooded and residential land, with the first residential structure constructed in the 1960's.

In summary, this assessment has revealed no evidence of RECs in connection with the subject property.

PROPERTY ACQUISITION INFORMATION FORMAT
PART I

1. Project Number: 9594
2. County: Horry
3. Description of Property: TMS #150-00-07-161 – 19.51 acres
4. Grantor(s) Name and Address:

CCU Student Housing Foundation
PO Box 261954
Conway, SC 29528-6054
5. Grantee(s) Name and Address:

Coastal Carolina University
PO Box 261954
Conway, SC 29528-6054
6. County Location: South Carolina
7. Acreage: 19.51 acres
8. Purpose for Acquisition: construction site for new student housing
9. Demonstrate the need to acquire the property: The 19.51 acres are adjacent to current student housing on the University's campus. The new student housing will provide 1270 beds needed as the University meets its planned growth to 12,500 students.
10. Purchase Price: \$3,300,000
11. Current Year Property Tax Amount: N/A

PART II

1. How many sites were evaluated: One
2. Please list the selection criteria used to evaluate sites. Proximity to University and current student housing.
3. How was the final selection of the site made? The site is adequate for the four new planned dorms and is adjacent to the University's current student housing.
4. Why was this specific site selected? Location.

5. What is the estimated cost of any construction or renovations to be done on the property and the anticipated source of funds for such work? \$85,000,000 – 2013 Revenue Bonds.
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 – University currently leases and maintains this property.
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. \$1,152,500 per year once all four buildings are completed. Operating costs include personnel, utilities and supplies. Funds will be provided through new housing revenue generated by new beds.

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 2013

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Procurement Services Division

SUBJECT: Waiver to Extend the Maximum Time on a Multi-Term Contract for Lander University

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. Lander University has asked the Materials Management Office (MMO) to assist in seeking Board approval to authorize MMO to solicit on Lander's behalf a contract for up to ten (10) years for its food service operations. Lander officials believe a contract term of ten years will attract greater capital investment by the offerors, which the university intends to use to renovate existing food service venues by renovating the kitchen, remodeling dining areas, enhancing the Bearcat Café and/or construct new venues such as increasing the size of the dining hall by enclosing the patio and expanding dining options at the library

BOARD ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider Lander University's request for a multi-term contract for food service operations and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

ATTACHMENTS:

Agenda item worksheet; Letter of request from Lander University; Follow up Email from Lander University; Section 11-35-2030(4) of the SC Consolidated Procurement Code

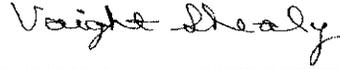
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: January 29, 2013

Regular Agenda

Submitted by:

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



R. Voight Shealy, Materials Management Officer

2. Subject: Waiver to extend the maximum time on a multi-term contract for Lander University

3. Summary Background Information:

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. Lander University has asked the Materials Management Office (MMO) to assist in seeking Board approval to authorize MMO to solicit on Lander's behalf a contract for up to ten (10) years for its food service operations. Lander officials believe a contract term of ten years will attract greater capital investment by the offerors, which the university intends to use to renovate existing food service venues by renovating the kitchen, remodeling dining areas, enhancing the Bearcat Café and/or construct new venues such as increasing the size of the dining hall by enclosing the patio and expanding dining options at the library.

4. What is Board asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider Lander University's request for a multi-term contract for food service operations and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

5. What is recommendation of Board division involved? As stated in Item 4. above.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
 - (b) Division/Agency Name: _____
-

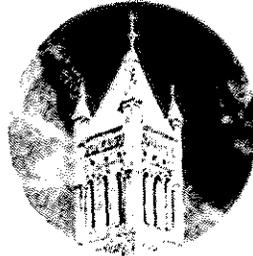
7. List of supporting documents:

- (a) Letter of request from Lander University
- (b) Follow up Email from Lander University
- (c) Section 11-35-2030(4) of the SC Consolidated Procurement Code

EXCERPT FROM THE CONSOLIDATED PROCUREMENT CODE

SECTION 11-35-2030. Multi-term contracts.

- (1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.
- (2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:
 - (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and
 - (b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.
- (3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.
- (4) The maximum time for a multi-term contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.



founded in 1872

LANDER UNIVERSITY

Office of the Vice President for Business and Administration

August 29, 2012

Mr. Delbert H. Singleton, Jr.
SC Budget and Control Board
Procurement Services Division
1201 Main St., Suite 600
Columbia, SC 29201

Dear Mr. Singleton:

Lander University's Food Service Operations contract expires May 15, 2013. We are working diligently to complete the specifications to begin the RFP process to form a new contract. This last contract was for a seven (7) year term and we feel that it would be most effective for our University to respectfully request approval for a maximum contract term of ten (10) years.

In the next two or three years we will ask our food services contractor to partner with us in the expansion of our current dining facility to take in a current outdoor space. It is also our plan to bring a national brand sandwich shop (for example Subway or Blimpie) to our campus to enhance the current grill. The University Master Plan, Phase II has a proposed Atheneum, which will include a dining facility as part of that construction project. Lastly, all of the current dining facilities will require updating and refurbishment on a routine basis.

The magnitude and complexity of providing these services to an institution of higher education confirm that longer term contracts are both manageable and prudent. To encourage participation in this offer, a 10-year contract would enable the University to negotiate for future capital investments as well as allow for amortization of these capital investments throughout the contract period.

Thank you for your consideration. If you should have any questions, please do not hesitate to give me a call.

Sincerely,

Glenda E. Ridgely
Vice President for Business and Administration

Shealy, Voight

From: Mary McDaniel <mmcdaniel@lander.edu>
Sent: Tuesday, November 20, 2012 10:20 AM
To: Stevens, John
Cc: Shealy, Voight; Glenda E. Ridgely
Subject: Lander University Food Service Contract

Follow Up Flag: Follow up
Flag Status: Flagged

Hi John and Voight,

I hope all is well with you both. In talking with you, John, I understand that Voight is putting together the agenda item for the December Budget and Control Board meeting. I thought it may be necessary for me to add to the original items that I sent requesting this 10-year term contract.

The Food Services program at Lander has evolved over the past decade to its current status as an industry recognized program that enjoys an extremely loyal/satisfied customer base and a sound financial foundation. This evolution did not happen by accident. Rather, it is the result of the institution's commitment to providing the best educational experience to its students while doing everything possible to maximize each student's opportunity to succeed in his/her educational pursuits. Food services at Lander is not viewed as simply a necessary service required by the student body, but as a strategic asset that plays a significant role in pursuing its mission of acting with integrity, dignity and competence in our service to residents and the university community. Thus, continued investment in this program is not an option, but a necessity as the institution continues its pursuit of excellence in accomplishing its mission.

The financial success of the Food Services program has benefited the institution in several ways. Over the past 5 years, more than 27.5% of Food Services revenue has been allocated to other program needs of the institution, including debt service, facilities maintenance, and student financial aid. These allocations have been made possible through the efficient, profitable operation of the Food Services program, while providing a program that is high quality, nutritious, and competitively priced.

Currently, the institution has identified at least 5 areas within the Food Service program that will require approximately \$ 2M - \$ 2.5M capital investment during the next 10 years. These investments are necessary to ensure that the Food Services program continues its high quality offerings in facilities that are both functional and aesthetically pleasing. The useful life of these investments exceeds, in most instances, the requested 10 year term of the Food Service contract. For this reason, a 10 year contract which will allow a financially responsible amortization within accepted accounting principles is, in the opinion of the institution, both reasonable and justified. A shorter amortization period would put unnecessary financial pressure on the Food Services program, which could result in reduced funds being available for other institutional needs.

If you should need additional information from me, please do not hesitate to let me know. I hope you both have a great Thanksgiving!

Mary

Mary W. McDaniel
Director
Procurement and Retail Services
Lander University

AGENCY: Procurement Services Division

SUBJECT: Waiver to Extend the Maximum Time on a Multi-Term Contract for the Department of Transportation

Section 11-35-2030(4) of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to five years unless otherwise approved by the Board. The Department of Transportation (DOT) has asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to nine (9) years (seven years with two one-year options) for operation and maintenance of the Cross Island Parkway Toll Facility on Hilton Head Island. The current contract is set to expire August 31, 2014. DOT is already working with the Materials Management Office to develop and plan the solicitation to replace the current contract. DOT expects to retire the bonded indebtedness for the original project in 2021 and plans to sunset the toll operation July 2021. The contract term of nine years will allow DOT to continue with the selected contractor through decommissioning of the toll facility, dismantling of the toll facility infrastructure, and closing transponder accounts with approximately 25,000 Palmetto Pass patrons that have outstanding balances.

BOARD ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider the South Carolina Department of Transportation's request for a multi-term contract for up to nine years (seven years with two one-year options) for operation and maintenance of the Cross Island toll facility.

ATTACHMENTS:

Agenda item worksheet; Letter of request from the Department of Transportation; Section 11-35-2030(4) of the SC Consolidated Procurement Code

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: **January 29, 2013**

Regular Agenda

Submitted by:



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

R. Voight Shealy, Materials Management Officer

2. Subject: Waiver to extend the maximum time on a multi-term contract for the Department of Transportation

3. Summary Background Information:

Section 11-35-2030(4) of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to five years unless otherwise approved by the Board. The Department of Transportation (DOT) has asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to nine (9) years (seven years with two one-year options) for operation and maintenance of the Cross Island Parkway Toll Facility on Hilton Head Island. The current contract is set to expire August 31, 2014. DOT is already working with the Materials Management Office to develop and plan the solicitation to replace the current contract. DOT expects to retire the bonded indebtedness for the original project in 2021 and plans to sunset the toll operation July 2021. The contract term of nine years will allow DOT to continue with the selected contractor through decommissioning of the toll facility, dismantling of the toll facility infrastructure, and closing transponder accounts with approximately 25,000 Palmetto Pass patrons that have outstanding balances.

4. What is Board asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider the South Carolina Department of Transportation's request for a multi-term contract for operation and maintenance of the Cross Island toll facility.

5. What is recommendation of Board division involved? As stated in Item 4. above.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
 - (b) Division/Agency Name: _____
-

7. List of supporting documents:

- (a) Letter of request from the Department of Transportation
- (b) Section 11-35-2030(4) of the SC Consolidated Procurement Code

EXCERPT FROM THE CONSOLIDATED PROCUREMENT CODE

SECTION 11-35-2030. Multi-term contracts.

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:

(a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and

(b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) The maximum time for a multi-term contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.

AGENCY: Medical University Hospital Authority

SUBJECT: Medical University Hospital Authority Working Line of Credit

Pursuant to S.C. Code Ann. Section 59-123-60, as amended, the Board of Trustees of the Medical University of South Carolina (Board of Trustees) became the governing body of the Medical University hospitals, clinics, and other healthcare and related facilities as shall be determined from time to time by resolution of the Board of Trustees. Section 59-123-60 further provides that whenever the Board of Trustees functions in its capacity as the governing body of such facilities, it is constituted and designated as the Medical University Hospital Authority (Authority), an agency of the State of South Carolina.

The Authority, pursuant to Section 59-123-60(E)(3)(d), is authorized to issue revenue anticipation notes; provided that such notes have a maturity of not exceeding six months from date of issuance and do not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the Authority preceding the fiscal year in which such obligations are issued. The issuance of the notes is subject to approval of the Budget and Control Board.

The Medical University of South Carolina (MUSC) advises that audited financial statements reflect that for fiscal year ended June 30, 2012, net patient service revenues were \$1,030,332,834.

The Authority requests that the Board authorize the State Treasurer to negotiate the terms of the revenue anticipation notes which shall be issued in an aggregate principal amount not exceeding \$25,000,000 and shall have a maturity of not exceeding six months from the date of their issuance. The Authority also requests that the Board authorize the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which the Authority is a party.

BOARD ACTION REQUESTED:

Adopt a resolution (1) authorizing the State Treasurer to negotiate the terms of the revenue anticipation notes which shall be issued in an aggregate principal amount not exceeding \$25,000,000 and shall have a maturity of not exceeding six months from the date of their issuance; and (2) authorizing the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which the Authority is a party.

ATTACHMENTS:

Youngblood 12/19/12 letter; Youngblood 12/19/12 memo; Resolution; Code Section 59-123-60

MCNAIR
ATTORNEYS

December 19, 2012

M. William Youngblood

Via FedEx

wyoungblood@mcnair.net
T (843) 723-7831
F (843) 722-3227

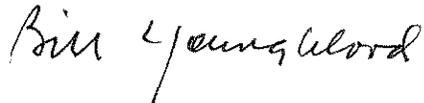
Delbert H. Singleton Jr.
Secretary
S.C. State Budget and Control Board
601 Wade Hampton Office Building
Columbia, SC 29201

Re: Medical University Hospital Authority Working Line of Credit

Dear Delbert:

At the request of the Medical University Hospital Authority (MUHA), I have prepared the enclosed resolution for presentation to the State Budget and Control Board (State Board) at its first meeting in 2013. Also enclosed is a copy of the MUHA's Resolution adopted December 14, 2012 and a copy of MUHA's audit for the fiscal year ended June 30, 2012. If you or those receiving a courtesy copy of this letter should have any question, please give me a call.

Sincerely,



M. William Youngblood

MWY:ebs
Enclosures

Cc: Curtis M. Loftis, Jr.
F. Richard Harmon, Jr.
Patrick J. Wamsley
Annette R. Drachman
John L. Cooper
Stephen Hargett

McNair Law Firm, P. A.
100 Calhoun Street, Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

mcnair.net

MEMORANDUM

M. William Youngblood

wyoungblood@mcnair.net
T (843) 723-7831
F (843) 722-3227

TO: Delbert H. Singleton, Jr.
FROM: M. William Youngblood *Bill Youngblood*
DATE: December 19, 2012
RE: Medical University Hospital Authority Working Line of Credit

Section 59-123-60(E)(3)(d) of the SC Code authorizes the Medical University Hospital Authority to incur indebtedness under the provisions of the Hospital Revenue Bond Act, used traditionally for the financing of hospital facilities. In addition, this section authorizes a specific category of short-term financing, used by most business enterprises, the working line of credit, to smooth out occasional lags in receipt of budgeted revenue during a fiscal year so that expenditures can be paid in timely fashion throughout the fiscal year.

Under the statute these short-term borrowings may not exceed ten percent of net patient service revenue.

In addition to the statutory ten percent limitation, there are additional limitations imposed on the Authority's short-term indebtedness under its existing bond documents.

Net patient service revenues for the 2012 fiscal year were \$1,030,332,834 which, under the statute, would permit short-term indebtedness in an amount not exceeding \$103,033,283. The Authority seeks a working line of credit in an amount not exceeding \$25,000,000.

\$25,000,000 is about 2.4% of last fiscal year's net patient service revenue or about eleven days of operating expenses, certainly a prudent level at which to establish a working line of credit. The debt will be payable solely from revenues of the Authority. Neither the full faith and credit nor the taxing power of the State are pledged in any way.

Historically the Budget and Control Board has delegated to the State Treasurer the authority to negotiate the terms of the working line of credit, subject to the limitations imposed by the statute.

The Resolution which the Budget and Control Board is asked to adopt authorizes the short-term indebtedness and delegates to the State Treasurer the authority to negotiate its terms.

MWY:eps

McNair Law Firm, P. A.
100 Calhoun Street, Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

mcnair.net

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO INCUR CERTAIN SHORT-TERM INDEBTEDNESS.

WHEREAS, by Act 264 of the 2000 Acts and Joint Resolutions of the South Carolina General Assembly, as amended (the "Medical University Hospital Authority Act"), the Board of Trustees of the Medical University of South Carolina became the governing body of the Medical University hospitals, clinics, and other healthcare and related facilities as shall be determined from time to time by resolution of the Board of Trustees of The Medical University of South Carolina. Whenever such board functions in its capacity as the governing body of such facilities, it is constituted and designated as the Medical University Hospital Authority, an agency of the State of South Carolina (the "Authority"); and

WHEREAS, the Authority is authorized, *inter alia*, to issue revenue anticipation notes; provided that, such notes shall have a maturity of not exceeding six months from date of issuance; and do not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year preceding the fiscal year in which such obligations are issued; and

WHEREAS, the audited financial statements of the Authority for the fiscal year ended June 30, 2012 reflect net patient service revenues of \$1,030,332,834; and

WHEREAS, the Authority is also subject to the terms of that certain Trust Indenture dated as of December 1, 2004 (the "Indenture") between the Authority and The Bank of New York, as trustee; and

WHEREAS, pursuant to Section 637 of the Indenture, the Authority may only incur Indebtedness (as defined in the Indenture) on such terms and conditions as shall be approved by FHA (as defined in the Indenture); and

WHEREAS, the Authority has received approval of FHA for short-term indebtedness in an aggregate amount of not exceeding \$25,000,000 as described in a resolution of the Authority, adopted December 14, 2012, a copy of which has been filed with the State Budget and Control Board.

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

1. The State Treasurer of South Carolina is hereby authorized to negotiate from time to time the terms of revenue anticipation notes of the Authority in principal amount outstanding not exceeding \$25,000,000, for terms not exceeding six months from the date of their issuance.
2. The State Treasurer of South Carolina is hereby authorized to negotiate other terms and conditions of such revenue anticipation notes and to approve the form of all documents related thereto to which the Authority shall be a party.

CHAPTER 123.

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

SECTION 59-123-60. Organization and powers of board; designation as Medical University Hospital Authority.

(A) The board of trustees shall elect one of its members to be chairman and is authorized to elect a university president, one or more vice presidents, and a secretary, prescribe their duties and terms of office, and fix their compensation. It shall elect teachers of professorial rank in the various colleges which make up the Medical University of South Carolina and other officers and employees as may be necessary for the proper conduct of the university and fix their compensation, the fees and charges of students, and the rules for the government of the university. The board of trustees also has the following powers:

- (1) to make bylaws and regulations considered expedient for the management of its affairs and its own operations not inconsistent with the constitution and laws of this State or of the United States;
- (2) to confer the appropriate degrees in medicine, dental medicine, pharmacy, nursing, health-related professions, and graduate studies in related health fields upon students and other persons as in the opinion of the board of trustees may be qualified to receive them; and
- (3) to make contracts and to have, to hold, to purchase, and to lease real estate and personal property for corporate purposes; and to sell and dispose of personal property and any buildings that are considered by it as surplus property or no longer needed and any buildings that it may need to do away with for the purpose of making room for other construction. These powers must be exercised in a manner consistent with the provisions of Chapter 35 of Title 11.

(B) All revenues of the Medical University of South Carolina, the Medical University Hospital, and any funds transferred to the Medical University from a practice plan must be expended for a public purpose as that purpose is defined in the applicable state law and regulations. For purposes of this subsection, and in addition to all other applicable laws and regulations, public purposes also do not include expenditures for purchasing gifts, making political or other contributions, and reimbursing officers' and employees' travel and subsistence expenses in excess of those authorized by law for state employees away from their job site on official business.

(C) The provisions of the Freedom of Information Act apply to the Medical University Hospital Authority, except that access is not allowed under this section to patient records or insurance information with respect to patients.

(D) Members of the Medical University Board, while serving as members of the hospital authority and the officers and employees of the hospital authority, shall be subject to applicable state ethics and accountability provisions of law.

(E) As shall be provided in an implementing resolution by the Board of Trustees of the Medical University of South Carolina, the Board of Trustees of the Medical University of South Carolina becomes the governing body of the Medical University hospitals, clinics, and other health care and related facilities (hereinafter 'hospital') as shall be determined from time to time by resolution of the board. Whenever the board functions in its capacity as the governing body of the hospital, the board of trustees is constituted and designated as the Medical University Hospital Authority, an agency of the State of South Carolina (hereinafter called authority). The board, as the governing body of the authority, has the powers granted the Board of Trustees of the Medical University of South Carolina under this chapter and the following powers:

- (1) make and amend bylaws for its governance consistent with the purposes of this chapter;
- (2) make bylaws for the management, regulation, and operation of the hospital;
- (3)(a) make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes; and sell and dispose of personal property and any buildings that are considered by it as surplus property or no longer needed and any buildings that it may need to do away with for the purpose of

making room for other construction. These contracts are exempt from the South Carolina Consolidated Procurement Code and Regulations, but the authority must adopt a procurement policy requiring competitive bidding for construction contracts, which must be filed with and approved by the State Budget and Control Board;

(b) sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the Budget and Control Board. These activities under this subitem are exempt from all regulations and general laws governing disposal of surplus government property. The proceeds derived from the lease of any real property, net of transaction costs and payment of any debts secured by such property, shall be remitted to the MUSC Board of Trustees to be used exclusively for the support of the Medical University. The proceeds derived from the disposition of any real property, net of transaction costs and payment of any debts secured by such property, shall be remitted to the MUSC Board of Trustees to be used exclusively for the support of the Medical University;

(c) make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority. Any guarantee or indebtedness of the authority shall not create an obligation of the State, nor shall such guarantee or indebtedness be considered a debt against the general revenue of the State;

(d) for the purpose of effectuating the provisions of subitem (c) above, utilize all provisions of the Hospital Revenue Bond Act. The issuance by the authority of any bonds, notes, or other obligations or indebtedness, except as provided in this subitem, shall be subject to the approval thereof by resolution of the State Budget and Control Board. Except for such approving resolution, the requirements of Section 44-7-1590 of the Hospital Revenue Bond Act shall be applicable to obligations issued by the authority. The authority may issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the authority preceding the fiscal year in which such obligations are issued;

(4) receive contributions, donations, and payments and invest and disburse its funds; provided, however, that these funds are funds which must be used for public purposes, and further, that the authority may not use or authorize the use of funds, property, or time to influence the outcome of an election;

(5) construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure;

(6) appoint such officers, employees, personnel, and agents of the authority and define such duties and fix their compensation in such manner as is necessary to carry out the authority's activities and affairs; the policies of the authority's personnel and employees are exempt from Budget and Control Board personnel policies and applicable laws; all personnel employed by the authority are exempt from the provisions of Article 5, Chapter 17 of Title 8, the State Employee Grievance Procedure, but the board shall adopt a grievance procedure substantially similar to the provisions of that article to govern personnel and employees of the authority, and this procedure must be filed with and approved by the State Budget and Control Board. All employees of the authority must be furnished a copy of this grievance procedure; all personnel employed by the authority are employees-at-will and are state employees for purposes of eligibility for participation in the South Carolina Retirement System, the State Health Insurance Group plans, and pursuant to the South Carolina Tort Claims Act;

(7) make pension payments to the South Carolina Retirement Systems on behalf of personnel or employees employed by the authority who qualify in the same manner as other state employees in the executive branch of government;

(8) pay contributions to the Office of Insurance Services for health and dental plans on behalf of personnel employed by the authority who qualify in the same manner as other state employees in the executive branch of government;

(9) receive, expend, and control under its own name and account any appropriated funds, federal funds, donations, and grants made available to the authority; provided, however, that these funds are funds

which must be used for a public purpose, and further, that the authority may not use or authorize the use of funds, property, or time to influence the outcome of an election;

(10) conduct an annual fiscal audit by certified public accountants selected by the authority who shall review the accounts of the authority and report such findings of the audit to the Governor and the General Assembly in accordance with generally accepted auditing standards;

(11) prepare and submit an annual budget to the General Assembly and the Budget and Control Board for review;

(12) establish management controls and staffing of personnel as the authority deems most appropriate for the prudent conduct of the activities and affairs of the hospital; provided, that they establish an internal audit function that would report directly to the authority;

(13) establish such not-for-profit corporations as the board considers necessary to assist the authority in carrying out its functions; provided, that any entity created pursuant to this subsection is considered to be an entity of the authority and subject to all laws and regulations applicable to the authority under this section. The formation of for-profit corporations by the authority is strictly prohibited.

(F) Upon review of the audit report required in Section 59-123-60(E)(10), the legislature, by joint resolution, or the Governor, by Executive Order, may request audits to be completed by the State Auditors Office or the Legislative Audit Council. Based on the findings reported in the audit required in Section 59-123-60(E)(10) by the State Auditors Office or by the Legislative Audit Council, the legislature, by joint resolution, may require intervention by the Budget and Control Board for the purposes of rectifying any material findings reflected in the audits.

(G) A member of the Medical University Board, an officer in the administration of the university, including deans of the various colleges, the President of the Medical University, or any other officer of the authority or any of its affiliates who have been found guilty of malfeasance, misfeasance, incompetence, absenteeism, conflict of interest, misconduct, persistent neglect of duty in office, or incapacity shall be subject to removal by the Governor upon any of the foregoing causes being made to appear to the satisfaction of the Governor. But before removing any such person, the Governor shall inform him in writing of the specific charges against him and give him an opportunity on reasonable notice to be heard. The Governor shall appoint a successor to fill the vacancy created by his removal. The successor appointed by the Governor is to serve in that position until a successor is elected and qualified in accordance with Section 59-123-50.

(H) The authority shall offer and provide to the Medical University of South Carolina the services necessary for the training and education of health professionals.

(I) Beginning in fiscal year 2000-2001 state appropriations to the Medical University of South Carolina for support of the Medical University hospitals and clinics shall be redirected to the Department of Health and Human Services. These funds shall be used as match funds for the disproportionate share for the hospital's federal program. Any excess funding may be used for hospital base rate increases. Beginning in fiscal year 2000-2001 and in subsequent years, the Department of Health and Human Services shall pay to the Medical University of South Carolina Hospital Authority an amount equal to the amount appropriated for its disproportionate share to the Department of Health and Human Services. This payment shall be in addition to any other funds that are available to the authority from the Medicaid program inclusive of the disproportionate share for the hospital's federal program. The authority shall continue to operate the hospital as a health provider for the citizens of South Carolina and the clinical site for the education and training programs of the Medical University of South Carolina.

(J) The board, as the governing body of the authority, shall adopt a written policy for the hospital for the expenditure of public funds. Public funds may be expended for events which recognize academic and research excellence and noteworthy accomplishments of members of the faculty and staff, students, and distinguished guests of the authority. Sources of the funds for these expenditures include only nonappropriated state funds. The expenditure of funds from these sources pursuant to the written policy of the board for the purpose stated in this section are considered to meet the public purpose test for expenditure of public funds.

(K) The authority and its permanent improvements and the financing thereof shall be exempt from the provisions of Chapter 47 of Title 2, and the leasing of property and the granting of easements and rights of way by the authority shall be exempt from the provisions of Sections 1-11-55, 1-11-56, 1-11-57(1), and 10-1-130.

(L) The authority and the board of trustees as the governing body of the authority shall succeed to all of the rights, duties, and obligations of the Medical University of South Carolina and the board of trustees, respectively, as owner and operator of the hospital. All property, real, personal, tangible, or intangible (including, without limitation, deposits, investments, and accounts receivable) of the Medical University relating to the hospital shall be and become the property of the authority. The Medical University and its officers are authorized to execute and deliver such instruments of conveyance or agreements as may be determined by the board to be necessary or useful to effect or evidence such transfer.”

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF January 29, 2013

ITEM NUMBER 10

AGENCY: Lander University

SUBJECT: Not Exceeding \$15,000,000 General Obligation State Institution Bonds (Issued on behalf of Lander University), Series 2013A of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$15,000,000 General Obligation State Institution Bonds (issued on behalf of Lander University), Series 2013A of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) construct new student housing facilities at the University to include an approximately 71,000 square-foot facility which will include 210 suite-style bedspaces, meeting, study and social rooms, a laundry, a 60-person instructional classroom, and various support spaces, and (2) pay for expenses related to the issuance of such State Institution Bonds.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$15,000,000 General Obligation State Institution Bonds (issued on behalf of Lander University), Series 2013A of the State of South Carolina.

ATTACHMENTS:

Lucas 1/11//2013 letter; Resolution



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

Josiah C.T. Lucas
Partner
jlucas@popezeigler.com
MAIN 803 354.4900
FAX 803 354.4899

Pope Zeigler, LLC
1411 Gervais St., Ste 300
Post Office Box 11509
Columbia, SC 29211
popezeigler.com

January 11, 2013

VIA HAND DELIVERY

Mr. Delbert H. Singleton, Jr.
State Budget and Control Board
1200 Senate Street, 6th Floor
Wade Hampton Building
Columbia, South Carolina 29201

Re: Not exceeding \$15,000,000 General Obligation State Institution Bonds (Issued on behalf of Lander University), Series 2013A of the State of South Carolina (the "**Bonds**")

Dear Mr. Singleton:

In connection with the issuance of the Bonds and in preparation for the upcoming State Budget and Control Board meeting, enclosed please find one copy of the Resolution of the State Budget and Control Board providing for the issuance of the Bonds, which Resolution is currently scheduled to be considered on January 29, 2013.

We will also be sending you the electronic version of this Resolution in Microsoft Word, in case you need to make any changes prior to the meeting. Please let us know if you need anything further or if you have any questions or concerns.

Thank you.

Very truly yours,

Josiah C.T. Lucas
Josiah C.T. Lucas
By Beth T. Zeigler
w/ Permission

Enclosures
cc: F. Richard Harmon, Jr. (w/ encl.)

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF January 29, 2013

ITEM NUMBER 11

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$41,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$41,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013.

The proceeds from the sale of the bonds will be used to (1) reimburse the University for capital expenditures previously made in connection with, and to pay the costs of renovating the Sims, McClintock, Wade Hampton, and South Tower residence halls located on the University's Columbia Campus, (ii) pay capitalized interest on the Series 2013 bonds, if any, (iii) provide for the Series 2013 Reserve Requirement, if any, (iv) pay certain costs and expenses related to the issuance of the Series 2013 Bonds, and (v) provide for credit enhancement with respect to the Series 2013 Bonds, if any.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$41,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013.

ATTACHMENTS:

Lipsitz 1/24/2013 letter; Resolution

Alan M. Lipsitz
Member
Admitted in SC

January 24, 2013

BY HAND DELIVERY

Mr. Delbert Singleton
South Carolina State Budget
and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: Not Exceeding \$41,000,000 University of South Carolina Higher Education
Revenue Bonds, Series 2013 (the "Series 2013 Bonds")

Dear Delbert:

Enclosed are six (6) duplicate originals of the revised Budget and Control Board Resolution approving the issuance and sale of the above-referenced Series 2013 Bonds to replace the Resolution sent to you on January 8, 2013. Pursuant to our discussions, the Resolution has been revised to delete approval of any refunding bonds. We request that the enclosed Resolution be presented to the State Budget and Control Board for consideration at its January 29, 2013 meeting.

Please let us know if you need any additional information.

Very truly yours,



Alan M. Lipsitz

AML/ssc

cc: Charles D. FitzSimons
F. Richard Harmon, Jr.

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF NOT EXCEEDING \$41,000,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO TITLE 59, CHAPTER 147 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO FUND THE RENOVATION OF CERTAIN HOUSING AND OTHER FACILITIES; AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BOND ANTICIPATION NOTES; AND OTHER MATTERS RELATED THERETO.

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

ARTICLE I

FINDINGS OF FACT

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

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act"), to issue revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvements of land, buildings, and other improvements to real property and equipment for the purposes of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University.

(b) On June 21, 1996, the Board of Trustees adopted a resolution entitled, "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (as amended, the "Bond Resolution"), as a means of providing for the issuance from time to time of 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. Such Bonds are payable solely from the Net Revenues and Additional Funds.

(c) The Board of Trustees has determined that it is in the interest of the University to issue not exceeding \$41,000,000 aggregate principal amount Higher Education Revenue Bonds (the "Series 2013 Bonds"), in one or more series, the proceeds of which will be used to (i) reimburse the University for capital expenditures previously made in connection with, and to pay the costs of renovating the Sims, McClintock, Wade Hampton, and South Tower residence halls located on the University's Columbia Campus (collectively, the "Project"), (ii) pay capitalized interest on the Series 2013 Bonds, if any, (iii) provide for the Series 2013 Reserve Requirement, if any, (iv) pay certain costs and expenses related to the issuance of the Series 2013 Bonds, and (v) provide for credit enhancement with respect to the Series 2013 Bonds, if any.

(d) The Board of Trustees adopted at its regularly scheduled meeting on December 18, 2012, a Series Resolution entitled, "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO BE DESIGNATED SERIES 2013 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$41,000,000; AUTHORIZING THE ISSUANCE AND SALE OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IF SO DETERMINED; AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "Series 2013 Resolution"), authorizing the issuance of the Series 2013 Bonds subject to the approval of the State Board.

(e) The Series 2013 Resolution authorized the use of the proceeds of the Series 2013 Bonds for the purposes of: (i) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, acquiring, constructing and equipping the Project, including capitalized interest on the Series 2013 Bonds, if any, (ii) providing for the Series 2013 Reserve Requirement, if any, (iii) paying certain costs and expenses related to the issuance of the Series 2013 Bonds, and (iv) providing for credit enhancement with respect to the Series 2013 Bonds, if any.

Section 1.02

The Bond Resolution and the Series 2013 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 2013 Bonds, including those required by the Bond Resolution, the Series 2013 Resolution and the Enabling Act, will be met upon the issuance of the Series 2013 Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2013 Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2013 BONDS AND SERIES 2013 NOTES

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of the Series 2013 Bonds in the principal amount not exceeding \$41,000,000, at public or private sale, including a negotiated sale for public reoffering as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2013 Resolution.

Section 2.02

The State Board also hereby approves and authorizes the issuance and sale of not exceeding \$41,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2013, in one or more series (the "Series 2013 Notes"), in lieu of issuance of the Series 2013 Bonds as provided in the Series 2013 Resolution, should the Chief Financial Officer and State Treasurer determine that it would be in the interest of the University to issue the Series 2013 Notes rather than the Series 2013 Bonds.

Section 2.03

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: January 29, 2013.

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 2013

REGULAR SESSION
ITEM NUMBER 12

AGENCY: Treasurer's Office

SUBJECT: State Auditor

Receive information regarding the State Auditor's position and discuss options concerning the State Auditor's position.

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

STATE BUDGET AND CONTROL BOARD
MEETING OF January 29, 2013

REGULAR SESSION
ITEM NUMBER 13

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 9:00 a.m. on Tuesday, March 5, 2013, in Room 252, Edgar A. Brown Building.

Schedule of Remaining Meetings in 2013

May 7, 2013
June 18, 2013
August 13, 2013
October 22, 2013
December 10, 2013

BOARD ACTION REQUESTED:

Agree to meet at 9:00 a.m. on Tuesday, March 5, 2013, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: