

# STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, March 6, 2012 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

---

## AGENDA INDEX

---

| <u>Item</u> | <u>Agency</u>   | <u>Subject</u>  |
|-------------|---|---|
| <b>I.</b>   | <b>MEETING OF THE TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY</b> |   |
| <b>II.</b>  | <b>MEETING OF THE BUDGET AND CONTROL BOARD</b>                        |   |
| <b>A.</b>   | <b>ADOPTION OF PROPOSED AGENDA</b>                                    |   |
| <b>B.</b>   | <b>MINUTES OF PREVIOUS MEETING</b>                                    |   |
| <b>C.</b>   | <b>BLUE AGENDA</b>  |   |
| 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 State Budget  | Bank Account Transparency and Accountability  |
| 5.          | Division of State Budget  | Exemptions from Reporting Requirements of Proviso 89.110  |
| 6.          | Division of Procurement Services                                      | Ninety Day Report – John de la Howe School  |
| 7.          | South Carolina Energy Office  | Decommissioning Trust Fund  |
| 8.          | Executive Director  | Revenue Bonds   |
| 9.          | Executive Director  | Economic Development (2012 Ceiling Allocation)  |
| <b>D.</b>   | <b>REGULAR SESSION</b>  |   |
| 1.          | Division of State Budget  | Permanent Improvement Projects  |
| 2.          | Division of State Budget  | Real Property Acquisitions  |
| 3.          | Clemson University  | Not Exceeding \$24,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Clemson University, Series 2012C                       |
| 4.          | Medical University  | Not Exceeding \$15,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the Medical University of South Carolina, Series 2012B |
| 5.          | Winthrop University   | Not Exceeding \$22,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Winthrop University, Series 2012D                      |

**STATE BUDGET AND CONTROL BOARD**  
**Meeting of Tuesday, March 6, 2012 -- 9:30 A. M.**  
**Room 252, Edgar A. Brown Building**

---

*REGULAR SESSION AGENDA INDEX -- Page 2*

---

| <u>Item</u> | <u>Agency</u>                | <u>Subject</u>  |
|-------------|------------------------------|---|
| 6.          | University of South Carolina | Not Exceeding \$35,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2012                                       |
| 7.          | University of South Carolina | Not Exceeding \$42,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the University of South Carolina, Series 2012A |
| 8.          | State Treasurer's Office     | Not Exceeding \$35,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2012A, of the State of South Carolina     |
| 9.          | State Treasurer's Office     | Not Exceeding \$36,000,000 General Obligation State School Facilities Refunding Bonds, Series 2012A, of the State of South Carolina                 |
| 10.         | State Treasurer's Office     | Not Exceeding \$42,000,000 General Obligation State Economic Development Refunding Bonds, Series 2012A, of the State of South Carolina              |
| 11.         | State Treasurer's Office     | Not Exceeding \$55,000,000 General Obligation State Capital Improvement Refunding Bonds, Series 2012A, of the State of South Carolina               |
| 12.         | Budget and Control Board     | Future Meeting  |

**TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY**

Meeting of Tuesday, March 6, 2012 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

---

***REGULAR SESSION AGENDA INDEX***

---

**Item**

**No.**

**Agency**

**Subject**

---

**A. ADOPTION OF PROPOSED AGENDA**

**B. REGULAR SESSION**

1. Tobacco Settlement Revenue      Budget Revision Request  
    Management Authority

**C. ADJOURNMENT**



TOBACCO SETTLEMENT  
REVENUE MANAGEMENT AUTHORITY  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 1

---

AGENCY: Office of the State Treasurer

---

SUBJECT: Budget Revision Request

The Treasurer's Office has been advised by the Office of the Attorney General that the national 2003 NPM Adjustment Arbitration matter is likely to be argued before the Arbitration Panel in late July or early August 2012. The Authority has estimated that tobacco companies have disputed more than \$42 million of the State's share of tobacco payments through June 30, 2011.

The Authority has in previous years funded the costs of this arbitration to the extent of a total amount of \$4.6 million and of that amount approximately \$2.4 million remains unexpended and reserved for the costs of arbitration. The Office of the Attorney General has recently advised that significant unknowns attend this process as each state proceeds with its own individual state hearings. In view of these unknowns, the Office of Attorney General has recommended that the Tobacco Settlement Revenue Management Authority consider reserving an additional amount of \$1.5 million to provide for contingencies and the possibility of appeals.

The requested change would impact the Base Year budget for the fiscal year ending June 30, 2012, and would be reserved from the MSA payments due to the state in mid-April 2012. Under current assumptions, the additional amount reserved would reduce net revenue from approximately \$22.5 million to approximately \$21 million, but should not impact the Authority's anticipated final redemption of all outstanding bonds on June 1, 2012. A copy of a revised budget that, if adopted by the Authority, would reflect the effects of this additional request.

---

AUTHORITY ACTION REQUESTED:

Consider approving the budget revision request.

---

ATTACHMENTS:

Loftis 2/15/12 letter; Revised Budget

**TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY**  
COLUMBIA, SOUTH CAROLINA

NIKKI R. HALEY, CHAIR  
CURTIS M. LOFTIS, JR.  
RICHARD ECKSTROM, CPA  
HUGH K. LEATHERMAN, SR.  
W. BRIAN WHITE

CURTIS M. LOFTIS, JR.  
AUTHORITY TREASURER  
POST OFFICE BOX 1177B  
COLUMBIA, SOUTH CAROLINA 29211  
(803) 794-2101

February 15, 2012

Mr. Delbert Singleton  
Secretary, Tobacco Settlement  
Revenue Management Authority  
600 Wade Hampton State Office Building  
Columbia, South Carolina 29201

Re: Tobacco Settlement Revenue Management Authority  
Budget Revision Request

Dear Delbert:

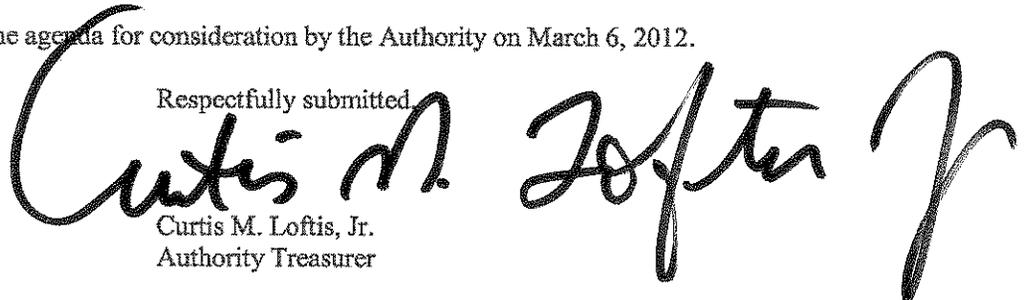
My office has been advised by the Office of Attorney General that the national 2003 NPM Adjustment Arbitration matter is likely to be argued before the Arbitration Panel in late July or early August of this year. The Authority has estimated that tobacco companies have disputed more than \$42 million of the State's share of tobacco payments through June 30, 2011.

As you know, the Authority has in previous years funded the costs of this arbitration to the extent of a total amount of \$4.6 million and of that amount, approximately \$2.4 million remains unexpended and reserved for the costs of arbitration. The Office of Attorney General has recently advised that significant unknowns attend this process as each state proceeds with its own individual state hearings. In view of these unknowns, the Office of Attorney General has recommended that the Tobacco Settlement Revenue Management Authority consider reserving an additional amount of \$1.5 million to provide for contingencies and the possibility of appeals.

The requested change would impact the Base Year budget for the fiscal year ending June 30, 2012, and would be reserved from the MSA payments due to the state in mid-April, 2012. Under current assumptions, the additional amount reserved would reduce net revenue from approximately \$22.5 million to approximately \$21 million, but should not impact the Authority's anticipated final redemption of all outstanding bonds on June 1, 2012. We are attaching a copy of a revised budget that, if adopted by the Authority, would reflect the effects of this additional request.

Please place this item on the agenda for consideration by the Authority on March 6, 2012.

Respectfully submitted,



Curtis M. Loftis, Jr.  
Authority Treasurer

Enclosure

**Tobacco Settlement Revenue Management Authority**  
(A Component Unit of the State of South Carolina)

Operating Budget for the Authority's Budget Year Ending June 30, 2013

(Cash Basis)

|   | <u>Base Year</u><br><u>7/1/2011 - 6/30/2012</u> | <u>Budget Year</u><br><u>7/1/2012 - 6/30/2013</u> |
|---|---|---|
| <b>Revenue</b>                              |   |   |
| Tobacco settlement revenue                  | 78,145,905                                      | 72,849,763  |
| Release of liquidity reserve                | 13,786,500                                      | -   |
| Investment earnings                         | <u>17,233</u>                                   | <u>89,156</u>                                     |
| Total                                       | <u>91,949,638</u>                               | <u>72,938,919</u>                                 |
| <b>Expense</b>                              |   |   |
| <b>Debt Service</b>                         |   |   |
| Principal                                   | 66,300,000                                      | -   |
| Interest                                    | 1,657,500                                       | -   |
| <b>Administrative and operating expense</b> |   |   |
| <b>Professional fees and expenses</b>       |   |   |
| Audit and accounting                        | 20,000  | 20,000  |
| Arbitrage, deallocation and disclosure      | 25,000  | 25,000  |
| Legal and enforcement                       | 2,917,000                                       | 1,417,000   |
| Bond ratings                                | 50,000  | 50,000  |
| Trustee fees                                | 7,500   | 7,500   |
| <b>Insurance</b>                            |   |   |
| Tort insurance for authority members        | 3,000   | 3,000   |
| <b>General operating</b>                    |   |   |
| Postage and shipping                        | 100   | 100   |
| Other operating expense                     | -   | -   |
| Contingency                                 | <u>2,400</u>                                    | <u>2,400</u>                                      |
| Total                                       | <u>70,982,500</u>                               | <u>1,525,000</u>                                  |
| Net revenue                                 | <u>20,967,138</u>                               | <u>71,413,919</u>                                 |

# STATE BUDGET AND CONTROL BOARD

Meeting of March 6, 2012 -- 9:30 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 State Budget         | Bank Account Transparency and Accountability             |
| 5.          | Division of State Budget         | Exemptions from Reporting Requirements of Proviso 89.110 |
| 6.          | Division of Procurement Services | Ninety Day Report – John de la Howe School               |
| 7.          | South Carolina Energy Office     | Decommissioning Trust Fund                               |
| 8.          | Executive Director               | Revenue Bonds  |
| 9.          | Executive Director               | Economic Development (2012 Ceiling Allocation)           |



---

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 (for ratification of issuer's counsel only) 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 |
|-------------------------|--|----------------------------|------------------|
| \$10,000,000 SC<br>JEDA | Bausch Linnemann North<br>America                                | Nexsen Pruet               | Pope<br>Zeigler  |
| \$40,000,000 SC<br>JEDA | Regional Medical Center of<br>Orangeburg and Calhoun<br>Counties | Haynsworth Sinkler<br>Boyd | Nexsen<br>Pruet  |

---

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

---

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for March 6, 2012 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 |
|----------------------|--|-------------------------|------------------|-------------------|
| \$10,000,000 SC JEDA | Bausch Linnemann North America                             | Nexsen Pruet            | Pope Zeigler     | 02/06/2012        |
| \$40,000,000 SC JEDA | Regional Medical Center of Orangeburg and Calhoun Counties | Haynsworth Sinkler Boyd | Nexsen Pruet     | 02/08/2012        |

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: Charleston  
From: Budget and Control Board  
To: Charleston Water System  
Consideration: \$700  
Description/Purpose: To grant a 0.159 acre easement for the relocation, installation, operation and maintenance of a potable water pipeline beneath Meggett Creek to accommodate SCDOT's replacement of the SC 165 bridge.
  
- (b) County Location: Charleston  
From: Budget and Control Board  
To: Town of Meggett  
Consideration: \$700  
Description/Purpose: To grant a 0.16 acre easement for the relocation, installation, operation and maintenance of a sewer force main beneath Meggett Creek to accommodate SCDOT's replacement of the SC 165 bridge.
  
- (c) County Location: Colleton  
From: Budget and Control Board  
To: AT& T South Carolina  
Consideration: \$700  
Description/Purpose: To grant a 0.20 acre easement for the relocation, installation, operation and maintenance of fiber optic cable beneath the Ashepoo River to accommodate SCDOT's replacement of the US 17/ACE Basin Parkway bridge.
  
- (d) County Location: Chester  
From: Budget and Control Board  
To: Chester Metropolitan District  
Consideration: \$700  
Description/Purpose: To grant a 0.018 acre easement for the construction, operation and maintenance of discharge piping from the Fort Lawn Water Treatment Plant into the Catawba River.

---

AGENCY: Division of General Services

---

SUBJECT: Easements

- (e) County Location: Spartanburg  
From: Budget and Control Board  
To: Spartanburg Water System  
Consideration: \$700  
Description/Purpose: To grant a 0.030 acre easement for the installation, operation and maintenance of an effluent diffuser into the North Pacolet River at the R.B. Simms Water Filtration Plant.

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

- (f) County Location: Charleston  
From: Department of Natural Resources  
To: South Carolina Electric and Gas Company  
Consideration: \$1  
Description/Purpose: To approve the grant of right-of-way easement over land within the Fort Johnson complex for the purpose of relocating, constructing, operating and maintaining overhead electric lines and facilities to upgrade service to DNR's Marine Resources Center and the historic Marshlands House.

---

BOARD ACTION REQUESTED:

Approve the referenced easements.

---

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90, 1-11-100 and 10-1-130

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

---

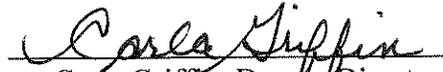
Meeting Scheduled for: March 6, 2012

Blue Agenda

---

**1. Submitted by:**

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

  
Carla Griffin, Deputy 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: Charleston  
From: Budget and Control Board  
To: Charleston Water System  
Consideration: \$700  
Description/Purpose: To grant a 0.159 acre easement for the relocation, installation, operation and maintenance of a potable water pipeline beneath Meggett Creek to accommodate SCDOT's replacement of the SC 165 bridge.
- (b) County Location: Charleston  
From: Budget and Control Board  
To: Town of Meggett  
Consideration: \$700  
Description/Purpose: To grant a 0.16 acre easement for the relocation, installation, operation and maintenance of a sewer force main beneath Meggett Creek to accommodate SCDOT's replacement of the SC 165 bridge.
- (c) County Location: Colleton  
From: Budget and Control Board  
To: AT& T South Carolina  
Consideration: \$700  
Description/Purpose: To grant a 0.20 acre easement for the relocation, installation, operation and maintenance of fiber optic cable beneath the Ashepoo River to accommodate SCDOT's replacement of the US 17/ACE Basin Parkway bridge.

- (d) County Location: Chester  
 From: Budget and Control Board  
 To: Chester Metropolitan District  
 Consideration: \$700  
 Description/Purpose: To grant a 0.018 acre easement for the construction, operation and maintenance of discharge piping from the Fort Lawn Water Treatment Plant into the Catawba River.
- (e) County Location: Spartanburg  
 From: Budget and Control Board  
 To: Spartanburg Water System  
 Consideration: \$700  
 Description/Purpose: To grant a 0.030 acre easement for the installation, operation and maintenance of an effluent diffuser into the North Pacolet River at the R.B. Simms Water Filtration Plant.

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

- (f) County Location: Charleston  
 From: Department of Natural Resources  
 To: South Carolina Electric and Gas Company  
 Consideration: \$1  
 Description/Purpose: To approve the grant of right-of-way easement over land within the Fort Johnson complex for the purpose of relocating, constructing, operating and maintaining overhead electric lines and facilities to upgrade service to DNR's Marine Resources Center and the historic Marshlands House.

---

**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

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

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

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

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

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

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



---

AGENCY: Division of General Services

---

SUBJECT: Real Property Conveyance

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

|                          |   |
|--------------------------|---|
| <b>Agency:</b>           | <b>Department of Employment and Workforce</b>   |
| Acreage:                 | 5.88± acres   |
| Location:                | Deming Way and US Highway 78, Summerville   |
| County:                  | Dorchester  |
| Purpose:                 | To dispose of surplus real property.  |
| Appraised Value:         | \$350,000 as of 3/3/11  |
| Price/Transferred To:    | \$100,000/Dorchester County   |
| Disposition of Proceeds: | To be divided between Budget and Control Board and<br>Department of Employment and Workforce pursuant to<br>Proviso 80A.33. |

---

BOARD ACTION REQUESTED:

Approve the property conveyance as requested.

---

ATTACHMENTS:

Agenda item worksheet and attachments

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

---

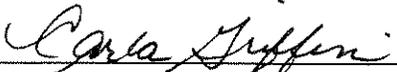
Meeting Scheduled for: March 6, 2012

Blue Agenda

---

**1. Submitted by:**

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

  
Carla Griffin, Deputy Director

---

**2. Subject: REAL PROPERTY CONVEYANCE**

---

**3. Summary Background Information:**

|                          |   |
|--------------------------|---|
| Agency:                  | Department of Employment and Workforce  |
| Acreage:                 | 5.88± acres   |
| Location:                | Deming Way and US Highway 78, Summerville   |
| County:                  | Dorchester  |
| Purpose:                 | To dispose of surplus real property.  |
| Appraised Value:         | \$350,000 as of 3/3/11  |
| Price/Transferred To:    | \$100,000/Dorchester County   |
| Disposition of Proceeds: | To be divided between Budget and Control Board and Department of Employment and Workforce pursuant to Proviso 80A.33. |

---

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

---

**5. What is recommendation of the Division of General Services?** 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 February 3, 2012 from Department of Employment and Workforce
- 3. Letter of October 20, 2011 from County Council of Dorchester County
- 4. Letter of September 19, 2011 from Office of the Dorchester County Administrator
- 5. Map

**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.

PO Box 995  
1550 Gadsden Street  
Columbia, SC 29202  
www.dew.sc.gov



**Nikki R. Haley**  
Governor

**Abraham J. Turner**  
Executive Director

---

February 3, 2012

Ms. Lisa Catalanotto, Esq.  
SC Budget and Control Board  
1200 Senate Street, Suite 460  
Columbia, SC 29201

Dear Ms. Catalanotto,

In September 1995, Dorchester County sold the SC Employment Security Commission (now DEW) approximately four acres of land for the price of \$30,000. This price was considerably less than the appraised value of \$100,000. ESC intended to build an office on this property to better serve the growing population of the Summerville area. In January 2009, Dorchester County and ESC evenly swapped parcels of land for the mutual advantage of both. ESC acquired a plot of 5.88 acres with road frontage on Highway 78, and Dorchester County received the original four acres mentioned above, which is contiguous to property the county already owned. Due to competing budget demands, ESC did not build an office, and a decision was made to liquidate the property.

Dorchester County has submitted an offer of \$100,000 to purchase the 5.88 acres of land owned by the Department of Employment and Workforce. Our efforts to sell the property have included advertising in two local papers as well as the *South Carolina Business Opportunity Magazine*. Given the fact that Dorchester County's bid is our best and only offer, I recommend that the Budget and Control Board approve the sale of this property to Dorchester County at the price of \$100,000.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Abraham J. Turner".

Abraham J. Turner  
Executive Director

AS-1

LARRY S. HARGETT  
CHAIRMAN

GEORGE H. BAILEY  
VICE-CHAIRMAN

JASON L. WARD  
COUNTY ADMINISTRATOR

SANDY W. LAWLEY  
CLERK TO COUNCIL



WILLIE R. DAVIS

WILLIAM (BILL) HEARN, JR

DAVID CHINNIS

RICHARD ROSEBROCK

JAY BYARS

## COUNTY COUNCIL OF DORCHESTER COUNTY

201 JOHNSTON STREET  
ST. GEORGE, SOUTH CAROLINA 29477  
(843) 563-0196 FAX (843) 563-0137  
SUMMERVILLE (843) 832-0043 FAX (843) 875-8509

October 20, 2011

Marcia Adams, Executive Director  
South Carolina Budget and Control Board  
Division of General Services  
Real Property Services  
1200 Senate Street, Suite 460  
Columbia, SC 29201

Dear Ms. Adams:

We received an email from Mrs. Catalanotto on October 5, 2011 stating that the South Carolina Department of Employment and Workforce cannot accept the offer made by Dorchester County of \$100,000. After discussion, Dorchester County Council agreed that the original offer is reasonable and requests that the South Carolina State Budget and Control Board and the South Carolina Department of Employment and Workforce reconsider selling the property to Dorchester County for \$100,000 for several reasons.

First, on September 5, 1995, Dorchester County sold the 4 acres adjacent to the subject property to the South Carolina Employment Security Commission, the predecessor to the South Carolina Department of Employment and Workforce, for a price of \$30,000. This price was considerably less than the appraised value of \$100,000 as established by the Ratchford Group, Inc. for the Employment Security Commission. (See attached Contract of Sale and Excerpt from Appraisal Dated March 9, 1995 Performed by the Ratchford Group, Inc. for the S.C.E.S.C) The purpose of this sale was for the construction of an Employment Security Commission Office at this location.

Second, on January 14, 2009, Dorchester County swapped the 5.39 acre tract of land you currently have for sale for the 4 acre tract the County previously sold to the South Carolina Employment Security Commission on September 5, 1995. (See attached "Title to Real Estate") The County initiated this swap in order to have the 4 acre tract, which is adjacent to its Judicial Center and Law Enforcement Complex, in order to build an Emergency Operations Center. The

County agreed to the following conditions from the Employment Security Commission in order to swap the property:

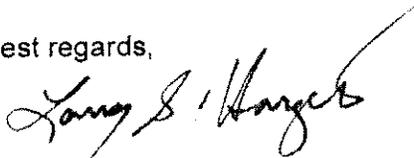
1. "Dorchester County removes the existing .995 Acre right-of-way that exists between our properties and agrees to deed half of that right-of-way to SCESC, running the width of the property, and,
2. That Dorchester County agrees to pay (or reimburse) SCESC for all necessary testing and land surveys required to receive the State Budget and Control Board's approval of the swap. This land swap is conditional on a positive outcome of all testing and must not lead to any additional impact on SCESC's land development costs. Tests will include, but may not be limited to Geotechnical, Environmental, and "Wetlands" surveys, as well as a new survey of the property after the right-of way is closed, and
3. Dorchester County agrees to pay for any land value appraisals of the two properties, if required by the Budget and Control Board.
4. This property transaction must be approved by the State Budget and Control Board
5. The South Carolina Employment Security Commission (SCESC) agrees to allow Dorchester County to use any data from tests performed on the 4 acre parcel (TMS 129-00-00-131) owned by SCESC to include, but may not be limited to Geotechnical, Environmental, and "Wetlands" surveys as well as a new survey of the property after the right-of way is closed."

Finally, again in 2009, when we swapped properties, the South Carolina Employment Security Commission indicated to Dorchester County that it planned to construct a workforce center at that location and the County paid for testing, surveys, and appraisals as agreed. However, the County believes that the workforce center is not going to be constructed, as evidenced by the Department of Employment and Workforce plan to sell the property.

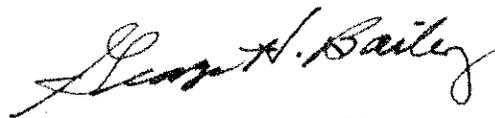
Therefore, in light of the ongoing partnership between the State of South Carolina and Dorchester County, County Council requests that the State accept the County's offer to purchase the 5.39 acre tract of land at the NE corner of Deming Way and US Hwy 78 near Summerville at a cost of \$100,000. This discounted price is similar to the price at which the County sold the original 4 acres to the State.

Thanks in advance for your consideration.

Best regards,



Larry S. Hargett, Chairman  
Dorchester County Council



George H. Bailey, Vice Chairman  
Dorchester County Council

- C:
- The Honorable South Carolina Budget and Control Board Members
  - The Honorable Nikki R. Haley, Governor of the State of South Carolina
  - The Honorable Curtis M. Loftis, Jr., South Carolina State Treasurer
  - The Honorable Richard Eckstrom, South Carolina Comptroller General
  - The Honorable Hugh K. Leatherman, Sr., South Carolina Senate District 31
  - The Honorable W. Brian White, South Carolina House of Representatives District 6

The Honorable Members of Dorchester County Council

St. George (843) 563-0100  
St. George Fax: 563-0137  
Summerville (843) 832-0100  
Summerville Fax: 832-0137



**JASON L. WARD**  
County Administrator

**OFFICE OF THE DORCHESTER COUNTY ADMINISTRATOR**  
201 JOHNSTON STREET  
ST. GEORGE, SOUTH CAROLINA 29477

September 19, 2011

Lisa H. Catalanotto, Esq.  
South Carolina Budget and Control Board  
Division of General Services  
Real Property Services  
1200 Senate Street, Suite 460  
Columbia, SC 29201

Dear Mrs. Catalanotto:

Dorchester County is interested in purchasing the approximately 5.39 acre tract of land, with net useable acreage of 4.88 acres, located at the NE corner of Deming Way and US Hwy 78 near Summerville from the South Carolina Department of Employment and Workforce (SCDEW). However, Dorchester County Council requests that the South Carolina State Budget and Control Board and the South Carolina Department of Employment and Workforce consider selling the property to Dorchester County at a price considerably less than the appraisal value of \$350,000 for several reasons.

First, on September 5, 1995, Dorchester County sold the 4 acres adjacent to the subject property to the South Carolina Employment Security Commission, the predecessor to the South Carolina Department of Employment and Workforce, for a price of \$30,000. This price was considerably less than the appraised value of \$100,000 as established by the Ratchford Group, Inc. for the Employment Security Commission. (See attached Contract of Sale and Excerpt from Appraisal Dated March 9, 1995 Performed by the Ratchford Group, Inc. for the S.C.E.S.C) The purpose of this sale was for the construction of an Employment Security Commission Office at this location.

Second, on January 14, 2009, Dorchester County swapped the 5.39 acre tract of land you currently have for sale for the 4 acre tract the County previously sold to the South Carolina Employment Security Commission on September 5, 1995. (See attached "Title to Real Estate") The County initiated this swap in order to have the 4 acre tract, which is adjacent to its Judicial Center and Law Enforcement Complex, in order to build an Emergency Operations Center. The County agreed to the following conditions from the Employment Security Commission in order to swap the property:

1. *"Dorchester County removes the existing .995 Acre right-of-way that exists between our properties and agrees to deed half of that right-of-way to SCESC, running the width of the property, and,*
2. *That Dorchester County agrees to pay (or reimburse) SCESC for all necessary testing and land surveys required to receive the State Budget and Control Board's*

*approval of the swap. This land swap is conditional on a positive outcome of all testing and must not lead to any additional impact on SCESC's land development costs. Tests will include, but may not be limited to Geotechnical, Environmental, and "Wetlands" surveys, as well as a new survey of the property after the right-of way is closed, and*

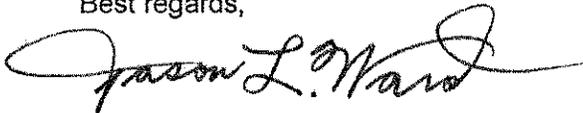
3. *Dorchester County agrees to pay for any land value appraisals of the two properties, if required by the Budget and Control Board.*
4. *This property transaction must be approved by the State Budget and Control Board*
5. *The South Carolina Employment Security Commission (SCESC) agrees to allow Dorchester County to use any data from tests performed on the 4 acre parcel (TMS 129-00-00-131) owned by SCESC to include, but may not be limited to Geotechnical, Environmental, and "Wetlands" surveys as well as a new survey of the property after the right-of way is closed."*

Finally, again in 2009, when we swapped properties, the South Carolina Employment Security Commission indicated to Dorchester County that it planned to construct a workforce center at that location and the County paid for testing, surveys, and appraisals as agreed. However, the County believes that the workforce center is not going to be constructed, as evidenced by the Department of Employment and Workforce plan to sell the property.

Therefore, in light of the ongoing partnership between the State of South Carolina and Dorchester County, County Council requests that the State accept the County's offer to purchase the 5.39 acre tract of land at the NE corner of Deming Way and US Hwy 78 near Summerville at a cost of \$100,000. This discounted price is similar to the price at which the County sold the original 4 acres to the State.

Thanks in advance for your consideration.

Best regards,



Jason L. Ward, County Administrator

C: The Honorable Members of Dorchester County Council

Linda M. Gordon  
Real Property Services  
Division of General Services  
SC Budget and Control Board  
Wade Hampton Building  
1200 Senate Street, Suite 460  
Columbia, SC 29201





---

AGENCY: Division of State Budget

---

SUBJECT: Bank Account Transparency and Accountability

---

Proviso 89.110 of the FY 2011-12 Appropriation Act required agencies with composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System to prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The institutions of higher learning were exempted from this requirement.

The State Budget Division was requested to survey state agencies and institutions of higher learning for verification of account information and to compile the reports required by Proviso 89.110 of the FY 2011-12 Appropriation Act, Bank Account Transparency and Accountability. The State Treasurer's Office provided a list of composite accounts to be used by the agencies for verification of all inclusiveness. Agencies were asked to verify that the accounts were still active, account numbers were correct, and add additional accounts not listed.

State agencies were asked to provide a copy of their report if the account was not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System. The report at a minimum was to include: 1) the name and title of each person authorized to sign checks; 2) the name and title of each person responsible for reconciling each account; 3) the year-end balance of funds in each account; and, 4) data related to both deposits and expenditures of each account. If the account is operated within SCEIS or STARS, a report was not required.

Agencies were also requested to notify the State Budget Division if an exemption to the proviso was being sought and the reason for the exemption.

The State Budget Division was notified by several agencies of composite accounts that were not included in the list provided by the State Treasurer. Additionally, several corrections were noted, including some account closures. This information has been forwarded to the State Treasurer's office.

Attached is a summary of agency responses.

---

BOARD ACTION REQUESTED:

Receive as information a report on Proviso 89.110.

---

ATTACHMENTS:

Agenda item worksheet; Proviso 89.110; Summary of agency responses



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

2012-06

For Meeting Scheduled for: March 6, 2012

Blue Agenda

1. Submitted By:

(a) Agency: Office of State Budget

(b) Authorized Official Signature: \_\_\_\_\_



2. Subject:

Bank Account Transparency and Accountability

3. Summary:

Proviso 89.110 of the FY 2011-12 Appropriation Act required agencies with composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System to prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The institutions of higher learning were exempted from this requirement.

The State Budget Division was requested to survey state agencies and institutions of higher learning for verification of account information and to compile the reports required by Proviso 89.110 of the FY 2011-12 Appropriation Act, Bank Account Transparency and Accountability. The State Treasurer's Office provided a list of composite accounts to be used by the agencies for verification of all inclusiveness. Agencies were asked to verify that the accounts were still active, account numbers were correct, and add additional accounts not listed.

State agencies were asked to provide a copy of their report if the account was not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System. The report at a minimum was to include: 1) the name and title of each person authorized to sign checks; 2) the name and title of each person responsible for reconciling each account; 3) the year-end balance of funds in each account; and, 4) data related to both deposits and expenditures of each account. If the account is operated within SCEIS or STARS, a report was not required.

Agencies were also requested to notify the State Budget Division if an exemption to the proviso was being sought and the reason for the exemption.

The State Budget Division was notified by several agencies of composite accounts that were not included in the list provided by the State Treasurer. Additionally, several corrections were noted, including some account closures. This information has been forwarded to the State Treasurer's office.

Attached is a summary of agency responses.

4. What is Board asked to do?

Receive as information.

5. What is recommendation of Board Office involved?

6. Recommendation of other office (as required)?

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

Office Name:

---

Supporting Documents:

List those attached:

-Proviso 89.110

-Summary of agency responses

List those not attached but available:

## FY 2011-12 APPROPRIATION ACT

**89.110.** (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the State Treasurer, and the Comptroller General by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the Budget and Control Board to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the Budget and Control Board in a public meeting.

**AGENCY COMPOSITE BANK ACCOUNTS**

| <b>Agency Number</b>  | <b>Agency Name</b>                            | <b>Number of Composite Accounts</b> | <b>Status of Report per 89.110</b>  |
|---|---|-------------------------------------|---|
| <b>Exemption Requested</b>                                    |   |                                     |   |
| D10   | Governor's Off. - SLED                        | 1                                   | Account Verified/Exemption Requested  |
| D17   | Governor's Off. - OEPP                        | 2                                   | Account Verified/Exemption Requested for Both Accounts  |
| E20   | Attorney General's Off.                       | 7                                   | Account Verified/Exemption Requested  |
| H73   | Vocational Rehabilitation                     | 2                                   | Account Verified/Exemption Requested for Both Accounts  |
| J12   | Dept. of Mental Health                        | 25                                  | Accounts Verified/Exemption Request for One Account/Other Accounts included in SCEIS/One Account Closed |
| J16   | Dept. of Disabilities & Special Needs.        | 13                                  | Accounts Verified/Exemption Requested for All Accounts  |
| L12   | John de la Howe                               | 1                                   | Account Verified/Exemption Requested  |
| N12   | Dept. of Juvenile Justice                     | 4                                   | Accounts Verified/Exemption Requested for All Accounts  |
| P24   | Dept. of Natural Resources                    | 2                                   | Accounts Verified/Exemption Requested for 1 Account   |
| R12   | State Accident Fund                           | 1                                   | Account Verified/Exemption Requested  |
| R28   | Dept. of Consumer Affairs                     | 1                                   | Account Verified/Exemption Requested  |
| R40   | Dept. of Motor Vehicles                       | 2                                   | Account Verified/Exemption Requested for Both Accounts  |
| R44   | Dept. of Revenue                              | 4                                   | Accounts Verified/Exemptions Requested for All  |
| <b>Accounts Verified and Reports Submitted</b>                |   |                                     |   |
| A01   | Legislative Dept. - Senate                    | 1                                   | Account Verified/Report Received  |
| B04   | Judicial Dept.                                | 1                                   | Account Verified/Report received  |
| D20   | Governor's Off. - Mansion & Grounds           | 1                                   | Account Verified/Report Received  |
| F03   | Budget & Control Board                        | 6                                   | Accounts Verified/Reports Received/One Account Closed 12-5-11   |
| H71   | Wil Lou Gray Opportunity School               | 1                                   | Account Verified/Report Received  |
| H75   | School for the Deaf & the Blind               | 2                                   | Accounts Verified/Reports Received  |
| H95   | Museum Commission                             | 1                                   | Account Verified/Report Received  |
| J02   | Dept. of Health & Human Svcs.                 | 3                                   | Accounts Verified/One Report Received/Two Accounts included in SCEIS                                    |
| J04   | Dept. of Health & Environmental Control       | 9                                   | Accounts Verified/Reports Received/One Account Closed/Six Accounts Added                                |
| K05   | Dept. of Public Safety                        | 1                                   | Account Verified/Report Received  |
| L04   | Dept. of Social Services                      | 1                                   | Account Verified/Report Received  |
| P12   | Forestry Commission                           | 5                                   | Account Verified/Report Received  |
| P16   | Dept. of Agriculture                          | 1                                   | Account Verified/Report Received  |
| P28   | Dept. of Parks, Recreation & Tourism          | 2                                   | Accounts Verified/Reports Received  |
| P32   | Dept. of Commerce                             | 4                                   | Accounts Verified/Reports Received/One to be Closed/2 Additional Accounts Identified                    |
| P34   | Jobs-Economic Development Authority           | 2                                   | Accounts Verified/Reports Received  |
| R36   | Dept. of Labor, Licensing & Regulation        | 1                                   | Account Verified/Report Received  |
| R60   | Dept. of Employment & Workforce               | 1                                   | Account Verified/Report Received  |
| <b>Accounts Verified - Account Included in STARS or SCEIS</b> |   |                                     |   |
| E08   | Secretary of State's Off.                     | 1                                   | Account Verified/Account is included in STARS/Account will be closed                                    |
| H91   | Arts Commission                               | 1                                   | Account Verified/Account included in SCEIS  |
| L32   | State Housing Finance & Development Authority | 1                                   | Account included in SCEIS   |
| N04   | Dept. of Corrections                          | 14                                  | Accounts included in SCEIS/Additional Accounts Identified   |
| U12   | Dept. of Transportation                       | 1                                   | Account included in SCEIS   |

**AGENCY COMPOSITE BANK ACCOUNTS**

| Agency Number           | Agency Name                               | Number of Composite Accounts | Status of Report per 89.110  |
|-------------------------|---|------------------------------|--|
| <b>Accounts Closed</b>  |   |                              |  |
| E25                     | Adjutant General's Off.                   | 1                            | Account Verified/Account closed  |
| N08                     | Dept. of Probation, Parole & Pardon Svcs. | 5                            | Accounts Verified/Accounts are closed/Working to clear balances                      |
| P36                     | Patriots Point Development Authority      | 1                            | Account Verified/Account to be Closed/No Activity                                    |
| <b>Other</b>            |   |                              |  |
| E16                     | State Treasurer's Off.                    |                              |  |
|                         | Student Loan Corporation                  | 4                            | Accounts Verified  |
| Y08                     | Dept. of Commerce                         |                              |  |
|                         | Public Railways                           | 3                            | Accounts Verified  |
| <b>HIGHER EDUCATION</b> |   |                              |  |
| H09                     | The Citadel                               | 8                            | Accounts Verified/No Report Required   |
| H12                     | Clemson University                        | 12                           | Accounts Verified/No Report Required   |
| H15                     | University of Charleston                  | 3                            | Accounts Verified/No Report Required/Additional Accounts Identified                  |
| H17                     | Coastal Carolina                          | 7                            | Accounts Verified/No Report Required   |
| H18                     | Francis Marion University                 | 5                            | Accounts Verified/No Report Required   |
| H21                     | Lander University                         | 4                            | Accounts Verified/No Report Required   |
| H24                     | SC State University                       | 4                            | Accounts Verified/No Report Required   |
| H27                     | University of SC                          | 10                           | Accounts Verified/No Report Required/Additional Account Identified/Corrections Noted |
| H29                     | USC - Aiken                               | 5                            | Accounts Verified/No Report Required/Corrections Noted                               |
| H34                     | USC - Spartanburg                         | 3                            | Accounts Verified/No Report Required   |
| H36                     | USC - Beaufort                            | 2                            | Accounts Verified/No Report Required   |
| H37                     | USC - Lancaster                           | 1                            | Accounts Verified/No Report Required   |
| H39                     | USC - Sumter                              | 2                            | Accounts Verified/No Report Required   |
| H40                     | USC - Union                               | 1                            | Accounts Verified/No Report Required   |
| H47                     | Winthrop University                       | 4                            | Accounts Verified/No Report Required   |
| H51                     | Medical University of SC                  | 4                            | Accounts Verified/No Report Required/Corrections Noted                               |



---

AGENCY: Division of State Budget

---

SUBJECT: Exemption from Reporting Requirements of Proviso 89.110

---

Proviso 89.110 of the FY 2011-12 Appropriation Act requires agencies with composite reservoir bank accounts or other accounts containing public funds which are not included in the Comptroller General's Statewide Reporting and Accounting System (STARS) or the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted. The proviso provides for an agency to petition the Budget and Control Board for an exemption from the reporting requirements if release of the information would be detrimental to the state or agency. The determination of the exemption is to be in a closed meeting but may only be granted upon majority vote of the Budget and Control Board in a public meeting.

The following agencies have requested an exemption from the reporting requirements of Proviso 89.110:

- Governor's Office – Office of Executive Policy and Programs
- John de la Howe School
- Office of the Attorney General
- South Carolina Department of Consumer Affairs
- South Carolina Department of Disabilities and Special Needs
- South Carolina Department of Juvenile Justice
- South Carolina Department of Mental Health
- South Carolina Department of Motor Vehicles
- South Carolina Department of Natural Resources
- South Carolina Department of Revenue
- South Carolina Law Enforcement Division
- South Carolina Vocational Rehabilitation Department
- State Accident Fund

Board members are reminded that if they would like to discuss any of the exemption requests, the discussion must take place in executive session pursuant to Proviso 89.110.

---

BOARD ACTION REQUESTED:

- (a) Grant approval for the agency requests for exemption from the detailed transaction reporting requirements of Proviso 89.110 except for the following information from each account shall be provided to the Budget and Control Board State Budget Division: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) The beginning balance, total deposits, total expenditures and year-end balance of the account. Agency exemptions shall continue into future years unless changes are made in the operation and use of an agency's composite account; and
- (b) Request the State Auditor's Office to include a review of agency composite accounts when performing audits of state agencies.

---

ATTACHMENTS: Agenda item worksheet; Proviso 89.110

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

2012-05

For Meeting Scheduled for: March 6, 2012

Blue Agenda

1. Submitted By:

(a) Agency: Office of State Budget

(b) Authorized Official Signature: \_\_\_\_\_



2. Subject:

Exemption from Reporting Requirements of Proviso 89.110

3. Summary:

Proviso 89.110 of the FY 2011-12 Appropriation Act requires agencies with composite reservoir bank accounts or other accounts containing public funds which are not included in the Comptroller General's Statewide Reporting and Accounting System (STARS) or the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted. The proviso provides for an agency to petition the Budget and Control Board for an exemption from the reporting requirements if release of the information would be detrimental to the state or agency. The determination of the exemption is to be in a closed meeting but may only be granted upon majority vote of the Budget and Control Board in a public meeting.

The following agencies have requested an exemption from the reporting requirements of Proviso 89.110:

Governor's Office – Office of Executive Policy and Programs  
John de la Howe School  
Office of the Attorney General  
South Carolina Department of Consumer Affairs  
South Carolina Department of Disabilities and Special Needs  
South Carolina Department of Juvenile Justice  
South Carolina Department of Mental Health  
South Carolina Department of Motor Vehicles  
South Carolina Department of Natural Resources  
South Carolina Department of Revenue  
South Carolina Law Enforcement Division  
South Carolina Vocational Rehabilitation Department  
State Accident Fund

4. What is Board asked to do?

To consider the agency requests for exemption from the reporting requirements of Proviso 89.110.

5. What is recommendation of Board Office involved?

(a) Grant approval for the agency requests for exemption from the detailed transaction reporting requirements of Proviso 89.110 except for the following information from each account shall be provided to the Budget and Control Board State Budget Division: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) The beginning balance, total deposits, total expenditures and year-end balance of the account. Agency exemptions shall continue into future years unless changes are made in the operation and use of an agency's composite account.

(b) Request the State Auditor's Office to include a review of agency composite accounts when performing audits of state agencies.

---

6. Recommendation of other office (as required)?

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

Office Name:

---

Supporting Documents:

List those attached:

Proviso 89.110

List those not attached but available:

Letters of request from agencies.

## FY 2011-12 APPROPRIATION ACT

**89.110.** (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the State Treasurer, and the Comptroller General by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the Budget and Control Board to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the Budget and Control Board in a public meeting.

---

AGENCY: Division of Procurement Services

---

SUBJECT: Ninety Day Report – John de la Howe School

At the June 14, 2011, Budget and Control Board meeting, the Division of Procurement Services (the Division) presented a ninety day report of John de la Howe School's procurement practices requested by the Board at its February 8, 2011, meeting. The report revealed the School had not complied with the Board's directive because not all procurements for the School had been submitted to the Division for approval.

As directed by the Board, the Division has:

- continued suspension of the John de la Howe School's procurement authority until the Board approves that it be restored
- completed an audit of the paperwork from order point to payment for the procurements that are missing supporting documentation or that have not been approved by the Division as directed by the Board in the February 8, 2011 meeting
- approved all purchases for the school using the SCEIS system.
- approved all invoices for the school prior to payment using the SCEIS system
- conducted another complete 90 day audit and by way of this agenda item, reported the results to the Board
- conducted customized procurement training for the School's financial and procurement staff

On November 3, 2011, upon completion of our second ninety day review, the Division reported no audit exceptions to the Board. The Board directed the Division to perform a third follow-up review of 100% of the School's procurements in ninety days. On February 9, 2012, the Division completed its third ninety day review of the School's procurements. There are no audit exceptions to report.

---

BOARD ACTION REQUESTED:

The Division of Procurement Services recommends the following concerning John de la Howe School:

- 1) the School's procurement authority be restored to the basic levels allowed by law;
- 2) the School's invoice authority be restored; and
- 3) the Division perform a follow-up review of the School's procurement practices in 90 days.

---

ATTACHMENTS:

Agenda item worksheet; Ninety day audit letter

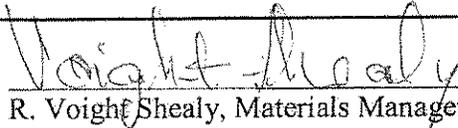
## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: March 6, 2012

Blue Agenda

**1. Submitted by:**

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

  
R. Voight Shealy, Materials Management Officer

**2. Subject:** Ninety day report to the Board of John de la Howe School

**3. Summary Background Information:**

At the June 14, 2011 Budget and Control Board meeting, the Division of Procurement Services (the Division) presented a ninety day report of John de la Howe School's procurement practices requested by the Board at its February 8, 2011 meeting. The report revealed the School had not complied with the Board's directive because not all procurements for the School had been submitted to the Division for approval.

As directed by the Board, we:

- continued suspension of the John de la Howe School's procurement authority until the Board approves that it be restored
- completed an audit of the paperwork from order point to payment for the procurements that are missing supporting documentation or that have not been approved by the Division as directed by the Board in the February 8, 2011 meeting
- approved all purchases for the school using the SCEIS system.
- approved all invoices for the school prior to payment using the SCEIS system
- conducted another complete 90 day audit and by way of this agenda item, reported the results to the Board
- conducted customized procurement training for the School's financial and procurement staff

On November 3, 2011, upon completion of our second ninety day review, the Division reported no audit exceptions to the Board. The Board directed the Division to perform a third follow-up review of 100% of the School's procurements in ninety days. On February 9, 2012, the Division completed its third ninety day review of the School's procurements. There are no audit exceptions to report.

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

The Division of Procurement Services recommends:

- the School's procurement authority be restored to the basic levels allowed by law
- the School's invoice authority be restored
- the Division perform a follow-up review of the School's procurement practices in 90 days

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

Approve the recommendations of the Division of Procurement Services concerning the John de la Howe School.

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

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

**7. List of supporting documents:**

Ninety day Audit Letter

NIKKI R. HALEY, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

RICHARD ECKSTROM, CPA  
COMPTROLLER GENERAL



SC BUDGET AND CONTROL BOARD

THE DIVISION OF PROCUREMENT SERVICES  
DELBERT H. SINGLETON, JR.  
DIVISION DIRECTOR  
(803) 734-2320

R. VOIGHT SHEALY  
MATERIALS MANAGEMENT OFFICER  
(803) 737-6600  
FAX (803) 737-0639

HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE  
COMMITTEE

W. BRIAN WHITE  
CHAIRMAN, HOUSE WAYS AND MEANS  
COMMITTEE

MARCIA S. ABAMS  
EXECUTIVE DIRECTOR

February 14, 2012

Mr. R. Voight Shealy  
Materials Management Officer  
Division of Procurement Services  
1201 Main Street, Suite 600  
Columbia, South Carolina 29201

Ref: Third 90-day Follow-Up Audit of John de la Howe School

Dear Voight:

At its February 8, 2011 meeting, the Budget and Control Board removed all procurement authority of John de la Howe School and directed the Division of Procurement Services to oversee all its procurement activity. The Board directed further that we conduct a review of the School's procurement practices in ninety days and report back to the Board the results of the review. On May 12<sup>th</sup>, the audit staff performed the ninety day review notifying the Board at its June 14, 2011 meeting that the School had not complied with the Board's directive. Mr. Thomas Mayer, the School's Superintendent, asked that we request from the Board a continuance of the Board's directive for another ninety day period as he worked to solve the School's problems by acclimating new staff, training existing staff and evaluating progress. Because the School had not complied with the Board's directive, the Board instructed the following:

Directed that the following actions be taken concerning the John de la Howe School, as recommended by the Division of Procurement Services:

- (a) The Board continue suspension of the John de la Howe School's procurement authority until the Board approves that it be restored;
- (b) The Division complete an audit of the paperwork from order point to payment for the procurements that are missing supporting documentation or that have not been approved by the Division as directed by the Board in the February 8, 2011, meeting;
- (c) The Division continue to review and approve all purchases for the school using the SCEIS system;
- (d) The Division review and approve all invoices for the School prior to payment using the SCEIS system (this will prevent the School from directly paying for goods and services that should be acquired using the purchase order system);

- (e) The Division conduct another complete audit in 90 days and, thereafter, report the results at the next scheduled Board meeting; and
- (f) The Division conduct customized procurement training for the School's financial and procurement staff;

On November 3, 2011, upon completion of our second ninety day review, the Division reported no audit exceptions to the Board. The Board directed the Division to perform a third follow-up review of 100% of the School's procurements in ninety days.

On February 9, 2012, the Division completed its third ninety day review of the School's procurements. There are no audit findings to report.

Since the original action taken by the Board on February 8, 2011, the Division has reviewed and approved 455 procurements totaling \$600,381.90 as well as 63 direct expenditure vouchers totaling \$120,736.35. All procurements and payments since June 14, 2011 have complied with the Board's directive.

In our opinion, the School is on track for improvement and has complied with the Board's directive. We therefore recommend the Board remove the School's suspension of procurement authority and allow the School to conduct its own procurements up to the \$50,000 basic limits allowed by law and approve its own invoices for payment. We will conduct a follow up review in ninety days to ensure the School's compliance with the Code.

Sincerely,



Robert J. Aycock, IV  
Manager, Audit and Certification

cc: Mr. Thomas W. Mayer, Superintendent  
Mr. Thomas W Ritter, Jr. - Director of Finance and Business Operations  
Ms. Brigitte Poore - Procurement Specialist  
Mr. Delbert H. Singleton, Jr., Division Director  
Mr. Mac Stiles, Senior Auditor

---

AGENCY: South Carolina Energy Office

---

SUBJECT: Decommissioning Trust Fund

The South Carolina Energy Office advises of the following funding request:

*Purpose/Description:*

Pursuant to its contractual responsibilities, Chem-Nuclear has concluded activities for Phase I closure/decommissioning of approximately 90% of the low-level radioactive waste disposal site at Barnwell. Although these activities are complete, performance objectives for the decommissioned portion must be verified by DHEC and this portion of the site must be maintained as required by law to ensure public health and environmental safety remain protected. In order to fund necessary activities, the Budget and Control Board is asked to authorize the use of up to \$4.0 million from the Decommissioning Trust Fund to reimburse Chem-Nuclear for documented costs related to performance objectives verification and maintenance of this portion of the site. The \$4.0 million requested is in addition to those funds previously authorized for closure activities, which will be fully expended by March 2012.

*Project Impact:*

The balance of the Decommissioning Trust Fund is \$8.1 million. If the Board authorizes up to \$4.0 million for performance objectives verification and maintenance from the Decommissioning Trust Fund, the remaining balance exceeds the amount determined necessary for closure of the other 10% of the site after in-region disposal operations cease. Based upon an October 2007 plan, closure of the remaining 10% was projected to cost \$2.5 million. This amount is consistent on a pro-rata basis with actual costs to close 90% of the site.

---

BOARD ACTION REQUESTED:

Authorize the use of up to \$4.0 million from the Decommissioning Trust Fund to reimburse Chem-Nuclear Systems for documented costs related to performance objectives verification and maintenance of the Phase I Closure of the Barnwell Disposal Facility.

---

ATTACHMENTS:

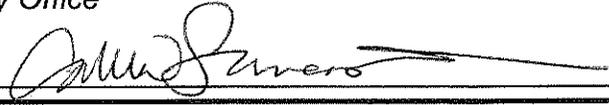
Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 6, 2012

Agenda: Blue

- 
1. Submitted By:  
(a) Agency: *B&C Bd. – SC Energy Office*

(b) Authorized Official Signature: 

---

2. Subject:  
*Decommissioning Trust Fund*
- 

3. Summary and Background Information:

*Purpose/Description:*

Pursuant to its contractual responsibilities, Chem-Nuclear has concluded activities for Phase I closure/decommissioning of approximately 90% of the low-level radioactive waste disposal site at Barnwell. Although these activities are complete, performance objectives for the decommissioned portion must be verified by DHEC and this portion of the site must be maintained as required by law to ensure public health and environmental safety remain protected. In order to fund necessary activities, the Budget and Control Board is asked to authorize the use of up to \$4.0 million from the Decommissioning Trust Fund to reimburse Chem-Nuclear for documented costs related to performance objective verification and maintenance of this portion of the site. The \$4.0 million requested is in addition to those funds previously authorized for closure activities, which will be fully expended by March 2012.

*Project Impact:*

The balance of the Decommissioning Trust Fund is \$8.1 million. If the Board authorizes up to \$4.0 million for performance objective verification and maintenance from the Decommissioning Trust Fund, the remaining balance exceeds the amount determined necessary for closure of the other 10% of the site after in-region disposal operations cease. Based upon an October 2007 plan, closure of the remaining 10% was projected to cost \$2.5 million. This amount is consistent on a pro-rata basis with actual costs to close 90% of the site.

- 
4. What is Board asked to do?

Authorize the use of up to \$4.0 million from the Decommissioning Trust Fund to reimburse Chem-Nuclear Systems for documented costs related to performance objective verification and maintenance of the Phase I Closure of the Barnwell Disposal Facility.

---

5. What is recommendation of Board Division involved?

Authorize the use of up to \$4.0 million from the Decommissioning Trust Fund to reimburse Chem-Nuclear Systems for documented costs related to performance objective verification and maintenance of the Phase I Closure of the Barnwell Disposal Facility.

---

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

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

7. Supporting Documents

- (a) List Those Attached:
  
- (b) List Those Not Attached But Available From Submitter:

| Decommissioning Trust Fund                      |                |
|---|----------------|
| Begin. Balance: (Jan. 31, 2012):                | \$8,158,014.78 |
| Jan - June 2012 (Institutional Costs):          | 1,039,620.72   |
| Jan - June 2012 (Decommissioning Costs):        | 331,500.00     |
| July - June 2013 (Institutional Costs):         | 2,130,925.00   |
| July - June 2013 (Decommissioning Costs):       | 331,500.00     |
| Fees Paid In (May - June '12; July - June '13): | 57,382.36      |
| Ending Balance (June 31, 2013):                 | \$4,381,851.42 |
| Interst Earned (1% thru June 2013):             | \$4,425,669.93 |
| Interst Earned (5% thru June 2013):             | \$4,600,943.99 |

\* The Board is asked to authorize the use of up to \$4 million from the DTF to reimburse Chem-Nuclear for documented costs related to performance objective verification and maintenance of the phase I closure of the Barnwell Disposal Facility to cover the above highlighted projected costs.

**PHASE I DECOMMISSIONING AND INSTITUTIONAL COST SUMMARY**

| Project Name                          | B&CB Authorized Amount | CNS Budget Amount   | Actual to Date      | Remaining Amount Estimated | Final Projection Amount | Status                              |
|---------------------------------------|------------------------|---------------------|---------------------|----------------------------|-------------------------|-------------------------------------|
| <b>PHASE I DECOMMISSIONING</b>        |                        |                     |                     |                            |                         |                                     |
| Project Management                    | \$3,322,476            | \$1,581,755         | \$1,004,066         | \$133,000                  | \$1,137,066             | In Process                          |
| Performance Objectives Verification   | \$1,576,253            | \$1,985,183         | \$1,358,544         | \$530,000                  | \$1,888,544             | In Process                          |
| Phase 7 Enhanced Cap                  | \$1,911,101            | \$1,889,738         | \$1,646,177         | \$0                        | \$1,646,177             | Activity Complete                   |
| Phase 8 Enhanced Cap                  | \$1,817,203            | \$1,708,253         | \$1,466,965         | \$0                        | \$1,466,965             | Activity Complete                   |
| Phase 9 Enhanced Cap                  | \$3,287,273            | \$2,845,460         | \$2,638,870         | \$0                        | \$2,638,870             | Activity Complete                   |
| Decommissioning Grading Activities    | \$737,965              | \$845,538           | \$829,822           | \$0                        | \$829,822               | Activity Complete                   |
| Building and Equipment D&D            | \$1,280,185            | \$1,216,525         | \$1,204,138         | \$0                        | \$1,204,138             | Activity Complete                   |
| Permanent Trench Markers              | \$117,849              | \$82,292            | \$105,245           | \$0                        | \$105,245               | Activity Complete                   |
| Decommissioning Level-of-Effort Tasks | \$1,265,900            | \$1,029,285         | \$624,554           | \$0                        | \$624,554               | Activity Complete                   |
| G&A Credit Amounts                    | --                     | --                  | (\$295,715)         | \$0                        | (\$295,715)             | Complete                            |
| <b>SUBTOTAL</b>                       | <b>\$15,316,205</b>    | <b>\$13,184,029</b> | <b>\$10,582,667</b> | <b>\$663,000</b>           | <b>\$11,245,667</b>     |                                     |
| <b>INSTITUTIONAL</b>                  |                        |                     |                     |                            |                         |                                     |
| Institutional Maintenance Monitoring  | \$2,523,368            | \$2,523,368         | \$7,134,487         | --                         | --                      | On-going Institutional based on MOU |
| <b>GRAND TOTAL</b>                    | <b>\$17,839,573</b>    | <b>\$15,707,397</b> | <b>\$17,717,154</b> | <b>--</b>                  | <b>--</b>               |                                     |

**NOTES:**

1. The CNS budget amount is the detailed cost estimate developed for each project after the B&CB authorization. These estimates involved development of detailed work packages for each project in accordance with SCEO guidelines that were then reviewed and approved on a project-by-project basis by the SCEO.
2. Institutional cost reimbursements from the Decommissioning Trust Fund have continued beyond the original 15 months of Phase I Decommissioning in accordance with MOU dated June 30, 2009.
3. The primary activities of Phase I Decommissioning (except for Performance Objectives Verification and Project Management) were reported complete in the reimbursement package dated December 22, 2009. Performance Objectives work has continued since then in consultation with DHEC.

|          |  |
|----------|--|
| Costs    |  |
| 1,035.40 |  |
| 823.02   |  |
| 1,767.67 |  |
| 1,170.77 |  |
| 1,027.79 |  |
| 830.57   |  |
| 488.33   |  |
| 514.56   |  |
| 537.24   |  |
| 349.92   |  |
| 228.59   |  |
| 155.86   |  |
| 929.72   |  |

| Institutional Costs | Decommissioning Costs |
|---------------------|-----------------------|
| FY 09-10            |                       |
| 191,638.79          | 111,014.46            |
| 220,929.47          | 516,830.78            |
| 170,128.78          | 457,370.42            |
| 98,447.12           | 299,820.24            |
| 184,290.04          | 318,703.84            |
| 199,353.94          | 326,883.00            |
| 159,259.32          | -50,039.53            |
| 366,750.44          | 34,061.22             |
| 156,051.16          | 45,344.17             |
| 134,523.86          | 44,095.15             |
| 80,531.57           | 104,220.96            |
| 1,961,904.49        | 2,208,304.71          |

\* G&A Adjustments

\*\* March includes February's numbers

|        |  |
|--------|--|
| Costs  |  |
| 250.00 |  |
| 250.00 |  |
| 250.00 |  |
| 250.00 |  |
| 250.00 |  |
| 250.00 |  |
| 500.00 |  |

of

| Actual Fees | FY 10-11 |
|-------------|----------|
| July        | 1,1852.4 |
| August      | 3638.88  |
| September   | 1076.38  |
| October     | 1172.22  |
| November    | 1027.32  |
| December    | 1520.82  |
| January     | 524.87   |
| February    | 1874.88  |
| March       | 3895.92  |
| April       | 1874.88  |
| May         | 5769.12  |
| June        | 8809.08  |
| Total:      | 43036.77 |

| Institutional Costs | Decommissioning Costs |
|---------------------|-----------------------|
| FY 08-09            |                       |
| 184,320.91          | 404,433.66            |
| 212,792.82          | 187,246.81            |
| 241,969.16          | 770,595.89            |
| 201,474.21          | 673,446.01            |
| -30,325.38          | 381,714.76            |
| 168,746.68          | 635,435.07            |
| 202,826.73          | 336,758.78            |
| 132,607.47          | 1,215,883.30          |
| 144,619.54          | 739,988.91            |
| 145,568.60          | 624,211.11            |
| 129,536.18          | 1,088,563.74          |
| 126,334.57          | 390,230.68            |
| 1,860,471.49        | 7,111,749.94          |

\*G&A Adjustments

| Decommissioning Trust Fund           |              |
|--------------------------------------|--------------|
| Begin. Balance: (Jan. 31, 2012):     | 8,158,014.78 |
| Jan - June 2012 (Inst):              | 1,039,620.72 |
| Jan - June 2012 (Decom):             | 331,500.00   |
| July - June 2013 (Inst):             | 2,130,925.00 |
| July - June 2013 (Decom):            | 331,500.00   |
| Fees Paid In:                        | 57,382.36    |
| Ending Balance (June 31, 2013):      | 4,381,851.42 |
| Interest Earned (1% thru June 2013): | 4,425,669.93 |
| Interest Earned (5% thru June 2013): | 4,600,943.99 |
| Projected Funds Remaining:           |              |

**Decommissioning Trust Fund**

**Extended Care Fund**

---

**Citations**

§13-7-10(10)  
Contractual trust agreement  
Between Chem-Nuclear and  
Budget and Control Board  
(1981, amended 2002)

§§13-7-10(11) & 13-7-30

**Purpose**

Pay for activities related to  
decommissioning and monitoring  
Closure of Barnwell site

Pay costs of monitoring and  
maintaining the disposal site after  
closure, as well as decommissioning  
and institutional costs upon depletion  
of the DTF

**Restrictions**

“[P]ublic trust shall cease and terminate whenever the purpose thereof has been accomplished through the complete decommissioning of the site as evidenced by a written statement to that effect from the State Budget and Control Board and upon recommendation of the South Carolina Department of Health and Environmental Control but otherwise may be terminated by the mutual consent of the ‘Grantor’ (Chem-Nuclear) and the State Budget and Control Board at any time prior thereto only upon written notice of termination from both ‘Grantor’ and the State Budget and Control to ‘Trustee’ (State Treasurer) not less than thirty (30) days prior to such termination and in such event the ‘Principal Account’, ‘Income Account’ and any undistributed income will be distributed according to the mutual agreement and direction of both the ‘Grantor’ and the State Budget and Control Board.” Item 10 of 1981 Agree-

“Except as authorized in Section 48-46-40(B)(7)(b) and (D)(2), the extended care maintenance fund must be used exclusively for custodial, surveillance, and maintenance costs during the period of institutional control and during any post-closure and observation period specified by the Department of Health and Environmental Control, and for activities associated with closure of the site. Funds from the extended care maintenance fund shall not be used for site closure activities or for custodial, surveillance, and maintenance performed during the post-closure observation period until all funds in the decommissioning trust account are exhausted. (Section 13-7-30).”

ment. "...at the termination of this trust or in the event that this

**Decommissioning Trust Fund      Extended Care Fund**

---

**Restrictions**  
(Continued)

trust is, by mutual agreement, terminated and decommissioning is complete, then and in such event, subject to the prior written approval of the State Budget and Control Board, all principal balances remaining in the Principal and Income Accounts shall then be paid to 'Grantor'." Item 11 of 1981 agreement.

**Revenue**  
**Source**

Chem-Nuclear pays an amount/ cubic foot of waste received to Treasurer per Trust agreement. Deposited to interest bearing account.

Chem-Nuclear remits an amount/ cubic foot of waste received to Treasurer per lease agreement. Deposited to interest bearing account.

---

AGENCY: Executive Director

---

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law. Ceiling allocation requests are included in a separate agenda item.

- a. Issuing Authority: Colleton County  
Amount of Issue: N/E \$4,860,000 Refunding and Capital Improvement Special Source Revenue Bonds (\$3,860,000 refunding involved)  
Allocation Needed - 0 -  
Name of Project: Industrial Park  
Employment Impact: approximately 300 full-time jobs  
Project Description: to provide funds to acquire and improve approximately 168 acres of property and the existing manufacturing facility located thereon for the purpose of promoting economic development in Colleton County which constitutes infrastructure servicing Colleton County  
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
  
- b. Issuing Authority: Greenwood County  
Amount of Issue: N/E \$50,000,000 Hospital Facilities Revenue Bonds  
Allocation Needed - 0 -  
Name of Project: Self Regional Healthcare  
Employment Impact: n/a  
Project Description: acquire, construct and renovate hospital facilities  
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
  
- c. Issuing Authority: Greenwood County  
Amount of Issue: N/E \$70,000,000 Hospital Facilities Revenue Refunding Bonds (\$67,000,000 refunding involved)  
Allocation Needed - 0 -  
Name of Project: Self Regional Healthcare  
Employment Impact: n/a  
Project Description: refund outstanding principal amount of Series 1998A bonds and Series 2001 bonds  
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
  
- d. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$12,500,000 (2012A Tax-Exempt) and N/E \$1,500,000 (2012B Taxable) Economic Development Revenue bonds  
Allocation Needed: \$12,500,000  
Name of Project: LowCountry BioMass, LLC

---

AGENCY: Executive Director

---

SUBJECT: Revenue Bonds -- Continued

- Employment Impact: maintain 1 job and add 14 within 12 months and 28 within 24 months
- Project Description: acquiring, renovating, and equipping a facility for recycling wood pellets for power fuel source, bedding and litter material for small animals, horses and chickens and associated fees and costs
- Note:* private sale (or underwriting)
- Bond Counsel: E. Tyler Smith, Haynsworth Sinkler Boyd, P. A.
- e. Issuing Authority: Jobs-Economic Development Authority
- Amount of Issue: N/E \$25,000,000 Hospital Revenue Bonds
- Allocation Needed: - 0 -
- Name of Project: The Regional Medical Center of Orangeburg and Calhoun Counties (TRMC)
- Employment Impact: maintain 1492 jobs and add 10 in 12 months and 19 in 24 months
- Project Description: expansion of Mabry Center for Cancer Care, including equipment; construction of Dialysis Access Institute; infrastructure and routine capital requirements
- Note:* private sale
- Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

---

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

---

ATTACHMENTS:

Resolutions

# HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counsellors at Law

Samuel W. Howell, IV  
Writer's Direct No. 843.266.3801  
E-mail [samhowell@bond-law.com](mailto:samhowell@bond-law.com)

The Lining House  
106 Broad Street  
Charleston, South Carolina 29401

Post Office Box 1768  
Charleston, South Carolina 29402

Telephone 843.266.3800

Fax 843.266.3805

Concentrating in Municipal Bonds,  
Local Government Law, Economic  
Development Incentives,  
Affordable Housing Development

13 February 2012

## VIA EMAIL AND FEDERAL EXPRESS

Delbert Singleton, Esq.  
Board Secretary  
State Budget and Control Board  
Wade Hampton Office Building  
1200 Senate Street, 6<sup>th</sup> Floor  
Columbia, South Carolina 29201

Re: Not exceeding \$4,860,000 Colleton County, South Carolina, Refunding and  
Capital Improvement Special Source Revenue Bonds (Industrial Park Project),  
Series 2012

Dear Delbert:

My firm serves as bond counsel to Colleton County, South Carolina with respect to the issuance of the above-captioned bonds (i) to refund outstanding special source revenue bonds for debt service savings, and (ii) to provide funds to acquire and improve approximately 168 acres of property and the existing manufacturing facility located thereon (the "2012 Project") for the purpose of promoting economic development in Colleton County.

The Budget and Control Board has previously approved the issuance of special source revenue bonds by Colleton County in the amount of not exceeding \$5,000,000 (the "Series 2003 Bonds") on June 17, 2003, to finance the acquisition and improvement of an industrial and business park. The Budget and Control Board subsequently approved the issuance of an additional not exceeding \$4,000,000 (the "Series 2008 Bonds") on March 19, 2008 to refund a portion of the Series 2003 Bonds, as well as to finance additional park improvements. The County is now requesting authorisation to refund a portion of the remaining outstanding Series 2008 Bonds, in the amount of approximately \$3,860,000, for debt service savings as well as to fund an amount not to exceed \$1,000,000 in new money for the 2012 Project.

Delbert Singleton, Esq.  
13 February 2012  
Page 2

The Bonds will be solely payable from and secured by certain fees-in-lieu of taxes with respect to certain property included in the Agreement for Development for Joint County Industrial Park dated May 19, 2003, by and between the County and Orangeburg County. Colleton County intends to privately place the bonds with BB&T in a direct private placement through a negotiated sale as a taxable commercial bank loan. The bonds will not be sold to investors in the secondary market. Because the bonds will be structured as a taxable commercial bank loan, no allocation of volume cap is necessary for the issue.

Enclosed is the agenda package for the March 6<sup>th</sup> meeting of the Budget and Control Board requesting State law approval for the issuance of the bonds.

I will attend the Board's meeting to answer any questions which may arise at the meeting. In the meantime, should you need any additional information, please give me a call or e-mail. With kindest personal regards, I remain

Very truly yours,



Samuel W. Howell, IV

SWH,IV/sls  
Enclosures

cc:

Mr F. Richard Harmon, Jr.

Summary of Refinancing Proposal for

Colleton County, South Carolina

PRELIMINARY – SUBJECT TO CHANGE

February 21, 2012

|  |             |  |
|--|-------------|--|
| Outstanding bonds proposed to be refinanced  | \$3,447,111 | Colleton County, South Carolina, Special Source Revenue Bonds (Industrial Park Project), Series 2008 |
| Average interest rate of bonds refinanced  | 6.08%       | (taxable)  |
| Projected average interest rate of refinancing bonds   | 4.37%       | (taxable)  |
| True interest cost of refinancing bonds  | 4.369976%   | (taxable)  |
| Projected net present value savings (net of costs)   | \$245,724   |  |
| Projected net present value savings as a percentage of the bonds refinanced                                | 7.128%      |  |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) | 0.873%      | of refinancing bonds<br>13.17% of refinancing savings  |
| Underwriting   | None        | bank placement   |
| Legal fees – bond, disclosure and general counsel  | \$ 24,000   |  |
| Rating agency fees   | None        |  |
| Advisory fees  | \$ 7,850    |  |
| Bond trustee/registrar   | None        |  |
| Accounting and verification  | None        |  |
| Credit enhancement/bond insurance  | None        |  |
| Publication, printing, contingencies and all other expenses  | \$ 500      |  |
| Total  | \$32,350    |  |

Prepared by Samuel W. Howell, IV

Date 21 February 2012

A RESOLUTION APPROVING THE ISSUANCE BY COLLETON COUNTY, SOUTH CAROLINA, OF REFUNDING AND CAPITAL IMPROVEMENT SPECIAL SOURCE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$4,860,000, PURSUANT TO THE PROVISIONS OF TITLE 4, CHAPTERS 1 AND 29 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

WHEREAS, the County Council of Colleton County, South Carolina (the "County Council") has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of the Code of Laws of South Carolina 1976, as amended, requested the approval by the State Budget and Control Board (the "State Board") of the issuance by Colleton County, South Carolina (the "County") pursuant to Title 4, Chapters 1 and 29 of the Code of Laws of South Carolina 1976, as amended (the "Act"), of its Refunding and Capital Improvement Special Source Revenue Bonds, in an aggregate principal amount not exceeding \$4,860,000 (the "Bonds"); and

WHEREAS, on June 17, 2003, the Budget and Control Board adopted a Resolution approving the issuance by the County of its Special Source Revenue Bonds (Industrial Park Project) Series 2003A (the "Series 2003A Bonds") and Special Source Revenue Bonds (Industrial Park Project) Series 2003B (the "Series 2003B Bonds")(the Series 2003A Bonds and Series 2003B Bonds are hereinafter referred to collectively as the "Series 2003 Bonds") for the purpose of providing funds to finance the acquisition and improvement of an industrial and business park; and on March 19, 2008, the Budget and Control Board adopted a Resolution approving the issuance by the County of its Special Source Revenue Bonds (Industrial Park Project) Series 2008 (the "Series 2008 Bonds"), for the purpose of refunding the Series 2003A Bonds and providing funds to finance additional industrial park improvements; and the County subsequently issued the Series 2008 Bonds in the original principal amount of \$4,000,000; and

WHEREAS, the County proposes to issue and sell the Bonds for the purposes of (a) refunding a portion of the County's Series 2008 Bonds for debt service savings, (b) providing funds to acquire, own, improve, lease and dispose of certain commercial and industrial properties (the "Property") for the purpose of promoting economic development in the County which constitutes infrastructure serving Colleton County or the Property and improved real estate used in the operation of a manufacturing or commercial enterprise (the "2012 Project"), and to provide permanent financing for the 2012 Project in an amount not to exceed \$1,000,000, and (c) for the payment of costs of issuance of the Bonds; and

WHEREAS, the Bonds will be payable solely from and secured by certain fees-in-lieu of taxes with respect to certain property included in the Agreement for Development for Joint County Industrial Park dated May 19, 2003, by and between the County and Orangeburg County, as amended from time to time (the "Park Agreement"); and

WHEREAS, the County has submitted a copy of a resolution adopted by the County Council on February 7, 2012, and the County has submitted a petition which was executed by the County on February 7, 2012;

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

Section 1. It has been found and determined by the State Board that the undertaking of the County to issue the Bonds is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

Section 2. On the basis of the foregoing, the undertaking of the County to issue the Bonds (including changes in any details of said financing as finally consummated which do not materially affect the undertaking) be and the same is hereby approved.

Section 3. Notice of the action taken by the State Board in giving approval to the issuance of the Bonds shall be published in The Press and Standard which is a newspaper having general circulation in Colleton County.

Section 4. The notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit A to this Resolution.

Section 5. This Resolution shall take effect immediately.

**NOTICE PURSUANT TO THE PROVISIONS  
OF SECTION 4-29-140 OF THE CODE OF LAWS  
OF SOUTH CAROLINA 1976, AS AMENDED**

Notice is hereby given that following the filing of a Petition by the County Council of Colleton County, the State Budget and Control Board of South Carolina has given its approval pursuant to the provisions and requirements of Section 4-29-140 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to the following undertaking (the "Undertaking") by Colleton County, South Carolina:

The issuance by Colleton County of its Refunding and Capital Improvement Special Source Revenue Bonds in the amount not exceeding \$4,860,000 (the "Bonds"), to (a) refund Colleton County's Special Source Revenue Bonds (Industrial Park Project), Series 2008 (the "Refunded Bonds"), (b) acquire, own, improve, lease and dispose of certain commercial and industrial properties (the "Property") for the purpose of promoting economic development in Colleton County which constitutes infrastructure serving Colleton County or the Property and improved real estate used in the operation of a manufacturing or commercial enterprise (the "2012 Project"), and to provide permanent financing for the 2012 Project, and (c) pay costs of issuance of the Bonds. The Bonds will be limited obligations of the County to be issued under and pursuant to the provisions of Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended, and payable solely from fee-in-lieu of tax payments and infrastructure credits payable to the County.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Undertaking, by action *de novo* instituted in the Court of Common Pleas for Colleton County, South Carolina.

STATE BUDGET AND CONTROL BOARD

## EXECUTIVE SUMMARY

**TO:** Paul Koch, Esq.  
State Budget and Control Board

**FROM:** Kathleen C. McKinney

**DATE:** February 9, 2012

**RE:** Not Exceeding \$50,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012A (the "2012A Bonds")

---

Pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Hospital Bond Act"), and Act No. 1554 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1968, as amended, Greenwood County, South Carolina (the "County"), through the Greenwood County Hospital Board (the "Board") which operates Self Regional Healthcare, formerly known as Self Memorial Hospital (the "Hospital"), is authorized, subject to the approval of the majority of the Board, to issue revenue bonds through public or private sale for the purpose of providing hospital facilities for residents of the County and to secure payment of such bonds from revenues derived by the Board from the operation of its hospital facilities.

The 2012A Bonds and the interest thereon shall be limited obligations of the County, payable by the County solely from the aforesaid revenues. The principal of, premium, if any, and interest on, the 2012A Bonds shall be payable solely from the funds pledged for their payment in accordance with the Trust Agreement dated as of December 1, 1987, as supplemented, among the County, the Board, and The Bank of New York Mellon Trust Company, N.A., as successor to Wachovia Bank, N.A., as trustee. **THE 2012A BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY.** Neither the members of County Council nor any person executing any of the 2012A Bonds shall be liable personally on the 2012A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The 2012A Bonds will be issued for the following purposes:

1. To defray the cost of acquiring, constructing, renovating, and equipping hospital facilities, including the Support Services Building, Data Center, Service Center AHU, renovations to Health Education, West Tower, East Tower, Old Main 1<sup>st</sup> and 2<sup>nd</sup> Floor, Pharmacy, Lab, and Cafeteria, and demolition of Old Main, and necessary equipment therefor (collectively, the "Project").
2. To defray certain costs of issuance of the 2012A Bonds.



Paul Koch  
February 9, 2012  
Page 2

Approval Information

On February 21, 2012, the County will be requested to hold first reading of an ordinance regarding the issuance of not exceeding \$50,000,000 Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012A, for the purpose of defraying the cost of financing the Project and paying costs of issuance of the 2012A Bonds, and to adopt a resolution authorizing a petition to the South Carolina State Budget and Control Board for approval of the issuance of the 2012A Bonds to finance the Project.

On March 6, 2012, the County will be requested to hold a second reading of the ordinance.

On March 20, 2012, the County will be asked to hold a public hearing in connection with the issuance of the 2012A Bonds to finance the Project and pay costs of issuance of the 2012A Bonds, and to give third and final reading to the ordinance approving the issuance of the 2012A Bonds for such purposes.

**RESOLUTION**

**SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD**

**WHEREAS**, heretofore Greenwood County Council ("Council"), the governing board of Greenwood County, South Carolina (the "County"), did, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act"), petition the South Carolina State Budget and Control Board (the "State Board") seeking the approval of the State Board to a proposal by Council to issue bonds in order to finance hospital facilities pursuant to the Act; and

**WHEREAS**, Greenwood County Hospital Board (the "Board"), a duly organized public body corporate of the State of South Carolina established pursuant to Act No. 1554 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1968, as amended ("Act No. 1554"), has requested that the County issue its bonds pursuant to the Act in order to finance a proposed undertaking by the Board; and

**WHEREAS**, Act 1554 authorizes the County, subject to the approval of the majority of the Board, to issue revenue bonds for the purpose of providing hospital facilities for the residents of the County, which facilities are to be operated by the Board; and

**WHEREAS**, the proposed undertaking consists of providing funds to (i) finance certain additions, expansions and enlargements to its existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities (the "Project");

**WHEREAS**, in order to finance the Project and to pay for certain costs of issuance, Council proposes to provide for the issuance of not exceeding \$50,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012A (the "2012A Bonds"); and

**WHEREAS**, pursuant to the Act, the 2012A Bonds will be payable by the County from the payments to be made by the Board pursuant to a Trust Agreement dated as of December 1, 1987 (the "Trust Agreement"), by and among the County, the Board and The Bank of New York Mellon Trust Company, N.A., as successor to Wachovia Bank, N.A., as trustee (the "Trustee"), as such Trust Agreement may from time to time be amended and supplemented; in order to provide for the issuance of the 2012A Bonds, the County, the Board and the Trustee will enter into a supplemental trust agreement (the "Supplemental Trust Agreement"); and

**WHEREAS**, the Trust Agreement also requires the Board to pay all costs and expenses incurred by the County in connection with the issuance of the 2012A Bonds and the financing of the Project;

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

1. It has been found and determined by the State Board that Council has filed a proper petition (the "Petition") to the State Board pursuant to, and in accordance with, Section 44-7-1590 of the Act.

2. The State Board has reviewed the Petition and has found and determined that the proposed undertaking is intended to promote the purposes of the Act.

3. On the basis of the Petition and the foregoing findings, the Project and the proposed undertaking of Council to finance the Project through the issuance of not exceeding \$50,000,000



Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012A, pursuant to the Act as more fully set forth in the Petition (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same are hereby approved.

4. Notice of the action taken by the State Board in giving approval to the undertaking of Council above described in paragraph 3 shall be published in *The Index-Journal*, a newspaper having general circulation in Greenwood County.

5. That notice to be published shall be in form substantially as set forth as *Exhibit A* of this Resolution.

NOTICE PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11,  
CODE OF LAWS OF SOUTH CAROLINA 1976

Notice is hereby given that, following the filing of a Petition by Greenwood County Council (“Council”), the governing board of Greenwood County, South Carolina (the “County”), to the South Carolina State Budget and Control Board (the “State Board”), approval has been given by the State Board to the proposal of Council to (i) finance certain additions, expansions and enlargements to its existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities located in the County at 1325 Spring Street, Greenwood, South Carolina (the “Project”); (ii) pay certain costs of issuance of the 2012A Bonds (defined below); (iii) fund interest during construction of the Project; and (iv) fund a reserve fund, if required, in connection with the issuance of the 2012A Bonds.

To finance the proposed undertaking and the Project, the County will issue its not exceeding \$50,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012A (the “2012A Bonds”), pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the “Act”). In accordance with Section 44-7-1480 of the Act, Council has found:

- (a) There is a need for the Project in the area in which the Project is to be located.
- (b) The Greenwood County Hospital Board (the “Board”) is financially responsible and capable of fulfilling its obligations under the Trust Agreements pursuant to which the proceeds of the 2012A Bonds will be made available to the Board, including the obligations to make the payments required thereunder, and to discharge such other responsibilities as may be imposed under the Trust Agreements.
- (c) Adequate provision has been made for the payment of the principal of and the interest on the 2012A Bonds and for the operation, maintenance and repair of the Project and all necessary reserves therefor have been or will be established.
- (d) The public facilities, including utilities, and public services necessary for the Project have been or will be made available.

No Certificates of Need are required for the Project. Approval by the State Board includes approval of changes in the proposal of Council from that set forth in its Petition to the State Board which do not materially change the undertaking therein described.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge (a) the action of the State Board in approving the issuance of the 2012A Bonds, or (b) the action taken by Council in applying the criteria and requirements of Section 44-7-1480 of the Act, by action *de novo* instituted in the Court of Common Pleas for Greenwood County.

**SOUTH CAROLINA STATE BUDGET  
AND CONTROL BOARD**

By: Delbert H. Singleton, Jr., Secretary

## EXECUTIVE SUMMARY

**TO:** Paul Koch, Esq.  
State Budget and Control Board

**FROM:** Kathleen C. McKinney

**DATE:** February 9, 2012

**RE:** Not Exceeding \$70,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2012B (the "2012B Bonds")

---

Pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Hospital Bond Act"), and Act No. 1554 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1968, as amended, Greenwood County, South Carolina (the "County"), through the Greenwood County Hospital Board (the "Board") which operates Self Regional Healthcare, formerly known as Self Memorial Hospital (the "Hospital"), is authorized, subject to the approval of the majority of the Board, to issue revenue bonds through public or private sale for the purpose of providing hospital facilities for residents of the County and to secure payment of such bonds from revenues derived by the Board from the operation of its hospital facilities.

The 2012B Bonds and the interest thereon shall be limited obligations of the County, payable by the County solely from the aforesaid revenues. The principal of, premium, if any, and interest on, the 2012B Bonds shall be payable solely from the funds pledged for their payment in accordance with the Trust Agreement dated as of December 1, 1987, as supplemented, among the County, the Board, and The Bank of New York Mellon Trust Company, N.A., as successor to Wachovia Bank, N.A., as trustee. **THE 2012B BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY.** Neither the members of County Council nor any person executing any of the 2012B Bonds shall be liable personally on the 2012B Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The 2012B Bonds will be issued for the following purposes:

1. To refund all or a portion of the outstanding principal amount of the \$14,820,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 1998A, of which approximately \$9,240,000 is currently outstanding.
2. To refund all or a portion of the outstanding principal amount of the \$56,845,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2001, of which approximately \$56,845,000 is currently outstanding.

3. To defray certain costs of issuance of the 2012B Bonds.

#### Background Information

On June 4, 1998, the County issued its \$14,820,000 original principal amount Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 1998A, to finance the acquisition and construction of (1) the replacement of the emergency department on the main campus of the Hospital, (2) the replacement of a portion of the Hospital's chilled water system and the addition of chilling capacity to support the new emergency department, (3) the construction of a medical office building in Ware Shoals to house a portion of the Hospital's family practice residency program, (4) the construction of an off-campus urgent care center, (5) the renovation of certain existing Hospital facilities, (6) the upgrading of existing building support systems, and (7) the implementation of the Hospital's information systems strategic plan (collectively, the "1998A Project").

On August 30, 2001, the County issued its \$56,845,000 original principal amount Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2001, to finance (1) improvements related to the heart program, including operating rooms, catheterization lab and surgical waiting area; (2) infrastructure improvements including construction of replacement facilities for the hospital's power plant, plant engineering, grounds maintenance and materials distribution services; rerouting of electrical, gas and water services for all buildings; (3) purchase, renovation and equipping of a 118,000 square foot building (off-campus) to house the hospital's laundry, culinary center and materials management functions; (4) Critical Care Center expansion, including new intensive care beds; (5) surgery renovation and expansion; (6) improvements to outpatient cardiac and physical rehabilitation facilities; (7) renovation of space for a second computerized tomography machine and magnetic resonance imaging support; (8) construction and equipping of a building to house the clinical, teaching and administrative facilities for the family practice residency training program; (9) reimbursement to the Board of routine capital items acquired during Fiscal 2001; and (10) acquisition of routine capital items not requiring certificates of need to April 2004 (collectively, the "2001 Project").

The 1998A Project and the 2001 Project are collectively referred to as the "Prior Projects."

On February 21, 2012, the County will be requested to hold first reading of an ordinance regarding the issuance of not exceeding \$70,000,000 Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2012B, for the purpose of refunding the 1989A Bonds and the 2001 Bonds and paying costs of issuance of the 2012B Bonds, and to adopt a resolution authorizing a petition to the South Carolina State Budget and Control Board for approval of the issuance of the 2012B Bonds to refinance the Prior Projects.

On March 6, 2012, the County will be requested to hold a second reading of the ordinance.

On March 20, 2012, the County will be asked to hold a public hearing in connection with the issuance of the 2012B Bonds to refinance the Prior Projects and pay costs of issuance of the 2012B Bonds, and to give third and final reading to the ordinance approving the issuance of the 2012B Bonds for such purposes.

Summary of Refinancing Proposal for

**SELF REGIONAL HEALTHCARE**

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |  |
|--|--|
| Outstanding bonds proposed to be refinanced  | \$14,820,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 1998A, of which \$8,405,000 is currently outstanding (bonds maturing 10/01/2012 through 10/01/2023); and<br><br>\$56,845,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2001, of which \$47,565,000 is currently outstanding (bonds maturing 10/01/2018 through 10/01/2031). |
| Average interest rate of bonds refinanced  | 5.465762%  |
| Projected average interest rate of refinancing bonds   | 4.988111%  |
| True interest cost of refinancing bonds  | 4.004295%  |
| Projected net present value savings (net of costs)   | \$1,036,587.57 for the Series 1998A Bonds and \$9,558,145.77 for the Series 2001 Bonds.  |
| Projected net present value savings as a percentage of the bonds refinanced                                | 11.218480% for the Series 1998A Bonds and 16.814400% for the Series 2001 Bonds.  |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) | 1.6% for the refinancing bonds<br>1.75% for refinancing savings  |
| Underwriting   | \$300,000  |
| Legal fees – bond, disclosure and general counsel  | \$300,000  |
| Rating agency fees   | \$150,000  |
| Advisory fees  | \$150,000  |

|   |             |
|---|-------------|
| Bond trustee/registrar                                      | \$2,500     |
| Accounting and verification                                 | \$75,000    |
| Credit enhancement/bond insurance                           | N/A         |
| Publication, printing, contingencies and all other expenses | \$100,000   |
| Total   | \$1,077,500 |

Prepared by Kathy McKinney, Haynsworth Sinkler Boyd, P.A. (Bond Counsel) and Sarah Dawkins, Kaufman Hall & Associates, Inc. (Financial Advisor)

Date February 15, 2012

## RESOLUTION

### SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

**WHEREAS**, heretofore Greenwood County Council ("Council"), the governing board of Greenwood County, South Carolina (the "County"), did, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act"), petition the South Carolina State Budget and Control Board (the "State Board") seeking the approval of the State Board to a proposal by Council to issue bonds in order to refinance hospital facilities pursuant to the Act; and

**WHEREAS**, Greenwood County Hospital Board (the "Board"), a duly organized public body corporate of the State of South Carolina established pursuant to Act No. 1554 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1968, as amended ("Act No. 1554"), has requested that the County issue its bonds pursuant to the Act in order to refinance a proposed undertaking by the Board; and

**WHEREAS**, Act 1554 authorizes the County, subject to the approval of the majority of the Board, to issue revenue bonds for the purpose of providing hospital facilities for the residents of the County, which facilities are to be operated by the Board; and

**WHEREAS**, the proposed undertaking consists of providing funds to (i) refund all or a portion of the \$14,820,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 1998A, of which approximately \$9,240,000 is currently outstanding (the "1998A Bonds"); (ii) refund all or a portion of the \$56,845,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2001, of which approximately \$56,845,000 is currently outstanding (the "2001 Bonds," and together with the 1998A Bonds, the "Prior Bonds"); and (iii) defray certain costs of issuance of the 2012B Bonds (as hereinafter defined); and

**WHEREAS**, the proceeds of the 1998A Bonds were used to finance the acquisition and construction of (1) the replacement of the emergency department on the main campus of the Hospital, (2) the replacement of a portion of the Hospital's chilled water system and the addition of chilling capacity to support the new emergency department, (3) the construction of a medical office building in Ware Shoals to house a portion of the Hospital's family practice residency program, (4) the construction of an off-campus urgent care center, (5) the renovation of certain existing Hospital facilities, (6) the upgrading of existing building support systems, and (7) the implementation of the Hospital's information systems strategic plan (collectively, the "1998A Project"); and

**WHEREAS**, the proceeds of the 2001 Bonds were used to finance (1) improvements related to the heart program, including operating rooms, catheterization lab and surgical waiting area; (2) infrastructure improvements including construction of replacement facilities for the hospital's power plant, plant engineering, grounds maintenance and materials distribution services; rerouting of electrical, gas and water services for all buildings; (3) purchase, renovation and equipping of a 118,000 square foot building (off-campus) to house the hospital's laundry, culinary center and materials management functions; (4) Critical Care Center expansion, including new intensive care beds; (5) surgery renovation and expansion; (6) improvements to outpatient cardiac and physical rehabilitation facilities; (7) renovation of space for a second computerized tomography machine and magnetic resonance imaging support; (8) construction and equipping of a building to house the clinical, teaching and administrative facilities for the family practice residency training program; (9) reimbursement to the Board of routine capital items acquired during Fiscal 2001; and (10) acquisition of routine capital items not requiring certificates of need to April 2004 (collectively, the "2001 Project"); and

**WHEREAS**, the 1998A Project and the 2001 Project are hereinafter collectively referred to as the “Prior Projects”; and

**WHEREAS**, in order to refund the Prior Bonds and to pay for certain costs of issuance, Council proposes to provide for the issuance of not exceeding \$70,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2012B (the “2012B Bonds”); and

**WHEREAS**, pursuant to the Act, the 2012B Bonds will be payable by the County from the payments to be made by the Board pursuant to a Trust Agreement dated as of December 1, 1987 (the “Trust Agreement”), by and among the County, the Board and The Bank of New York Mellon Trust Company, N.A., as successor to Wachovia Bank, N.A., as trustee (the “Trustee”), as such Trust Agreement may from time to time be amended and supplemented; in order to provide for the issuance of the 2012B Bonds, the County, the Board and the Trustee will enter into a supplemental trust agreement (the “Supplemental Trust Agreement”); and

**WHEREAS**, the Trust Agreement also requires the Board to pay all costs and expenses incurred by the County in connection with the issuance of the 2012B Bonds and the refunding of the Prior Bonds;

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

1. It has been found and determined by the State Board that Council has filed a proper petition (the “Petition”) to the State Board pursuant to, and in accordance with, Section 44-7-1590 of the Act.

2. The State Board has reviewed the Petition and has found and determined that the proposed undertaking is intended to promote the purposes of the Act.

3. On the basis of the Petition and the foregoing findings, the refinancing of the Prior Projects and the proposed undertaking of Council to refund the Prior Bonds through the issuance of not exceeding \$70,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2012B, pursuant to the Act as more fully set forth in the Petition (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same are hereby approved.

4. Notice of the action taken by the State Board in giving approval to the undertaking of Council above described in paragraph 3 shall be published in *The Index-Journal*, a newspaper having general circulation in Greenwood County.

5. That notice to be published shall be in form substantially as set forth as *Exhibit A* of this Resolution.

6. Approval of this undertaking is granted on the condition that a copy of the Internal Revenue Service Form 8038, if applicable, relating to any obligations issued pursuant to this approval be filed with the State Board’s Secretary at the time such form is submitted to the Internal Revenue Service.

NOTICE PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11,  
CODE OF LAWS OF SOUTH CAROLINA 1976

Notice is hereby given that, following the filing of a Petition by Greenwood County Council ("Council"), the governing board of Greenwood County, South Carolina (the "County"), to the South Carolina State Budget and Control Board (the "State Board"), approval has been given by the State Board to the proposal of Council to (i) refund all or a portion of the \$14,820,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 1998A (the "1998A Bonds"), previously issued to finance the costs of the acquisition of buildings or other improvements thereon, machinery, equipment, office furnishings and other depreciable assets, constituting hospital facilities located in the County (the "1998A Project"); (ii) refund all or a portion of the \$56,845,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2001 (the "2001 Bonds"), previously issued to finance the costs of improvements, renovations and equipping of hospital facilities located in the County (the "2001 Project" and together with the 1998A Project, the "Prior Projects"); and (iii) pay certain costs of issuance of the 2012B Bonds (defined below).

To refund the Prior Bonds, the County will issue its not exceeding \$70,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2012B (the "2012B Bonds"), pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Act"). In accordance with Section 44-7-1480 of the Act, Council has found:

(a) There is a continued need for the Prior Projects in the area in which the Prior Projects are located.

(b) The Greenwood County Hospital Board (the "Board") is financially responsible and capable of fulfilling its obligations under the Trust Agreements pursuant to which the proceeds of the 2012B Bonds will be made available to the Board, including the obligations to make the payments required thereunder, and to discharge such other responsibilities as may be imposed under the Trust Agreement.

(c) Adequate provision has been made for the payment of the principal of and the interest on the 2012B Bonds and for the continued operation, maintenance and repair of the Prior Projects and all necessary reserves therefor have been or will be established.

(d) The public facilities, including utilities, and public services necessary for the Prior Projects have been made available.

No Certificates of Need are required for the refunding of the Prior Bonds. Approval by the State Board includes approval of changes in the proposal of Council from that set forth in its Petition to the State Board which do not materially change the undertaking therein described.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge (a) the action of the State Board in approving the issuance of the 2012B Bonds, or (b) the action taken by Council in applying the criteria and requirements of Section 44-7-1480 of the Act, by action *de novo* instituted in the Court of Common Pleas for Greenwood County.

**SOUTH CAROLINA STATE BUDGET  
AND CONTROL BOARD**

By: Delbert H. Singleton, Jr., Secretary

## EXECUTIVE SUMMARY

**TO:** Paul Koch, Esq.  
State Budget and Control Board

**FROM:** E. Tyler Smith

**DATE:** February 17, 2012

**RE:** (A) Not Exceeding \$12,500,000 South Carolina Jobs-Economic Development Authority Tax-Exempt Economic Development Revenue Bonds (LowCountry BioMass, LLC) Series 2012A; and (B) not Exceeding \$1,500,000 South Carolina Jobs-Economic Development Authority Taxable Economic Development Revenue Bonds (LowCountry BioMass, LLC) Series 2012B (collectively the "Bonds")

---

Pursuant to Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), the South Carolina Jobs-Economic Development Authority (the "Authority") has the power to issue bonds through public or private sale to provide funds for programs authorized by the Act and to secure payment of such bonds. The Bonds are not an obligation of the Authority nor do constitute an indebtedness of the Authority or the State of South Carolina but are payable solely from a revenue producing source and secured by a pledge of said revenues. The Act requires that the following language must be stated on the face of each Bond:

THIS BOND AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE ISSUER PURSUANT TO THE AGREEMENT AND FROM PAYMENTS ON THE BORROWER NOTE, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF WHICH OBLIGATIONS CONSTITUTE AN INDEBTENESS PAYABLE ONLY FROM A REVENUE-PRODUCING PROJECT OR SPECIAL SOURCE WITHIN THE MEANING OF ARTICLE X, SECTION 13(9) OF THE CONSTITUTION OF THE STATE OF SOUTH CAROLINA, WHICH SOURCE DOES NOT INCLUDE REVENUES FROM ANY TAX OR LICENSE. THIS BOND AND THE INTEREST HEREON DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER OR OF THE STATE OF SOUTH CAROLINA WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR AGAINST THE TAXING POWER OF THE STATE OF SOUTH CAROLINA. THE ISSUER DOES NOT HAVE TAXING POWER.

The Bonds will be issued to defray costs of the acquisition, renovation, equipping, and installation of a wood pellet mill manufacturing facility for use as a biomass manufacturing and recycling facility using wood residue generated from local sawmills (and other sources to the extent applicable) as a source of fiber feedstock for the manufacturing of wood pellets to be used as a fuel source for the production of electricity or heat, as bedding material for horses and chickens, and as litter material for small animals, to be located at 523 and 579 Nimmer Turf Road in Ridgeland, Jasper County, South Carolina. Proceeds will also be used for certain costs of issuance and, to the extent applicable, financing in whole or in part (i) debt service reserve fund (if applicable) deposits; and (ii) capitalized interest and additional debt service payments in relation to the Bonds.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE (OR UNDERWRITING) OF (A) NOT EXCEEDING \$12,500,000 AGGREGATE PRINCIPAL AMOUNT TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BONDS (LOWCOUNTRY BIOMASS, LLC PROJECT) SERIES 2012A AND (B) NOT EXCEEDING \$1,500,000 AGGREGATE PRINCIPAL AMOUNT TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (LOWCOUNTRY BIOMASS, LLC PROJECT) SERIES 2012B, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 1, 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 (a) not to exceed \$12,500,000 Tax-Exempt Economic Development Revenue Bonds (LowCountry BioMass, LLC Project) Series 2012A; and (b) not to exceed \$1,500,000 Taxable Economic Development Revenue Bonds (LowCountry BioMass, LLC Project) Series 2012B (such Series 2012A and Series 2012B Bonds, collectively, the "*Bonds*"), through private sale (or underwriting) which the Authority has determined to be most advantageous; and

**WHEREAS**, the Borrower has informed the Authority that, after thorough review and study following Authority inducement in July of last year, not only will this additional bond capacity enable the optimal project, but it will have a positive impact upon Ridgeland, Jasper County and South Carolina of such significance that the approval of \$12,500,000 of tax-exempt bond allocation is warranted;

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement (or underwriting) 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, as amended, 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 (or underwriting) acceptable to the Authority be and the same is hereby in all respects approved.

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

d.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$25,000,000 PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (THE REGIONAL MEDICAL CENTER OF ORANGEBURG AND CALHOUN COUNTIES) SERIES 2012, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "*Authority*"), has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "*Act*"), requested approval by the State Budget and Control Board (the "*Board*") of the issuance by the Authority pursuant to the Act of its Hospital Revenue Bonds (The Regional Medical Center of Orangeburg and Calhoun Counties) Series 2012, in the aggregate principal amount of not exceeding \$25,000,000 (the "*Bonds*"); and

**WHEREAS**, the Board of Trustees of The Regional Medical Center of Orangeburg and Calhoun Counties (the "*Institution*") has decided not to proceed with the refunding of the Prior Bonds as stated in the Petition dated January 19, 2012; and

**WHEREAS**, the Authority represents to the Board that the Bonds will be secured under the provisions of an Indenture of Trust between the Authority and a financial institution, as trustee, and a Loan Agreement by and between the Institution and the Authority, and are payable solely from the revenues of the Institution received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board 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 be and the same is hereby in all respects approved.

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



---

AGENCY: Executive Director

---

SUBJECT: Economic Development (2012 Ceiling Allocations)

The initial balance of the 2012 state ceiling allocation is \$444,526,850. In accord with Code Section 1-11-520, \$177,810,740 (40% of the total) was designated as the state pool and \$266,716,110 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$444,526,850 remaining for 2012. Allocation requests for 2012 totaling \$12,500,000 have been received thus far.

Relating to requests for calendar year 2012 ceiling allocations, the Board is asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

The recommendation from the Department of Commerce for allocations for this cycle total \$12,500,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA LowCountry BioMass, LLC, (Jasper County), \$12,500,000.

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$432,026,850 (state pool - \$177,810,740; local pool - \$254,216,110) to be allocated later in the calendar year. Bond counsel for the project has indicated that the positive impact upon the State in job creation, operational efficiencies, and revenue creation is of such significance that approval of the allocation prior to July 1 is warranted.

---

BOARD ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocations from the local pool prior to July 1 because the positive impact upon the State is of such significance that approval of the allocation prior to July 1 is warranted:

JEDA LowCountry BioMass, LLC, (Jasper County), \$12,500,000; and

Authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

---

ATTACHMENTS:

2012 Ceiling Allocation Requests; Young 02/22/12 memo; Project Summary 2/21/12;  
Code Section 1-11-500 et seq.

2012 Ceiling Allocation Requests

| Recd. | Issuing Authority | Project                | Request    | Cumulative | Bond Counsel   | Request Alloc. | St.Law | Jasper County | Location | NOTES |
|-------|-------------------|------------------------|------------|------------|----------------|----------------|--------|---------------|----------|-------|
| 1     | 02/13/12 JEDA     | LowCounty Biomass, LLC | 12,500,000 | 12,500,000 | E. Tyler Smith | x              |        | x             |          |       |

2012 South Carolina State Ceiling Allocations

Summary, CY 2012

2012 State Ceiling **444,526,850**  
 Initial Allocations 12,500,000  
 Expired/Relinquished 0  
 Actual Allocations **12,500,000**  
 Certified for Issue 0  
 Carried Forward 0

Balance Available: **432,026,850**

| Issuer                                       | Name of Project         | Allocation Amount | Expired/ Relinquished | Certified for Issue | Issue Date | Attorney |
|--|-------------------------|-------------------|-----------------------|---------------------|------------|----------|
| <b>Allocation: 3/6/12 Expiration: 6/4/12</b> |                         |                   |                       |                     |            |          |
| JEDA   | LowCountry BioMass, LLC | 12,500,000        |                       |                     |            | Smith    |

**2012 South Carolina State Ceiling**  
**Balance remaining as of March 6, 2012, if ceiling allocation is granted**

State Pool (40%) 177,810,740  
 Total State Pool (40%) 177,810,740

Local Pool (60%) 266,716,110  
 Total Local Pool (60%) 266,716,110

**Certified State Ceiling 2012 444,526,850**

| Date     | Governmental Unit | Name of Project | Pool Total  | Amount Allocated | Balance Available | Certified for Issue | Issue Date | Attorney |
|----------|-------------------|-----------------|-------------|------------------|-------------------|---------------------|------------|----------|
| 01/04/12 | STATE POOL        |                 | 177,810,740 |                  |                   |                     |            |          |

**TOTAL, STATE POOL 177,810,740 0 177,810,740 0**

01/04/12 LOCAL POOL 266,716,110  
 03/06/12 JEDA LowCountry BioMass, LLC 12,500,000  
 Smith

**TOTAL, LOCAL POOL 266,716,110 12,500,000 254,216,110 0**  
**GRAND TOTAL 444,526,850 12,500,000 432,026,850 0**



Nikki R. Haley  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

Robert M. Hitt III  
Secretary

**MEMORANDUM**

To: Delbert Singleton

From: Daniel Young *ADY*

Date: February 22, 2012

Re: March 6, 2012 meeting

---

Upon the request of the Budget & Control Board, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing the information provided by the law firm of Haynesworth Sinkler Boyd PA, Commerce recommends approval of Economic Development bonds at the March 6, 2012, Budget & Control Board meeting. The company is committing to create 15 new jobs within 24 months.

| Name               | Amount       | Score | County |
|--------------------|--------------|-------|--------|
| LowCountry BioMass | \$12,500,000 | 3     | Jasper |

Please let me know if you have any questions.

Thank you.

Also according to Ridgestone, the primary reason for having \$5,000 denominations is more important today than ever before. The funds must have that liquidity as a requirement to their being "asset balanced" at the end of every day. They typically adjust internally (match off internally with another of their funds) or go to the institutional marketplace. Therefore, should they have to liquidate an odd amount of securities, they must have the requisite ability through the small denominations.

Due to the last few years of market turmoil, Ridgestone now sees very little, if any, direct retail interest in these types of investments. This has been driven not only by the troubled projects, but also by the regulations placed on these types of financings. It is now an SEC requirement that any interested investor receive a copy of the offering document prior to purchasing these types of securities. Additionally, it is required that the buyer complete a suitability statement prior to purchase. And because the offering document is not widely distributed, it sometimes makes the fund's balance requirement a problem.

This is why you now see primarily institutions, also known as sophisticated investors, purchase these types of financings. This now puts the onus on the institutions to meet any and all requests when it comes to the nature and size of these transactions, whether it be a buy or a sale. Ridgestone has found that the investors in these funds can be very large or very small. And some buy and sell their investments quite often. So having small denominations not only gives the institutions the ability to maintain their daily balance requirement, it allows for the investors to have both diversification and liquidity.

#### **Volume Cap Allocation Requested for \$12.5 Million**

LowCountry is aware that this increase in bonding capacity will correspond in an increase in the need for the State's available "volume cap" allocation and, with respect and gratitude to the State, requests this volume cap accommodation. LowCountry is of the strong conclusion that not only will this additional bond capacity enable the optimal project as described above, but it will have a positive impact upon Ridgeland, Jasper County and South Carolina of such significance that the approval of the allocation is warranted. These impacts are demonstrated by the factors discussed above, including job creation, operational efficiencies and revenue creation. In addition, this impact is reflected in the interests demonstrated by the Department of Commerce in offering valuable assistance offering LowCountry a robust incentives package as well as by JEDA in its assistance to LowCountry.

**LOWCOUNTRY BIOMASS, LLC**  
Nimmer Turf Road  
Ridgeland, South Carolina

Wood Pellet Mill Acquisition and Expansion Project

February 21, 2012

**Background**

We at LowCountry Biomass are privileged to provide the following as to the request to increase and modify the bond structure relative to the Project described below.

On July 18, 2011, JEDA approved a Petition for \$8,600,000 of Economic Development Revenue Bonds to defray the costs (as applicable) incurred by LowCountry BioMass, LLC of the acquisition, renovation, equipping, and installation of a wood pellet mill manufacturing facility, a biomass manufacturing and recycling facility using wood residue generated from local sawmills (and other sources to the extent applicable) as a source of fiber feedstock for the manufacturing of wood pellets to be used as a fuel source for the production of electricity or heat, as bedding material for horses and chickens, and as litter material for small animals (the "Project") at 523 and 579 Nimmer Turf Road in Ridgeland, Jasper County, and to pay certain costs of issuance.

**Requested Increase from NTE \$8.6 million to NTE \$14 million**

- Tax-exempt Series 2012A Bonds not exceeding \$12,500,000 for Project and issuance costs
- Taxable Series 2012B Bonds not exceeding \$1,500,000 for certain costs of issuance of and relating to the Bonds and, if applicable, additional Project costs
- Portions of the proceeds of the bonds may also be applied, to the extent applicable, in financing in whole or in part (i) debt service reserve fund (if applicable) deposits; and (ii) capitalized interest and additional debt service payments in relation to the Bonds.

**Why the requested increase?**

The additional allocation is needed to provide funding for further capital expenditures, the projected results of which will be vitally necessary to match pellet press capacity to dryer capacity of wet fiber (raw material) and, thus, achieving maximum production efficiency and an optimal design for the increased Project, including additional employment (see below).

- Since the original JEDA approval last summer, LowCountry has been able successfully to enter into a lease and operating arrangement with the current owner of the Project (unrelated to LowCountry). This current owner has substantial experience in turf and related industries, yet relatively little to no experience in the wood pellet manufacturing processes.

- LowCountry took over the Ridgeland facility last June, enabled the successful implementation of start-up, added additional pelleting equipment, and successfully commenced operations of the business. The facility is now fully operational and employees 15 full time employees. LowCountry is currently hiring and training additional personnel and preparing to operate the business 24 hours per day, seven days per week to maximize the production capacity of the existing equipment. Current market demand for the pellets manufactured at the facility is greater than the available production capacity of the mill, therefor LowCountry has requested additional bond allocation to purchase additional equipment. To date, LowCountry has invested over \$2.5 million of equity to fund the startup and expansion of the manufacturing facility.
- Through this process, LowCountry has already established a track record of successful operations of the actual Project and is eager to continue with its expanded plans for the reasons set forth in this summary. As a part of this process and successful experience, LowCountry has undertaken substantial internal and external review and consideration, including meetings with major market players, port facilities, JEDA, the State Commerce Department, Jasper County and others, each of which has expressed support of the Project in its increased form.

### **Increase in Jobs**

Under the larger structure, it is anticipated that the Project will maintain existing employment for one person and providing additional employment for approximately 14 people within 12 months and a total of 28 people within 24 months after the Project is placed in full operation.

### **Equity**

Sonny Harwell, key principal of LowCountry, has represented to the JEDA, "I through NAMCO, a company I control, have invested approximately \$2.7 million as equity in the project and do not intend to recoup any of those funds from bond proceeds."

### **Underwriting**

The principals of Ridgestone Capital Group, who have a combined total experience of over 40 years in the project finance industry, have provided the following information for your use. They have successfully closed over \$4 billion of bond financings for various industry sectors, from the recycling of scrap tires into crumb rubber to the infrastructure for extracting methane gases from landfills for Frito Lay to fry their chips.

Ridgestone does no retail sales. They focus totally on the institutional marketplace for the placement of their financings. They have a good sales force of seven professionals and pride themselves with the numerous relationships that they have cultivated in the institutional arena.

The plan of underwriting and marketing on the LowCountry bonds will be completed totally on an institutional basis. Most likely, there will be only a few maturities, which according to Ridgestone is typically driven by the institutional investor and the particular needs, whether it be short, intermediate, or long.

Also according to Ridgestone, the primary reason for having \$5,000 denominations is more important today than ever before. The funds must have that liquidity as a requirement to their being "asset balanced" at the end of every day. They typically adjust internally (match off internally with another of their funds) or go to the institutional marketplace. Therefore, should they have to liquidate an odd amount of securities, they must have the requisite ability through the small denominations.

Due to the last few years of market turmoil, Ridgestone now sees very little, if any, direct retail interest in these types of investments. This has been driven not only by the troubled projects, but also by the regulations placed on these types of financings. It is now an SEC requirement that any interested investor receive a copy of the offering document prior to purchasing these types of securities. Additionally, it is required that the buyer complete a suitability statement prior to purchase. And because the offering document is not widely distributed, it sometimes makes the fund's balance requirement a problem.

This is why you now see primarily institutions, also known as sophisticated investors, purchase these types of financings. This now puts the onus on the institutions to meet any and all requests when it comes to the nature and size of these transactions, whether it be a buy or a sale. Ridgestone has found that the investors in these funds can be very large or very small. And some buy and sell their investments quite often. So having small denominations not only gives the institutions the ability to maintain their daily balance requirement, it allows for the investors to have both diversification and liquidity.

#### **Volume Cap Allocation Requested for \$12.5 Million**

LowCountry is aware that this increase in bonding capacity will correspond in an increase in the need for the State's available "volume cap" allocation and, with respect and gratitude to the State, requests this volume cap accommodation. LowCountry is of the strong conclusion that not only will this additional bond capacity enable the optimal project as described above, but it will have a positive impact upon Ridgeland, Jasper County and South Carolina of such significance that the approval of the allocation is warranted. These impacts are demonstrated by the factors discussed above, including job creation, operational efficiencies and revenue creation. In addition, this impact is reflected in the interests demonstrated by the Department of Commerce in offering valuable assistance offering LowCountry a robust incentives package as well as by JEDA in its assistance to LowCountry.

---

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 6-2012: JBRC Item 1. Coastal Carolina University  
Project: 9592, Elvington Property - New Student Housing Construction  
Funding Source: \$470,000 Other, Auxiliary Housing funds, which are housing revenues derived from student housing fees paid by students who reside on campus.  
Request: Establish project and budget for \$470,000 (Other, Auxiliary Housing funds) to begin design work to construct a new student housing facility at Coastal Carolina. The new facility will provide 1,270 student beds for first-year students in a multi-phase project, with 635 beds available for occupancy by August 2014. The facility will include student housing suites, study and living spaces, laundry facilities, offices for housing staff, meeting spaces, and modern technology and security. The University has enough space to accommodate 3,192 students with 3,625 students being housed in Fall 2012 through an expanded occupancy plan which doubles and triples rooms by adding an additional student over a room's designed occupancy. The new facility is needed to house current students, alleviate the "plus one" rooms, allow for more upperclassmen to be housed on campus, and provide for future growth. The university reports that current tuition and fees will not increase as a result of this project.
- (b) Summary 6-2012: JBRC Item 2. Medical University of South Carolina  
Project: 9821, Clinical Sciences Building 9<sup>th</sup> Floor Renovation  
Funding Source: \$151,500 Other, College of Medicine Clinical Revenues, which are revenues derived from inpatient and outpatient clinical services and patient care provided by the College of Medicine.  
Request: Establish project and budget for \$151,500 (Other, College of Medicine Clinical Revenue funds) to begin design work to renovate the ninth floor of MUSC's Clinical Sciences Building. The work will include reconfiguring interior spaces to create more efficient lab and office layouts, upgrading interior finishes, and upgrading electrical distribution, lighting, fire alarm, plumbing, HVAC distribution, and information technology systems. The renovation will increase lab bench space and the number of offices and tech stations for the Department of Medicine. The ninth floor has not been substantially renovated since the building was constructed in 1975. Existing lab space and office configuration are inefficient and ineffective and the labs do not meet current lab standards.

---

AGENCY: Division of State Budget

---

SUBJECT: Permanent Improvement Projects

---

- (c) Summary 6-2012: JBRC Item 3. Medical University of South Carolina  
Project: 9822, Walton Research Building Floors 2, 3, 6 and 7 Renovation  
Funding Source: \$94,500 Other, College of Medicine Clinical Revenues, which are revenues derived from inpatient and outpatient clinical services and patient care provided by the College of Medicine.  
Request: Establish project and budget for \$94,500 (Other, College of Medicine Clinical Revenue funds) to begin design work to renovate four floors in the Walton Research Building at MUSC. The work will include reconfiguring space to provide faculty offices and student study areas, providing code compliant egress and a fire suppression system, and upgrading the mechanical and electrical systems. Some minor work associated with the building support systems on the first floor will also be included. The building was built in 1962 and floors two, three, six and seven have not had any substantial renovation since construction. The building infrastructure is deteriorating and the building has several building code compliance issues that have not been addressed in previous floors' renovations.
- (d) Summary 6-2012: JBRC Item 4. Budget and Control Board  
Project: 9907, Five Points Building Chiller and Cooling Tower Replacement  
Funding Source: \$6,700 Other, Depreciation Reserve funds, which are revenues derived from the rent account which receives rent charges from state agencies.  
Request: Establish project and budget for \$6,700 (Other, Depreciation Reserve funds) to begin design work to replace HVAC equipment in the Five Points Building. The work will include replacing the chiller, cooling tower, water valves and two chilled water pumps. The equipment is 37 years old and original to the building. The chiller has failed and is completely inoperable and the cooling tower cannot be further repaired due to lack of replacement parts for a unit of its age. A rental chiller will provide cooling during this summer until the new chiller is installed.
- (e) Summary 6-2012: JBRC Item 5. Department of Parks, Recreation and Tourism  
Project: 9722, Hamilton Branch State Park Roads and Parking Improvements  
Funding Source: \$37,500 Other, Park Revenue funds, which are revenues generated by the State Park Service through admissions, camping, rental sales, and other park activities.  
Request: Establish project and budget for \$37,500 (Other, Park Revenue funds) to begin design work to make road and parking improvements at PRT's Hamilton Branch State Park. The work will include repairing and resurfacing paved roadways, parking areas and campsites and paving unpaved parking areas and

---

AGENCY: Division of State Budget

---

SUBJECT: Permanent Improvement Projects

campsites within the park. The work is needed to address deferred maintenance of the 40 year-old roadways and to improve existing campsites and parking areas which are currently unpaved. The condition of the roadways is not safe for pedestrians and bicyclists. A \$2.5 million federal grant from the US Department of Transportation administered through DOT has been awarded to fund construction of this project after design is completed.

### **Established Construction Budget**

- (f) Summary 6-2012: JBRC Item 6. State Board for Technical and Comprehensive Education  
Project: 6026, Aiken - Building 100/200 Student Intake Renovation  
Funding Source: \$1,500,000 Other, Local College funds, which are unrestricted fund surpluses from prior years, including operations and plant surpluses.  
Request: Increase budget to \$1,500,000 (add \$1,477,500 Other, Local College funds) to renovate Building 100/200 at Aiken Tech to create a Student Intake Center. The project was established in December 2010 for pre-design work which is now complete. The renovation will create a one-stop center for student services, including Admissions, Financial Aid, and Enrollment Management. The work will include reconfiguring approximately 6,090 square feet of space to provide for offices and student waiting areas, reconfiguring two entrances for more visibility and handicapped access, repairing atrium railings, replacing lighting, and improving the building's exterior. Currently, students must move between several buildings multiple times to accomplish registration. The renovation will allow all services that students need to enter college, continue and graduate to be located in one office. Energy savings and conservation measures will include the installation of energy efficient lighting, sustainable materials with high recycled content, and re-use of systems where applicable. The agency reports the total projected cost of this project is \$1.5 million 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 June 2012 and for completion of construction is December 2012. The college reports that no increase in any student fee or tuition will be required to fund construction of this project.
- (g) Summary 6-2012: JBRC Item 7. Office of the Adjutant General  
Project: 9766, SCE&G Lease Maintenance Building Reroofing  
Funding Source: \$464,300 Other, Increased Enforcement Collections funds, which were part of a \$1 million appropriation in 2010, provided through Proviso 90.16 in the FY 10-11 Appropriations Act.

---

AGENCY: Division of State Budget

---

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$464,300 (add \$458,300 Other, Increased Enforcement Collection funds) to reroof the maintenance building in Columbia leased by the Adjutant General's Office to SCE&G for its fleet maintenance shop. The project was established in December 2011 for pre-design work which is now complete. The work will include replacing existing roofing and insulation, relocating existing drains, and replacing flashing. The roof may be original to the 58 year-old building, is well past its useful life, and leaks. The current lease requires any major repairs to be done by the Adjutant General's Office and SCE&G to pay \$200,000 toward the reroofing once it is completed. Energy savings and conservation measures will include the installation of energy saving insulation. The agency reports the total projected cost of this project is \$464,300 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 2012 and for completion of construction is October 2012.

(h) Summary 6-2012: JBRC Item 8. Budget and Control Board

Project: 9896, Brown Building Main Air Handler Replacement

Funding Source: \$971,245 Other, Depreciation Reserve funds, which are revenues derived from the rent account which receives rent charges from state agencies.

Request: Increase budget to \$971,245 (add \$959,995 Other, Depreciation Reserve funds) to replace the main air handler in the Brown Building. The project was established in May 2011 for pre-design work which is now complete. The work will include replacing the main air handler which serves the second through fifth floors of the building and replacing the unit's fans, motors, dampers, filters, coils and housing. The existing air handler is original to the 39 year-old building, is past its useful life, and is inefficient. It is also difficult to repair because parts have become obsolete. Energy savings and conservation measures will include the installation of more energy efficient HVAC components. The agency reports the total projected cost of this project is \$971,245 and annual operating cost savings of \$22,175 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is July 2012 and for completion of construction is December 2012. (See Attachment 1 for annual operating cost savings.)

---

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 F03 Name: South Carolina Budget & Control Board / General Services Division

2. PROJECT  
Project # 9896 Name: Brown Building – Main Air Handler Replacement

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) 2012-2013<br>Partial                  | \$            | \$      | \$11,087.50 | \$11,087.50 |
| 2) 2013-2014                             | \$            | \$      | \$22,175.00 | \$22,175.00 |
| 3) 2014-2015                             | \$            | \$      | \$22,175.00 | \$22,175.00 |

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

The expected savings reflect the reduced electricity cost attributable to the installation of a more efficient AHU. Utility bills are paid out of rent charged to tenants.

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

No additional cost.

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 Savings</u> | <u>\$11,087.50</u> |
| 2. _____                      | _____              |
| 3. _____                      | _____              |
| 4. _____                      | _____              |
| 5. _____                      | _____              |
| 6. _____                      | _____              |
| 7. _____                      | _____              |
| 8. _____                      | _____              |
| TOTAL                         | <u>\$11,087.50</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: Carla Griffin, Deputy Director                      Stephen W. Elliott                      2/8/12  
Signature of Authorized Official and Title                      Date

**Permanent Improvement Project Information for March 6, 2012 B&CB Meeting**

| Agency/<br>Project No. | Agency/Project Name   | Original<br>Approved<br>Budget | Date of<br>Original<br>Approval | Phase I<br>Amount | Date of<br>Phase I<br>Approval | Included<br>in CPIP | Total Projected<br>Project Cost |
|------------------------|---|--------------------------------|---------------------------------|-------------------|--------------------------------|---------------------|---------------------------------|
| H17-9592               | Coastal Carolina University - Elvington Property - New Student Housing Construction                     | \$470,000 for pre-design       | 3/6/12                          | \$470,000         | 3/6/12                         | No                  | To Be Determined                |
| H51-9821               | Medical University of SC - Clinical Sciences Building 9th Floor Renovation                              | \$151,500 for pre-design       | 3/6/12                          | \$151,500         | 3/6/12                         | No                  | To Be Determined                |
| H51-9822               | Medical University of SC - Walton Research Building Floors 2, 3, 6 and 7 Renovation                     | \$94,500 for pre-design        | 3/6/12                          | \$94,500          | 3/6/12                         | No                  | To Be Determined                |
| F03-9907               | Budget and Control Board - Five Points Building Chiller and Cooling Tower Replacement                   | \$6,700 for pre-design         | 3/6/12                          | \$6,700           | 3/6/12                         | No                  | To Be Determined                |
| P28-9722               | Department of Parks, Recreation and Tourism - Hamilton Branch State Park Roads and Parking Improvements | \$37,500 for pre-design        | 3/6/12                          | \$37,500          | 3/6/12                         | No                  | To Be Determined                |
| H59-6026               | Aiken - Building 100/200 Student Intake Renovation  | \$22,500 for pre-design        | 12/14/10                        | \$22,500          | 12/14/10                       | No                  | \$1,500,000                     |
| E24-9766               | Office of the Adjutant General - SCE&G Lease Maintenance Building Reroofing                             | \$6,000 for pre-design         | 12/15/11                        | \$6,000           | 12/15/11                       | 2008 CPIP Year 2    | \$464,300                       |
| F03-9896               | Budget and Control Board - Brown Building Main Air Handler Replacement                                  | \$11,250 for pre-design        | 5/2/11                          | \$11,250          | 5/2/11                         | No                  | \$971,245                       |

**Attachment 3**  
**Additional Information on Funding Sources for**  
**Higher Education Permanent Improvement Projects**

**Item (a) – Coastal Carolina Elvington Property – New Student Housing Construction**

The source of funds for A&E pre-design for \$470,000 is Other, Auxiliary Housing funds. The funding source is derived from housing revenue generated through student housing fees and paid by students who reside on campus. The uncommitted balance of Auxiliary Housing revenues is \$4.8 million.

The source of funds for construction, estimated to be approximately \$85 million for 1,270 beds and \$42.5 million for 635 beds, will be Revenue Bonds. The project will be self-sufficient. The revenue bonds will be serviced by the fees charged to students for on-campus housing. At an anticipated interest rate of 4.5% and with the current level of operating costs, the resulting charge for board to students will be no more than the current rates for the not to exceed \$85 million the Board of Trustees approved for the project. Bonds issued will not exceed \$85 million.

The university reports that current tuition and fees will not increase as a result of this project. Housing fees charged will not exceed the cost to manage and fund the project.

**Item (b) – Medical University of SC Clinical Sciences Building 9<sup>th</sup> Floor Renovation**

The source of funds for A&E pre-design for \$151,500 is Other, College of Medicine Clinical Revenue. The funding source is derived from inpatient and outpatient clinical services and patient care provided by the College of Medicine. The uncommitted balance of clinical revenue funds for pre-design is \$151,500. The university reports that the funds for pre-design will be supplied when that phase of the project is ready. The funds will be available for the entire project.

The source of funds for construction, estimated to be approximately \$10.1 million, will also be Other, College of Medicine Clinical Revenue. The funding source is derived from inpatient and outpatient clinical services and patient care provided by the College of Medicine. The uncommitted balance of clinical revenue funds for construction is \$10.1 million. The university reports that the funds for the construction contract will be supplied when that phase of the project is ready. The funds will be available for the entire project.

The university reports that no increase in any student fee or tuition will be required for pre-design or construction of this project. The university reports that no funds associated with students will be used in this project.

**Item (c) – Medical University of SC Walton Research Building Floors 2, 3, 6 and 7 Renovation**

The source of funds for A&E pre-design for \$94,500 is Other, College of Medicine Clinical Revenue. The funding source is derived from inpatient and outpatient clinical services and patient care provided by the College of Medicine. The uncommitted balance of clinical revenue funds for pre-design is \$94,500. The university reports that the funds for pre-design will be supplied when that phase of the project is ready. The funds will be available for the entire project.

The source of funds for construction, estimated to be approximately \$6.3 million, will also be Other, College of Medicine Clinical Revenue. The funding source is derived from inpatient and outpatient

clinical services and patient care provided by the College of Medicine. The uncommitted balance of clinical revenue funds for construction is \$6.3 million. The university reports that the funds for the construction contract will be supplied when that phase of the project is ready. The funds will be available for the entire project.

The university reports that no increase in any student fee or tuition will be required for pre-design or construction of this project. The university reports that no student-related funds will be used in this project.

**Item (f) – Aiken Technical College Building 100/200 Student Intake Renovation**

The source of funds for pre-design, already approved, was \$22,500 in Other, Local College funds. Local College funds are unrestricted fund surpluses from prior years, including operations and old plant surpluses. It includes most college revenue surpluses from prior years, with the exception of fee revenues required to be accounted for and maintained separately for debt service and revenues in a small restricted loan fund.

The source of funds for construction for \$1.5 million is Other, Local College funds. Local College funds are unrestricted fund surpluses from prior years, as noted above, and for the current year. The uncommitted balance of these unrestricted funds was \$7,464,701, as of June 30, 2011. The updated uncommitted balance of these unrestricted funds as of January 31, 2012, was \$8,789,869, resulting from increased fall and spring enrollment and the application of federal stimulus funds to operations.

The college reports that no increase in any student fee or tuition will be required to fund construction of this project.

---

AGENCY: Division of State Budget

---

SUBJECT: Real Property Acquisitions

- (a) **Agency:** Coastal Carolina University  
**Acreage:** 1.89± acres  
**Location:** Near University Boulevard on the Coastal Carolina campus adjacent to the student center.  
**County:** Horry  
**Purpose:** To provide land for the construction of an annex to the Lib Jackson Student Center.  
**Appraised Value:** N/A  
**Price/Seller:** Donation / Coastal Educational Foundation  
**Source of Funds:** N/A  
**Project Number:** H17-9584  
**Environmental Study:** Approved  
**Building Condition Assessment:** N/A  
**Additional Annual Op Cost/SOF:** No additional annual operating costs will result from acquisition of the property. Construction of the first annex is expected to cost \$12 million and will be funded from Other, Renovation Reserve/Plant Expansion funds, Other, Institutional Capital Project Funds, and Other, Private funds.  
**Current Year Property Tax:** N/A - Exempt  
**Approved By:** CHE on 1/18/12; JBRC Staff on 1/26/12
- (b) **Agency:** Coastal Carolina University  
**Acreage:** 10.62± acres with a 69,480 square foot office and classroom building and a 455-space parking lot.  
**Location:** At 301 Allied Drive in Conway  
**County:** Horry  
**Purpose:** To acquire a leased property that houses the University's Psychology, Sociology, Computer Science and Marine Science Departments.  
**Appraised Value:** \$5,500,000  
**Price/Seller:** \$1,816,112 / Can Am North, LLC  
**Source of Funds:** Other, One Cent Sales Tax  
**Project Number:** H17-9578  
**Environmental Study:** Approved  
**Building Condition Assessment:** Approved  
**Additional Annual Op Cost/SOF:** Annual operating lease cost savings of \$325,000 will result from the acquisition.  
**Current Year Property Tax:** \$28,322

---

AGENCY: Division of State Budget

---

SUBJECT: Real Property Acquisitions

Approved By: CHE on 12/14/11; JBRC on 2/29/12  
Additional Information: This request also includes approval of an increase to the permanent improvement project budget of \$2,095,000 from the fund source noted above.

---

BOARD ACTION REQUESTED:

Approve the property acquisitions and permanent improvement project budget increases as requested.

---

ATTACHMENTS:

Agenda item worksheet and attachments

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

---

Meeting Scheduled for: March 6, 2012

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) <u>Agency:</u>             | Coastal Carolina University  |
| Acreage:                       | 1.89± acres  |
| Location:                      | Near University Boulevard on the Coastal Carolina campus adjacent to the student center.   |
| County:                        | Horry  |
| Purpose:                       | To provide land for the construction of an annex to the Lib Jackson Student Center.  |
| Appraised Value:               | N/A  |
| Price/Seller:                  | Donation / Coastal Educational Foundation  |
| Source of Funds:               | N/A  |
| Project Number:                | H17-9584   |
| Environmental Study:           | Approved   |
| Building Condition Assessment: | N/A  |
| Additional Annual Op Cost/SOF: | No additional annual operating costs will result from acquisition of the property. Construction of the first annex is expected to cost \$12 million and will be funded from Other, Renovation Reserve/Plant Expansion funds, Other, Institutional Capital Project Funds, and Other, Private funds. |
| Current Year Property Tax:     | N/A - Exempt   |
| Approved By:                   | CHE on 1/18/12; JBRC Staff on 1/26/12  |

|                                       |   |
|---------------------------------------|---|
| (b) <b>Agency:</b>                    | <b>Coastal Carolina University</b>  |
| <b>Acreage:</b>                       | 10.62± acres with a 69,480 square foot office and classroom building and a 455-space parking lot.   |
| <b>Location:</b>                      | At 301 Allied Drive in Conway   |
| <b>County:</b>                        | Horry   |
| <b>Purpose:</b>                       | To acquire a leased property that houses the University's Psychology, Sociology, Computer Science and Marine Science Departments.               |
| <b>Appraised Value:</b>               | \$5,500,000   |
| <b>Price/Seller:</b>                  | \$1,816,112 / Can Am North, LLC   |
| <b>Source of Funds:</b>               | Other, One Cent Sales Tax   |
| <b>Project Number:</b>                | H17-9578  |
| <b>Environmental Study:</b>           | Approved  |
| <b>Building Condition Assessment:</b> | Approved  |
| <b>Additional Annual Op Cost/SOF:</b> | Annual operating lease cost savings of \$325,000 will result from the acquisition.  |
| <b>Current Year Property Tax:</b>     | \$28,322  |
| <b>Approved By:</b>                   | CHE on 12/14/11; JBRC on 2/29/12  |
| <b>Additional Information:</b>        | This request also includes approval of an increase to the permanent improvement project budget of \$2,095,000 from the fund source noted above. |

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

Approve the property acquisitions and permanent improvement project budget increase as requested.

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

Recommend approval of the property acquisitions and permanent improvement project budget increase 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) Coastal Carolina University
  - (b) 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) Coastal Carolina University  
Horry County  
H17-9584

**List of Supporting Documents:**

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



January 9, 2012

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

Dear Carol:

Please accept this letter as a request for State Budget and Control Board approval of the acceptance of 1.89 acres of land which is being donated to Coastal Carolina University by the Coastal Educational Foundation. This land is being acquired for the purpose of building an annex to the Lib Jackson Student Center (Project 9582).

Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in cursive script that reads "Stacie A. Bowie".

Stacie A. Bowie  
CFO/Vice President  
Finance & Administration

NOTE:  
1.) THIS PROPERTY IS SUBJECT TO ALL RECORDED EASEMENTS AND/OR RIGHT-OF-WAYS.

**CHANTICLEAR DRIVE EAST**  
(66' RW)

COASTAL CAROLINA UNIVERSITY  
Parcel 36  
TMS# 151-00-01-093  
Pg 241/244

COASTAL EDUCATIONAL FOUNDATION INC.  
REMAINDER OF Parcel 32  
TMS# 151-00-01-089  
Pg 20/97

HORRY COUNTY HIGHER EDUCATION COMMISSION  
151-00-01-087  
Pg 37/7

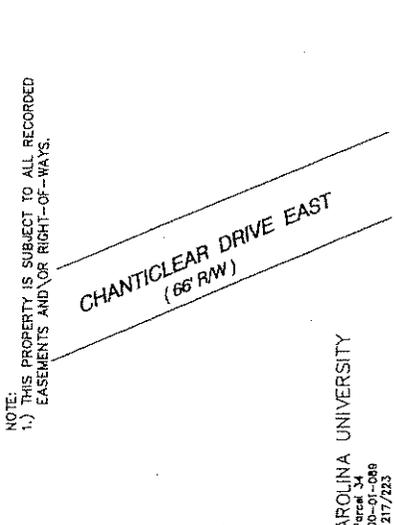
HORRY COUNTY HIGHER EDUCATION COMMISSION  
151-00-01-087  
Pg 37/7

COASTAL EDUCATIONAL FOUNDATION INC.  
Parcel 32  
PART OF TMS# 151-00-01-099  
Pg 20/97

S.C. HIGHWAY NO. 955  
(UNIVERSITY BLVD.)  
(100' PUBLIC RW)

COASTAL CAROLINA UNIVERSITY  
Parcel 31  
TMS# 151-00-01-088  
Pg 217/223

(1.89 ACRES)  
PART OF TMS# 151-00-01-089



LOCATION MAP  
Scale: 1" = 1 Mi.

COMBINATION NOTE:  
PART OF TMS# 151-00-01-089, 1.89 ACRES, TO BE COMBINED WITH TMS# 151-00-01-088, 0.75 ACRE, TO FORM ONE PARCEL CONTAINING 2.64 ACRES TOTAL.

COMBINATION MAP OF  
1.89 ACRES OF LAND IN THE CITY OF CONWAY, HORRY COUNTY, S. C.  
WHICH COASTAL EDUCATIONAL FOUNDATION, INC. PROPOSE CONVEYING TO:  
**COASTAL CAROLINA UNIVERSITY**

CUT FROM PARCEL 32 SHOWN ON MAP FOR COASTAL EDUCATIONAL FOUNDATION, INC.  
BY J.T. BARFIELD, JR. DATED 6-30-2003.

Certificate of Ownership and Dedication  
I (We) hereby certify that I am (we are) owner(s) of the property shown and described herein, that the property is within the Land Development Jurisdiction of the City of Conway and that I (we) hereby adopt this plan of subdivision with my (our) true consent and hereby establish all lots and dedicate all streets, alleys, walks, paths and other open spaces to public or private use as noted.

Date

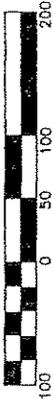
Owner

Certificate of Survey and Accuracy as required by City of Conway  
I, J.T. Barfield, Jr., hereby state that to the best of my knowledge, information and belief, the survey shown hereon was made in accordance with the laws of the State of South Carolina and that the same is a true and correct survey and that the same has been placed in accordance with law and the standards of practice. Witness my original signature, registration number and seal this 28th day of March, 2011.

PARENT TRACT: TMS# 151-00-01-099  
DEED REC'D 06, 1990, PG. 63M, PG. 20, PG. 57 H.C.RECS.  
OWNER OF RECORD:  
COASTAL EDUCATIONAL FOUNDATION, INC.  
THIS PROPERTY IS ZONED "INSTITUTIONAL" (CITY OF CONWAY)  
THIS PROPERTY IS IN FLOOD ZONE "X"  
AS PER F.I.A.M. #4505100 517 H. DATED 9-23-1998.

SURVEY DATE: MARCH 29, 2011

GRAPHIC SCALE: 1" = 100'



- LEGEND:
- CONC. F - CONCRETE FOUND
  - IPF - IRON PIPE FOUND
  - IFS - 1/2" IRON PIPE SET
  - IS - IRON FOUND
  - IS - IRON SET
  - STK. O - STAKE FOUND (GOLD MARKS)
  - STU. F - STUMP FOUND
  - AV. L - LIMB FOUND
  - PK - BK NAIL
  - PT - POINT
  - TD, SPL - SERVICE POLE
  - TD, PBL - POWER POLE
  - TD, TP - TELEPHONE PEDESTAL

SEE REF. MAP

DATA COLLECTED

Coastal Land Surveyors, Inc.  
223 Main St., Conway, S.C. 29628  
PH: (843) 248-5419 (FAX) 248-6585

J.T. Barfield, Jr.  
REG. LAND SURV. S.C. 04768  
J.T. BARFIELD, JR.

#151

## **SUMMARY**

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 1.89 acres, located approximately 500 feet northwest of the intersection of University Boulevard and Chanticleer Drive East on the southern portion 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 May 31, 2011, 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. The subject property consists mostly of cleared grassed land with sparse trees and concrete sidewalks. The adjacent properties consist of buildings associated with CCU.

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 remained mostly vacant wooded land prior to the development of the CCU campus which began around the late 1960's. Then the property was cleared and maintained by CCU.

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: 9584
2. County: Horry
3. Description of Property: 1.89 acres TMS #151-00-01-099 located adjacent to the Lib Jackson Student Center.
4. Grantor(s) Name and Address: Coastal Educational 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: Horry
7. Acreage: 1.89
8. Purpose for Acquisition: Construction of a <sup>40,000</sup>sf annex to the Lib Jackson Student Center.
9. Demonstrate the need to acquire the property: Construction site for annex to Student Center.
10. Purchase Price: None – Land donation
11. Current Year Property Tax Amount: \$0.00

**PART II**

1. How many sites were evaluated? Two
2. Please list the selection criteria used to evaluate sites. Both sites are adjacent to current Student Center. We will construct on the interior site (furthest from Chanticleer Drive East) first, then construct second annex on other site – located in parking lot next to Chanticleer Drive East.
3. How was the final selection of the site made? Only available properties located adjacent to current Student Center.
4. Why was this specific site selected? Proximity to current Student Center.
5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work? \$12,000,000 for first annex. This includes \$1,000,000 from Renovation Reserve/Plant Expansion, \$3,000,000 from Institutional Capital Project Funds and \$8,000,000 in private funds from Horry County Higher Education Commission.

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 – the University already maintains this land.
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. \$147,500 for first annex, which includes utilities, supplies and custodial personnel. General Operating Funds.

B&CB Form

(b) Coastal Carolina University  
Horry County  
H17-9578

**List of Supporting Documents:**

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



Vice President  
for Finance and Administration

January 9, 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: Coastal Science Center – 301 Allied Drive

Dear Carol:

Please accept this letter as a request for State Budget and Control Board approval for the purchase of 10.62 acres of land with a 69,480 gross square foot building in the amount of \$1,816,112. Purchase price is estimated based on a February 29, 2012 closing. Should the closing take place in March, the purchase price will be reduced. This facility provides much needed office and classroom space for our Psychology, Sociology, Computer Science and Marine Science Departments.

Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in cursive script that reads "Stacie A. Bowie".

Stacie A. Bowie  
CFO/Vice President  
Finance & Administration



E.F. "BUDDY" HUCKS, MAI, SRA  
President

June 11, 2011

Ms. Sandra Williams  
Coastal Carolina University  
642 Century Circle  
Conway, South Carolina 29526

Re: Coastal Science Center  
301 Allied Drive  
Conway, South Carolina 29526  
Owner: Can Am North, LLC  
Our File # C11-0077

Dear Ms. Williams:

At your request, we have inspected and appraised the above referenced property. The purpose of this appraisal is to estimate the Market Value of the subject property's Fee Simple interest based on "As Is" condition as of June 3, 2011.

As noted in Statement on Appraisal Standards No. 4 (SMT-4), a "current value opinion" appraisal occurs when the effective date of appraisal is contemporaneous with the date of the report.

This Summary Appraisal Report was prepared in accordance with the suggestions as detailed in Advisory Opinions AO-11 of the *Uniform Standards of Professional Appraisal Practice*, published by The Appraisal Foundation. AO-11 concerns the content of the Appraisal Reporting Options of Standard Rule 2. This report sets forth the results of our findings and analyses that is intended to meet the requirements for the Uniform Standards of Professional Appraisal Practice, Federal Regulation 12 CFR Part 34 (Title IX of FIRREA).

The attached report establishes the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigations and analyses, and the reasoning leading to these conclusions. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

SOUTH STRAND  
98 Center Marsh Lane  
Suite 6B  
Pawleys Island, SC 29585  
Phone (843) 235-8778  
Fax (843) 235-3978

MYRTLE BEACH  
Suite 1  
4710 Oleander Drive  
Myrtle Beach, SC 29577  
Phone (843) 497-9192  
Toll Free (877) 849-9907  
Fax (843) 497-9542  
website: effucks.com

Based on our investigation and analyses of the data gathered with respect to this assignment given the assumptions and limiting conditions set forth in the attached appraisal report, the Market Value of the Fee Simple interest in the subject property, based on "As Is" condition as of June 3, 2011, is estimated to be:

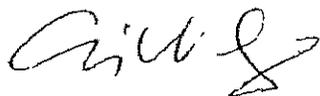
**FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**\$5,500,000**

We understand that this appraisal is for the sole use of the client for verification of the property value on the date of the appraisal. We have met the appraisal requirements of the appraisal standards, USPAP and client. This Summary Appraisal Report is transmitted according to USPAP, Standard 2-2 (b). This appraisal has been completed for Coastal Carolina University and it may rely on our conclusions.

If we can be of any further assistance, please do not hesitate to contact us.

Respectfully submitted,

E. F. HUCKS & ASSOCIATES, INC.



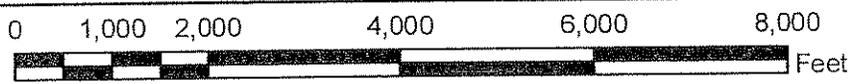
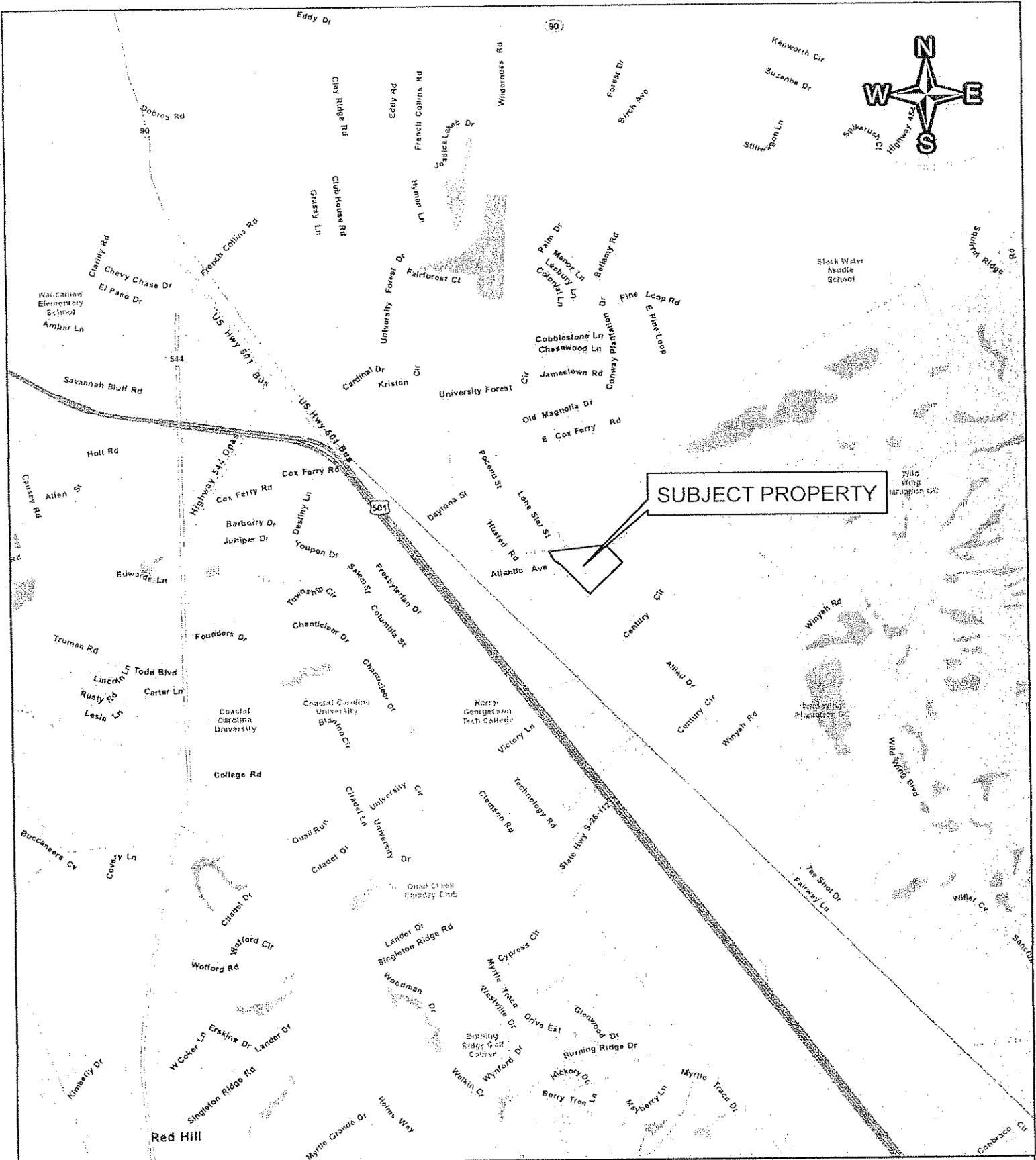
Craig W. Sturgill, SRA  
Certified General RE Appraiser # CG6523



Edward F. Hucks, MAI, SRA  
Certified General RE Appraiser # CG138

DIGITAL SIGNATURES

The signature(s) affixed to this report, and certification, were applied by the original appraiser(s) or supervisory appraiser and represent their acknowledgements of the facts, opinions and conclusions found in the report. Each appraiser applied his or her signature electronically using a password encrypted method. Hence these signatures have more safeguards and carry the same validity as the individual's hand applied signature. If the report has a hand-applied signature, this comment does not apply.



|              |               |
|--------------|---------------|
| SCALE:       | 1" = 2,000'   |
| SOURCE:      | ESRI          |
| SOURCE DATE: | 2009          |
| DATE:        | DECEMBER 2011 |



WWW.S&MEINC.COM

**SITE VICINITY MAP  
COASTAL SCIENCE CENTER  
CONWAY, SC**

S & ME PROJECT # 1634-11-246

FIGURE #  
**1**



RECEIVED

DEC 13 2011

Angel & Conic Borer  
OFFICE OF STATE SECRETARY

December 9, 2011

Mr. Mark Avant  
Coastal Carolina University  
PO Box 261954  
Conway, SC 29528-6054

Re: Submittal of Groundwater Quality Data  
DHEC ID 26-04922  
301 Allied Drive  
**No Further Action**  
Horry County, South Carolina

Mr. Avant:

The Department has reviewed the referenced assessment report. No constituents were detected in groundwater above the USEPA's Maximum Contaminant Levels (MCL) for drinking water or Regional Screening Levels (RSLs) for soils and sediments.

As the Department did not specifically request this data, and the work conducted at this site received no prior review by the Department, we cannot provide any comments on the completeness of the work performed or the overall environmental conditions of the site. Based on the information and analytical data submitted, no investigation will be required at this time. Please note, this statement pertains only to the data submitted and does not apply to other areas of the site and/or any other potential regulatory violations. Further, the Department retains the right to request further investigation if deemed necessary.

On all correspondence regarding this site, please reference **DHEC ID 26-04922**. If you have any questions, please call me at (803) 896-4161.

Sincerely,

Jason C Williams, Environmental Health Manager  
State & Federal Site Assessment Section  
SCDHEC Bureau of Land & Waste Management

cc: Region 6 District EQC  
Technical File

Hayward Key  
S&ME, Inc.  
1330 Hwy 501 Bus  
Conway, SC 29526

## 1.0 PROJECT BACKGROUND

The subject property is located at 301 Allied Drive in Conway (Horry County), South Carolina. The subject property is currently developed with a one-story building approximately 69,480 square feet in plan area with associated parking and driveway areas.

S&ME completed a Phase I Environmental Site Assessment (ESA) at the above referenced site for Coastal Carolina University (CCU). The Phase I ESA report, dated March 18 2011, identified one recognized environmental condition (REC) in connection with the subject property:

- The subject site is located within the former Grove Manufacturing Company (GMC) facility which operated from 1975 through 1984.

GMC, primarily a manufacturer of cranes, operated multiple petroleum underground storage tanks (USTs), a painting and maintenance facility, and at least one landfill near the subject property. Prior environmental sampling events at the GMC facility, primarily in the 1980s, indicated the presence of certain Resource Conservation Recovery Act (RCRA) metals, Volatile Organic Compounds (VOCs) and Semi Volatile Organic Compounds (SVOCs) exceeding regulatory levels in soil and groundwater. However, S&ME was unable to locate documentation indicating sampling activities were performed specifically on the subject property.

Based on the findings of our Phase I, CCU requested S&ME conduct a Limited Soil and Groundwater Assessment at the property, which included installing direct push borings to collect soil samples and then converting the borings to temporary monitoring wells for the purpose of collecting groundwater samples.

S&ME mobilized to the subject property on June 13, 2011, to conduct the limited soil and groundwater assessment activities. Direct push borings were installed at four locations on the subject property using a Geoprobe®. One shallow boring/temporary well and one deep boring/temporary well were constructed at each direct push boring location. Soil and groundwater samples were collected from each shallow boring/temporary well and analyzed for RCRA metals, SVOCs, and VOCs. Groundwater samples were collected from each deep boring/temporary well and analyzed for VOCs.

The soil analytical results revealed that two of the soil samples collected for this assessment contained detectable levels of arsenic above EPA Protection for Groundwater Soil Screening Levels (SSLs), and ethylbenzene was detected in one of the soil samples above the respective EPA Protection for Groundwater Risk Based SSL.

The groundwater analytical results revealed total concentrations of arsenic in three of the groundwater samples and lead in two of the groundwater samples were above the EPA established MCL and/or RSL for tap water. The analytical results of one of the groundwater samples collected for this assessment contained total and dissolved

concentrations of mercury above the EPA established MCL for drinking water. No other detected constituents in the soil and groundwater samples were above comparable levels.

S&ME concluded that the arsenic concentrations in subsurface soil samples collected at the subject site appear to be consistent with published background arsenic concentrations in South Carolina soil. The assessment revealed total concentrations of arsenic and lead in shallow groundwater samples that were above the EPA established MCL and/or RSL for tap water; however, the dissolved concentrations of arsenic and lead in these groundwater samples were below the MCL and/or RSL for tap water.

Total and dissolved concentrations of mercury were detected slightly above the established MCL in one of the groundwater samples. S&ME concluded that elevated mercury in this groundwater sample may have been attributed to increased turbidity of the groundwater from that temporary well. On August 10, 2011, S&ME submitted the report to the South Carolina Department of Health and Environmental Control (SCDHEC) and requested the site be issued a no further action (NFA).

On September 15, 2011, Mr. Heyward Key of S&ME contacted Mr. Jason Williams of the SCDHEC via telephone to check the status of the report. Mr. Williams indicated that he had reviewed the report and was going to request that a permanent shallow monitoring well be installed at the location of the shallow temporary well which contained groundwater with mercury concentrations above the MCL, and that a groundwater sample be collected from the newly installed well and analyzed for total and dissolved mercury.

Following the telephone conversation with Mr. Williams of the SCDHEC, Mr. Key contacted Mr. Mark Avant of CCU and relayed the request from the SCDHEC. Mr. Avant requested S&ME submit a proposal to install and sample a permanent shallow monitoring well for total and dissolved mercury as requested by the SCDHEC.

## **2.0 SITE ASSESSMENT ACTIVITIES**

S&ME mobilized to the site on October 21, 2011 to conduct the well installation activities. Probe Technology, Inc. (Probe-Tech) was contracted to install the permanent monitoring well. S&ME conducted a brief Health and Safety Meeting before beginning field activities.

### **2.1 Monitoring Well Installation**

On October 21, 2011, one shallow groundwater monitoring well (MW-1) was installed using a Geoprobe near the area where mercury was previously detected in the groundwater (previous temporary well SB-4). The monitoring well was installed to a depth of 12 feet below existing grade and was constructed of schedule 40, threaded PVC with a 10-foot 0.01- inch slotted screen. The well annulus was filled with #2 filter sand around the well screen to 1 foot above the screen. The well annulus above the filter sand was filled with a bentonite/cement seal to the surface. A flush-mounted well head was installed within a concrete pad to protect the well from damage. After installation activities were completed, the well was properly developed to remove sediments in the

well column and restore the natural hydraulic flow conditions of the aquifer. Soil cuttings, drilling fluid and development water were containerized on-site in appropriately labeled, steel 55-gallon drums.

Prior to installing the monitoring well, S&ME obtained the required approval of the SCDHEC. A copy of the SCDHEC monitoring well approval is included as Appendix B. The well was installed by a South Carolina Certified Well Driller (#1810) and was constructed in compliance with South Carolina Well Regulations and Standards (R. 61-71). The SCDHEC Water Well Records and well logs are provided in Appendix C.

## **2.2 Groundwater Sampling and Analysis**

S&ME returned to the site on October 31, 2011, to sample the newly installed groundwater monitoring well. The groundwater sample was collected via low-flow techniques using a peristaltic pump and disposable polyethylene tubing. The sample was collected into laboratory-supplied containers and placed on ice in a laboratory-supplied cooler. The sample was shipped via overnight to Test America in Nashville, Tennessee and analyzed for total and dissolved mercury by EPA Method 7470A/7471A. A site map identifying the approximate location of the monitoring well is included as Figure 2 in Appendix A.

## **2.3 Investigative Derived Waste (IDW) Disposal**

One (1) 55-gallon drum of solids and liquids was generated during the site assessment activities. The drum was disposed of by Saf-Way Recycler of Conway, South Carolina. Copies of the waste disposal manifests are included in Appendix D.

## **3.0 LABORATORY ANALYTICAL RESULTS**

The laboratory analytical data indicated that dissolved levels of mercury were below the laboratory method detection limit (MDL) in the groundwater sample collected from MW-1. Total levels of mercury were above the laboratory MDL, but were below the EPA maximum contaminant level (MCL) for drinking water. A copy of the laboratory analytical report is provided in Appendix E.

## **4.0 CONCLUSIONS AND RECOMMENDATIONS**

The analytical results of the groundwater sample collected from the newly installed monitoring well (MW-1) did not contain dissolved levels of mercury above the laboratory MDL. Total levels of mercury in MW-1 were detected at 0.000186 parts per million, which is less than the EPA drinking water MCL for mercury (0.002 parts per million); therefore, S&ME requests the SCDHEC issue a no further action (NFA) for the subject property.

As a condition of the well permits issued for this project, this report is copied to the SCDHEC for their review and concurrence.

PROPERTY ACQUISITION INFORMATION  
PART I

1. Project Number: 9578
2. County: Horry
3. Description of Property: 301 Allied Drive, Conway, SC
4. Grantor(s) Name and Address:  
  
Can Am North, LLC  
320 N. Jensen Rd  
Vestal, NY 13850
5. Grantee(s) Name and Address:  
  
Coastal Carolina University  
PO Box 261954  
Conway, SC 29528-6054
6. County Location: Horry County, South Carolina
7. Acreage: 10.62
8. Purpose for Acquisition: Building provides faculty and staff office space and classroom space for the University.
9. Demonstrate the need to acquire the property: Property provides much needed office and classroom space for the University's Departments of Psychology, Sociology, Computer Science and Marine Science. The building is located on the University's east campus within the University's Master Land Acquisition Plan.
10. Purchase Price: \$1,816,112 plus \$255,683 for renovation loan payoff.
11. Current Year Property Tax Amount: \$28,322.31

## PART II

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites: Need office space for 40 faculty /staff members and 10 classrooms and lab space.
3. How was the final selection of the site made? University currently leases this property which meets the needs of the departments housed there and it is located on the University's east campus.
4. Why was this specific site selected? Building has been renovated and leased by the University and was designed to meet faculty/staff office and classroom space needs..
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? None.
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 the property and operating costs are already covered in University's current budget. University will experience a \$325,000/year lease savings.
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. None. No renovation required.

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 3

---

AGENCY: Clemson University

---

SUBJECT: Not Exceeding \$24,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Clemson University, Series 2012C

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$24,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Clemson University, Series 2012C, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) refund State Institution Bonds heretofore issued for the University and outstanding, and (2) pay, including reimbursement to the University, for expenses related to the issuance of such State Institution Refunding Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$24,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Clemson University, Series 2012C, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

Pope Zeigler, LLC  
1411 Gervais St., Ste 300  
Post Office Box 11509  
Columbia, SC 29211  
MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$24,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of Clemson University), Series 2012C of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Ray Jones, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$24,000,000<sup>1</sup> Clemson University State Institution Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |   |                 |
|--|---|-----------------|
| Outstanding bonds proposed to be refinanced  | Portions or all of the University's outstanding Series 2002B, 2003B and 2003F State Institution Bonds |                 |
| Average interest rate of bonds refinanced  |   | 4.15%           |
| Projected average interest rate of refinancing bonds   |   | 2.23%           |
| True interest cost of refinancing bonds  |   | 1.12%           |
| Projected net present value savings (net of costs)   | \$ 1,797,000  |                 |
| Projected net present value savings as a percentage of the bonds refinanced                                |   | 8.01%           |
|  |   |                 |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |   |                 |
| Underwriting   | \$ 112,100  | (0.50%, 6.24%)  |
| Legal fees – bond, disclosure and general counsel  | 47,300  | (0.21%, 2.63%)  |
| Rating agency fees   | 18,500  | (0.08%, 1.03%)  |
| Advisory fees  | 9,300   | (0.04%, 0.52%)  |
| Bond trustee/registrar   | 7,500   | (0.03%, 0.42%)  |
| Accounting and verification  | 5,000   | (0.02%, 0.28%)  |
| Credit enhancement/bond insurance  | 0   |                 |
| Publication, printing, contingencies and all other expenses  | 2,100   | (0.01%, 0.12%)  |
| Total  | 201,800   | (0.90%, 11.23%) |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$22,500,000 and a premium of approximately \$1.0 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 4

---

AGENCY: Medical University of South Carolina

---

SUBJECT: Not Exceeding \$15,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the Medical University of South Carolina, Series 2012B

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 Refunding Bonds, issued on behalf of the Medical University of South Carolina, Series 2012B, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) refund State Institution Bonds heretofore issued for the University and outstanding, and (2) pay, including reimbursement to the University, for expenses related to the issuance of such State Institution Refunding Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$15,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the Medical University of South Carolina, Series 2012B, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

Pope Zeigler, LLC  
1411 Gervais St., Ste 300  
Post Office Box 11509  
Columbia, SC 29211  
MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$15,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2012B of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Ray Jones, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$15,000,000<sup>1</sup> Medical University of South Carolina State Institution Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |   |
|--|---|
| Outstanding bonds proposed to be refinanced  | Portions or all of the University's outstanding Series 2001C, 2003D and 2003J State Institution Bonds |
| Average interest rate of bonds refinanced  | 4.44%   |
| Projected average interest rate of refinancing bonds   | 2.98%   |
| True interest cost of refinancing bonds  | 1.66%   |
| Projected net present value savings (net of costs)   | \$ 1,283,000  |
| Projected net present value savings as a percentage of the bonds refinanced                                | 9.81%   |
| <br>   |   |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |   |
| Underwriting   | \$ 65,000 (0.50%, 5.07%)  |
| Legal fees – bond, disclosure and general counsel  | 37,900 (0.29%, 2.95%)   |
| Rating agency fees   | 10,800 (0.08%, 0.84%)   |
| Advisory fees  | 5,400 (0.04%, 0.42%)  |
| Bond trustee/registrar   | 7,500 (0.06%, 0.58%)  |
| Accounting and verification  | 5,000 (0.04%, 0.39%)  |
| Credit enhancement/bond insurance  | 0   |
| Publication, printing, contingencies and all other expenses  | 2,100 (0.02%, 0.16%)  |
| Total  | 133,700 (1.03%, 10.42%)   |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$13,000,000 and a premium of approximately \$1.0 million under current market conditions.



---

AGENCY: Winthrop University

---

SUBJECT: Not Exceeding \$22,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Winthrop University, Series 2012D

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$22,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Winthrop University, Series 2012D, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) refund State Institution Bonds heretofore issued for the University and outstanding, and (2) pay, including reimbursement to the University, for expenses related to the issuance of such State Institution Refunding Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$22,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of Winthrop University, Series 2012D, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

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

MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$22,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of Winthrop University), Series 2012D of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
B. Eric Shytle, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$22,000,000<sup>1</sup> Winthrop University of South Carolina State Institution Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|   |  |       |
|---|--|-------|
| Outstanding bonds proposed to be refinanced                                 | Portions or all of the University's outstanding Series 2001A, 2001E, 2003C, 2004A, 2005B and 2006A State Institution Bonds |       |
| Average interest rate of bonds refinanced                                   |  | 4.25% |
| Projected average interest rate of refinancing bonds                        |  | 3.40% |
| True interest cost of refinancing bonds                                     |  | 1.98% |
| Projected net present value savings (net of costs)                          | \$ 1,508,000   |       |
| Projected net present value savings as a percentage of the bonds refinanced |  | 7.67% |

|  |           |                 |
|--|-----------|-----------------|
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |           |                 |
| Underwriting   | \$ 99,200 | (0.50%, 6.58%)  |
| Legal fees – bond, disclosure and general counsel  | 44,700    | (0.23%, 2.96%)  |
| Rating agency fees   | 16,400    | (0.08%, 1.09%)  |
| Advisory fees  | 8,200     | (0.04%, 0.54%)  |
| Bond trustee/registrar   | 7,500     | (0.04%, 0.50%)  |
| Accounting and verification  | 5,000     | (0.03%, 0.33%)  |
| Credit enhancement/bond insurance  | 0         |                 |
| Publication, printing, contingencies and all other expenses  | 2,100     | (0.01%, 0.14%)  |
| Total  | 183,100   | (0.92%, 12.14%) |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$19,900,000 and a premium of approximately \$2.2 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 6

---

AGENCY: University of South Carolina

---

SUBJECT: Not Exceeding \$35,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2012

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$35,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2012.

The proceeds from the sale of the bonds will be used for the purpose of (i) refunding any of the prior bonds, (ii) funding any required debt service reserve fund requirement, (iii) paying costs of issuance of the Series 2012 bonds, and (iv) paying the cost of any credit enhancement with respect to the Series 2012 Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$35,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2012.

---

ATTACHMENTS:

Galloway 2/13/12 letter; Resolution

Haynsworth  
Sinkler Boyd, P.A.

ATTORNEYS AND COUNSELORS AT LAW

CHARLESTON  
COLUMBIA  
FLORENCE  
GREENVILLE  
MYRTLE BEACH  
WASHINGTON, DC

75 BEATTIE PLACE, 11TH FLOOR (29601-2119)  
POST OFFICE BOX 2048 (29602-2048)  
GREENVILLE, SOUTH CAROLINA  
TELEPHONE 864.240.3200  
FACSIMILE 864.240.3300  
www.hsblawfirm.com

February 13, 2012

Delbert Singleton  
Secretary to the Board  
State Budget and Control Board  
Wade Hampton Office Building, 6<sup>th</sup> Floor  
Columbia, South Carolina 29201

Re: Not exceeding \$35,000,000 University of South Carolina Higher Education  
Refunding Revenue Bonds, Series 2012

Dear Delbert:

Enclosed please find the proposed form of resolution of the State Board approving the issuance of the above-referenced bonds, to be considered for adoption at the Board's meeting of March 6, 2012. Also enclosed herewith please find copies of the Bond Resolution and the Series Resolution adopted by the University of South Carolina Board of Trustees on June 21, 1996 and February 10, 2012, respectively, authorizing the issuance of the proposed bonds. We will forward a signed copy of the Series Resolution upon execution by the officers of the Board of Trustees.

Please call me if I may answer any questions or provide any further information. Thank you.

Very truly yours,



Robert S. Galloway, III

RSG,III:sd

Enclosure

cc: Charlie FitzSimons  
Rick Harmon

Summary of Refinancing Proposal for  
Not Exceeding \$35,000,000<sup>1</sup> University of South Carolina Higher Education Refunding Revenue Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 14, 2011

|  |  |
|--|--|
| Outstanding bonds proposed to be refinanced  | Portions or all of the University's outstanding Series 1999A, 2003B and 2004A Higher Education Revenue Bonds |
| Average interest rate of bonds refinanced  | 4.90%  |
| Projected average interest rate of refinancing bonds   | 5.00%  |
| True interest cost of refinancing bonds  | 3.21%  |
| Projected net present value savings (net of costs)   | \$ 3,884,000   |
| Projected net present value savings as a percentage of the bonds refinanced                                | 12.56%   |
|  |  |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |  |
| Underwriting   | \$ 110,400 (0.40%, 2.84%)  |
| Legal fees – bond, disclosure and general counsel  | 39,300 (0.14%, 1.01%)  |
| Rating agency fees   | 75,000 (0.27%, 1.93%)  |
| Advisory fees  | 0  |
| Bond trustee/registrar   | 10,000 (0.03%, 0.26%)  |
| Accounting and verification  | 5,000 (0.01%, 0.13%)   |
| Credit enhancement/bond insurance  | 0  |
| Publication, printing, contingencies and all other expenses  | 2,100 (0.01%, 0.05%)   |
| Total  | 241,800 (0.87%, 6.23%)   |

Prepared by Rick Harmon, Office of State Treasurer; summarized from information provided by the University and its investment banking firm, Barclays Capital

---

<sup>1</sup> The proposal assumes actual proceeds of \$27,600,000 and a premium of approximately \$4.9 million under current market conditions.

## A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REFUNDING REVENUE BONDS, OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO TITLE 59, CHAPTER 147, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO REFINANCE CERTAIN BONDS OF THE UNIVERSITY OF SOUTH CAROLINA.

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

### ARTICLE I

#### FINDINGS OF FACT

##### Section 1.01

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

(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 South Carolina Code of Laws of 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 costs of the cost of acquisition, construction, reconstruction, renovation, and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstore and other university operated stores, laundry, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other nondegree educational facilities and similar auxiliary facilities of the university and any other facilities that are auxiliary to any of the foregoing excluding, however, athletic department projects that primarily serve varsity athletic teams of the University.

(b) The Board of Trustees has made general provision for the issuance of University of South Carolina Higher Education Revenue Bonds pursuant to the Enabling Act (the "*Bonds*") through the means of a resolution adopted on June 21, 1996, entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (as amended, the "*Bond Resolution*").

(c) The Board of Trustees has been advised that, under current market conditions, substantial savings may be achieved through the refinancing of all or any portion of any of the following outstanding Bonds issued pursuant to the Bond Resolution (collectively, the "*Prior Bonds*"):

(i) the \$4,995,000 original principal amount Revenue Bonds, Series 1999A, currently outstanding in the principal amount of \$2,545,000;

(ii) the \$5,500,000 original principal amount Revenue Bonds, Series 2003B, currently outstanding in the principal amount of \$3,685,000; and

(iii) the \$30,900,000 original principal amount Revenue Bonds, Series 2004A, currently outstanding in the principal amount of \$26,805,000.

(d) Accordingly, pursuant to the Bond Resolution and a Series Resolution adopted by the Board of Trustees on February 10, 2012, entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, TO BE DESIGNATED SERIES 2012, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$35,000,000, AND OTHER MATTERS RELATING THERETO" (the "*Series 2012 Resolution*"), the Board of Trustees authorized the issuance of a series of Bonds (the "*Series 2012 Bonds*") in the principal amount of not exceeding \$35,000,000 for the purpose of (i) refunding any of the Prior Bonds, (ii) funding any required debt service reserve fund requirement, (iii) paying costs of issuance of the Series 2012 Bonds, and (iv) paying the cost of any credit enhancement with respect to the Series 2012 Bonds; all subject to the approval of the State Board.

(e) The Board of Trustees has therefore requested that the State Board authorize the sale and issuance of the Series 2012 Bonds in an amount not exceeding \$35,000,000 for the purposes described above.

#### Section 1.02

The Bond Resolution and the Series 2012 Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

## ARTICLE II

### AUTHORIZATION TO SELL AND ISSUE THE SERIES 2012 BONDS

#### Section 2.01

(a) The State Board hereby approves and authorizes the sale and issuance of the Series 2012 Bonds in the principal amount of not exceeding \$35,000,000, in the manner and under the conditions prescribed in the Bond Resolution and the Series 2012 Resolution, at public sale or negotiated sale in the manner and under certain conditions provided in Article VII of the Series 2012 Resolution.

(b) 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.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 7

---

AGENCY: University of South Carolina

---

SUBJECT: Not Exceeding \$42,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the University of South Carolina, Series 2012A

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$42,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the University of South Carolina, Series 2012A, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) refund State Institution Bonds heretofore issued for the University and outstanding, and (2) pay, including reimbursement to the University, for expenses related to the issuance of such State Institution Refunding Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$42,000,000 General Obligation State Institution Refunding Bonds, issued on behalf of the University of South Carolina, Series 2012A, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM

COLUMBIA | CHARLOTTE

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

MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$42,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of the University of South Carolina), Series 2012A of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Wayne Corley, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$42,000,000<sup>1</sup> University of South Carolina State Institution Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |  |                |
|--|--|----------------|
| Outstanding bonds proposed to be refinanced  | Portions or all of the University's outstanding Series 1996B, 2002E, 2003I and 2006B State Institution Bonds |                |
| Average interest rate of bonds refinanced  |  | 4.81%          |
| Projected average interest rate of refinancing bonds   |  | 3.03%          |
| True interest cost of refinancing bonds  |  | 1.63%          |
| Projected net present value savings (net of costs)   | \$ 3,327,000   |                |
| Projected net present value savings as a percentage of the bonds refinanced                                |  | 9.23%          |
|  |  |                |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |  |                |
| Underwriting   | \$ 185,300   | (0.50%, 5.57%) |
| Legal fees – bond, disclosure and general counsel  | 61,900   | (0.17%, 1.86%) |
| Rating agency fees   | 30,600   | (0.08%, 0.92%) |
| Advisory fees  | 15,300   | (0.04%, 0.46%) |
| Bond trustee/registrar   | 7,500  | (0.02%, 0.23%) |
| Accounting and verification  | 5,000  | (0.01%, 0.15%) |
| Credit enhancement/bond insurance  | 0  |                |
| Publication, printing, contingencies and all other expenses  | 2,100  | (0.01%, 0.06%) |
| Total  | 307,700  | (0.83%, 9.25%) |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$37,100,000 and a premium of approximately \$3.1 million under current market conditions.



STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF March 6, 2012

ITEM NUMBER 8

---

AGENCY: State Treasurer's Office

---

SUBJECT: Not Exceeding \$35,000,000 General Obligation State Transportation  
Infrastructure Refunding Bonds, Series 2012A, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$35,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2012A of the State of South Carolina.

The proceeds from the sale of the bonds will be used to (1) refund certain Transportation Infrastructure bonds heretofore issued and outstanding, and (2) pay, including reimbursement to the South Carolina Transportation Infrastructure Bank, for expenses related to the issuance of certain Transportation Infrastructure Refunding Bonds.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$35,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2012A, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

Pope Zeigler, LLC  
1411 Gervais St., Ste 300  
Post Office Box 11509  
Columbia, SC 29211  
MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$35,000,000 General Obligation State Transportation  
Infrastructure Refunding Bonds, Series 2012A of the State of South Carolina (the  
“*Bonds*”)

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the “*State Board*”) scheduled on March 6, 2012:

1. Ten (10) copies of the State Board’s resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Wayne Corley, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$35,000,000<sup>1</sup> South Carolina Transportation Infrastructure Bank Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |  |
|--|--|
| Outstanding bonds proposed to be refinanced  | Portions or all of the State's outstanding Series 2004A Transportation Infrastructure Bank Bonds |
| Average interest rate of bonds refinanced  | 4.89%  |
| Projected average interest rate of refinancing bonds   | 3.55%  |
| True interest cost of refinancing bonds  | 2.07%  |
| Projected net present value savings (net of costs)   | \$ 3,712,000   |
| Projected net present value savings as a percentage of the bonds refinanced                                | 12.83%   |
|  |  |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |  |
| Underwriting   | \$ 145,100 (0.50%, 3.91%)  |
| Legal fees – bond, disclosure and general counsel  | 53,900 (0.19%, 1.45%)  |
| Rating agency fees   | 24,000 (0.08%, 0.65%)  |
| Advisory fees  | 12,000 (0.04%, 0.32%)  |
| Bond trustee/registrar   | 7,500 (0.03%, 0.20%)   |
| Accounting and verification  | 5,000 (0.02%, 0.13%)   |
| Credit enhancement/bond insurance  | 0  |
| Publication, printing, contingencies and all other expenses  | 2,100 (0.01%, 0.06%)   |
| Total  | 249,600 (0.86%, 6.72%)   |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$29,100,000 and a premium of approximately \$3.5 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 9

---

AGENCY: State Treasurer's Office

---

SUBJECT: Not Exceeding \$36,000,000 General Obligation State School Facilities Refunding Bonds, Series 2012A, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$36,000,000 General Obligation State School Facilities Refunding Bonds, Series 2012A, of the State of South Carolina.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$36,000,000 General Obligation State School Facilities Refunding Bonds, Series 2012A, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

Pope Zeigler, LLC  
1411 Gervais St., Ste 300  
Post Office Box 11509  
Columbia, SC 29211  
MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$36,000,000 General Obligation State School Facilities Refunding Bonds, Series 2012A of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Wayne Corley, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$36,000,000<sup>1</sup> South Carolina State School Facilities Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

| Outstanding bonds proposed to be refinanced  | Portions or all of the State's outstanding Series<br>2002A School Facilities Bonds |
|--|--|
| Average interest rate of bonds refinanced  | 3.17%  |
| Projected average interest rate of refinancing bonds   | 2.38%  |
| True interest cost of refinancing bonds  | 1.14%  |
| Projected net present value savings (net of costs)   | \$ 1,633,000   |
| Projected net present value savings as a percentage<br>of the bonds refinanced                                   | 4.83%  |
|  |  |
| Estimated costs (costs as a percentage of<br>refinancing bonds, costs as a percentage of<br>refinancing savings) |  |
| Underwriting   | \$ 166,200 (0.50%, 10.18%)   |
| Legal fees – bond, disclosure and general<br>counsel   | 58,100 (0.17%, 3.56%)  |
| Rating agency fees   | 27,500 (0.08%, 1.68%)  |
| Advisory fees  | 13,700 (0.04%, 0.84%)  |
| Bond trustee/registrar   | 7,500 (0.02%, 0.46%)   |
| Accounting and verification  | 5,000 (0.02%, 0.31%)   |
| Credit enhancement/bond insurance  | 0  |
| Publication, printing, contingencies and all<br>other expenses   | 2,100 (0.01%, 0.13%)   |
| Total  | 280,100 (0.84%, 17.15%)  |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

<sup>1</sup> The proposal assumes actual proceeds of \$33,300,000 and a premium of approximately \$1.7 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 10

---

AGENCY: State Treasurer's Office

---

SUBJECT: Not Exceeding \$42,000,000 General Obligation State Economic Development Refunding Bonds, Series 2012A, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$42,000,000 General Obligation State Economic Development Refunding Bonds, Series 2012A, of the State of South Carolina.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$42,000,000 General Obligation State Economic Development Refunding Bonds, Series 2012A, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

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

MAIN 803 354.4900  
FAX 803 354.4899  
popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$42,000,000 General Obligation State Economic Development  
Refunding Bonds, Series 2012A of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
B. Eric Shytle, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$42,000,000<sup>1</sup> Economic Development Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |  |
|--|--|
| Outstanding bonds proposed to be refinanced  | Portions or all of the State's outstanding Series 2004A and 2005C Economic Development Bonds |
| Average interest rate of bonds refinanced  | 4.32%  |
| Projected average interest rate of refinancing bonds   | 3.77%  |
| True interest cost of refinancing bonds  | 2.51%  |
| Projected net present value savings (net of costs)   | \$ 1,881,000   |
| Projected net present value savings as a percentage of the bonds refinanced                                | 5.19%  |
|  |  |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |  |
| Underwriting   | \$ 182,300 (0.50%, 9.69%)  |
| Legal fees – bond, disclosure and general counsel  | 61,200 (0.17%, 3.25%)  |
| Rating agency fees   | 30,100 (0.08%, 1.60%)  |
| Advisory fees  | 15,100 (0.04%, 0.80%)  |
| Bond trustee/registrar   | 7,500 (0.02%, 0.40%)   |
| Accounting and verification  | 5,000 (0.01%, 0.27%)   |
| Credit enhancement/bond insurance  | 0  |
| Publication, printing, contingencies and all other expenses  | 2,100 (0.01%, 0.11%)   |
| Total  | 303,300 (0.83%, 16.12%)  |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

<sup>1</sup> The proposal assumes actual proceeds of \$36,500,000 and a premium of approximately \$4.4 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 11

---

AGENCY: State Treasurer's Office

---

SUBJECT: Not Exceeding \$55,000,000 General Obligation State Capital Improvement Refunding Bonds, Series 2012A, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$55,000,000 General Obligation State Capital Improvement Refunding Bonds, Series 2012A, of the State of South Carolina.

---

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$55,000,000 General Obligation State Capital Improvement Refunding Bonds, Series 2012A, of the State of South Carolina.

---

ATTACHMENTS:

Pope 2/15/12 letter; Resolution



**POPE ZEIGLER**  
LAW FIRM  
COLUMBIA | CHARLOTTE

**Pope Zeigler, LLC**  
1411 Gervais St., Ste 300      MAIN 803 354.4900  
Post Office Box 11509      FAX 803 354.4899  
Columbia, SC 29211      popezeigler.com

February 15, 2012

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

**VIA HAND DELIVERY**

Re: Not exceeding \$55,000,000 General Obligation State Capital Improvement  
Refunding Bonds, Series 2012A of the State of South Carolina (the "**Bonds**")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, we hereby respectfully enclose the following with respect to the issuance of the Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled on March 6, 2012:

1. Ten (10) copies of the State Board's resolution regarding the issuance of the Bonds; and
2. Ten (10) copies of a summary of refinancing proposal prepared by the Office of the State Treasurer.

If you need anything further or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Margaret C. Pope

Enclosures

cc: Mr. F. Richard Harmon, Jr., Senior Assistant State Treasurer - Debt Management  
Alan Lipsitz, Esq.

Summary of Refinancing Proposal for  
Not Exceeding \$55,000,000<sup>1</sup> Capital Improvement Refunding Bonds

PRELIMINARY – SUBJECT TO CHANGE

February 15, 2012

|  |   |
|--|---|
| Outstanding bonds proposed to be refinanced  | Portions or all of the State's outstanding Series 1999A and 2004A Capital Improvement Bonds |
| Average interest rate of bonds refinanced  | 3.26%   |
| Projected average interest rate of refinancing bonds   | 2.68%   |
| True interest cost of refinancing bonds  | 1.29%   |
| Projected net present value savings (net of costs)   | \$ 2,143,000  |
| Projected net present value savings as a percentage of the bonds refinanced                                | 4.13%   |
|  |   |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) |   |
| Underwriting   | \$ 257,000 (0.50%, 11.99%)  |
| Legal fees – bond, disclosure and general counsel  | 78,600 (0.15%, 3.67%)   |
| Rating agency fees   | 42,400 (0.08%, 1.98%)   |
| Advisory fees  | 21,200 (0.04%, 0.99%)   |
| Bond trustee/registrar   | 7,500 (0.01%, 0.35%)  |
| Accounting and verification  | 5,000 (0.01%, 0.23%)  |
| Credit enhancement/bond insurance  | 0   |
| Publication, printing, contingencies and all other expenses  | 2,100 (0.00%, 0.10%)  |
| Total  | 413,800 (0.81%, 19.31%)   |

Prepared by Morgan O'Donnell, Office of State Treasurer; summarized from information provided by the financial advisory firm Public Resources Advisory Group

---

<sup>1</sup> The proposal assumes actual proceeds of \$51,400,000 and a premium of approximately \$3.1 million under current market conditions.



STATE BUDGET AND CONTROL BOARD  
MEETING OF March 6, 2012

REGULAR SESSION  
ITEM NUMBER 12

---

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 Wednesday, May 9, 2012, in Room 252, Edgar A. Brown Building.

**Remaining Meetings in 2012**

|                        |          |
|------------------------|----------|
| Tuesday, June 19th     | 10:00 AM |
| Tuesday, August 14th   | 10:00 AM |
| Tuesday, October 30th  | 10:00 AM |
| Tuesday, December 11th | 10:00 AM |

---

**BOARD ACTION REQUESTED:**

Agree to meet at 9:00 a.m. on Wednesday, May 9, 2012, in Room 252, Edgar A. Brown Building.

---

**ATTACHMENTS:**