

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, May 9, 2012 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

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STATE BUDGET AND CONTROL BOARD
Meeting of Wednesday, May 9, 2012 -- 9:00 A. M.
Room 252 Edgar A. Brown Building
BLUE AGENDA INDEX

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| 5. | Division of Procurement Services | Procurement Audits and Certifications |
| 6. | Executive Director | Revenue Bonds |
| 7. | Executive Director | Economic Development (2012 Ceiling Allocations) |

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 |
|----------------------|-------------------------------|-------------------------|------------------|
| \$35,850,000 SC JEDA | South Georgia Tissue, LLC | Haynsworth Sinkler Boyd | Pope Zeigler |

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for May 9, 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 |
|----------------------|-------------------------------|-------------------------|------------------|-------------------|
| \$35,850,000 SC JEDA | South Georgia Tissue, LLC | Haynsworth Sinkler Boyd | Pope Zeigler | 03/13/2012 |

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: Real Property Conveyance

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

| | |
|---------------------------------|--|
| Agency: | SC Educational Television Commission |
| Acreage: | Two separate parcels measuring 4.48± acres and 1.95± acres |
| Location: | 1101 George Rogers Boulevard & 1034 Key Road, Columbia |
| County: | Richland |
| Purpose: | To dispose of surplus real property. |
| Price/Transferred To: | \$5,275,000 (Appraised Value)/University of South Carolina |
| Disposition of Proceeds: | To be retained by the SC Educational Television Commission pursuant to Proviso 80A.33. |
| Additional Information: | The proceeds from the sale are sufficient to renovate the ETV Telecommunications Center as required by Proviso 80A.33. |

BOARD ACTION REQUESTED:

Approve the property conveyance as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

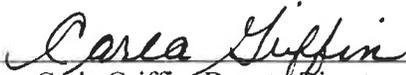
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 9, 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:

- (a) **Agency:** SC Educational Television Commission
Acreage: Two separate parcels measuring 4.48± acres and 1.95± acres
Location: 1101 George Rogers Boulevard & 1034 Key Road, Columbia
County: Richland
Purpose: To dispose of surplus real property.
Price/Transferred To: \$5,275,000 (Appraised Value)/University of South Carolina
Disposition of Proceeds: To be retained by the SC Educational Television Commission pursuant to Proviso 80A.33.
Additional Information: The proceeds from the sale are sufficient to renovate the ETV Telecommunications Center as required by Proviso 80A.33.
-

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

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

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2011-2012 Appropriations Bill H.3700, Part 1B, Proviso 80A.33
3. Letter of March 30, 2012 from SC Educational Television Commission
4. Maps

S.C. Code of Laws

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

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

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

South Carolina General Assembly
119th Session, 2011-2012

H. 3700

General Appropriations Bill for fiscal year 2011-2012
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 80A - F03-BUDGET AND CONTROL BOARD

80A.33. (BCB: Sale of Surplus Real Property) Up to 50% of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining 50% of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

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

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

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

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

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

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

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

1101 George Rogers Blvd.

Columbia, SC 29201

www.myetv.org

mail@scetv.org



March 30, 2012

Ms. Lisa H. Catalanotto
Program Manager, Real Property Services
SC Budget and Control Board
100 Senate Street, Suite 460,
Columbia, SC 29201

Dear Ms. Catalanotto:

ETV is seeking approval to sell its Administrative Building and Children's Place facilities on Key Road in Columbia to the University of South Carolina. This request is pursuant to Proviso 80A.33 of the 2011-2012 Appropriations Act, which allows ETV to sell its Key Road property and retain proceeds, all of which will be used to remodel and renovate the Telecommunications Center also on Key Road and George Rogers Boulevard.

The ETV Commission, on March 28, 2012, issued the following resolution in support of this sale:

The ETV Commission supports the sale of the Administration Building and Children's Place properties to the University of South Carolina. We are pleased the proceeds of this sale will enable the agency to locate Columbia headquarters in one, newly remodeled and more cost efficient facility.

The Telecommunications Center (TCC), with renovation, can adequately house the Columbia technical operations and smaller workforce in one building. When ETV moved from Millwood Avenue to the Key Road site in the 1990's, its workforce was two and one-half times larger than today. Technological changes have also contributed to the need for less space. The net effect is that ETV can realize efficiencies in utilities, maintenance and operations by relocating into one building.

The proceeds from this sale at the appraised value of \$5.275 Million will cover the cost of the renovation of the TCC, as specified in the Proviso. A schematic design and cost estimate confirms that the planned renovation meets the Proviso language of not only providing enough funding to renovate the facility, but also the requirement that all of the proceeds be spent on that renovation. The projected cost to renovate the TCC is \$4,173,175, not including architectural fees and furnishings.

Page 2 of 2

ETV Property Sale

March 30, 2012

The University of South Carolina and ETV have negotiated the sale and purchase in a mutually beneficial fashion, including the transition of ETV operations and personnel to the new facility. USC will lease portions of the Administrative Building back to ETV to phase the move to the TCC as renovations are completed, with the lease subject to the internal approval of the Division of General Services. All pertinent studies of the properties to be sold are completed. ETV has a project in place with the Capital Budgeting section of the Budget and Control Board, and through that process has an architect in place. Once the project is updated with the proceeds, the agency will move forward with the process to renovate the TCC.

ETV appreciates the efforts of legislative interests in establishing this enabling Proviso, and the assistance and joint efforts of personnel from The Budget and Control Board and the University of South Carolina. The sale from ETV to USC of this property which is adjacent to Williams Brice Stadium is a positive outcome for both entities and the state of South Carolina.

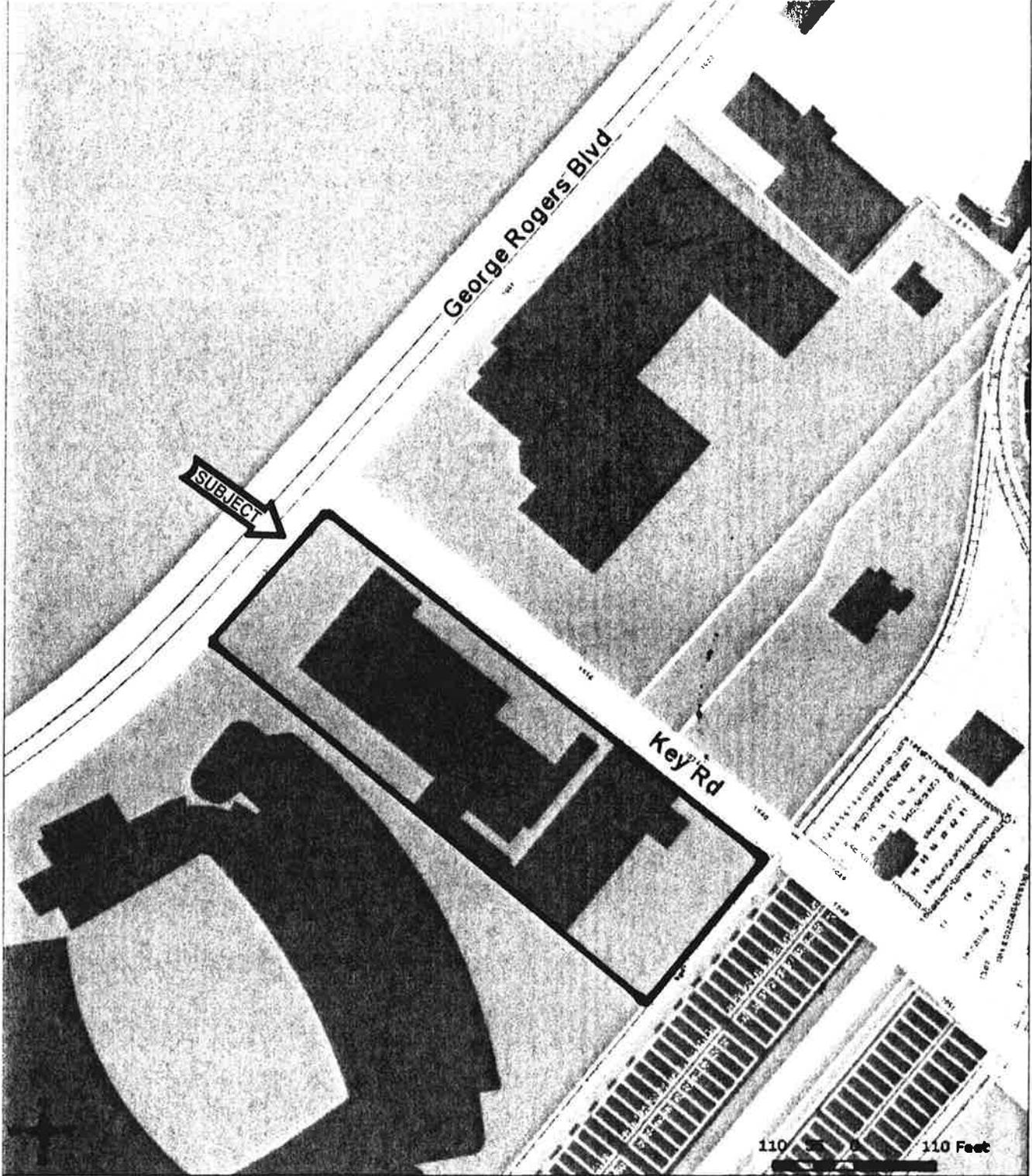
Sincerely,

A handwritten signature in black ink, appearing to read "Mark Whittington", with a long horizontal line extending to the right.

Mark Whittington

Director of Administration and Human Resources, ETV

1101 George Rogers Blvd., Columbia, SC (TMS #R11206-03-01)



110 Feet 110 Feet

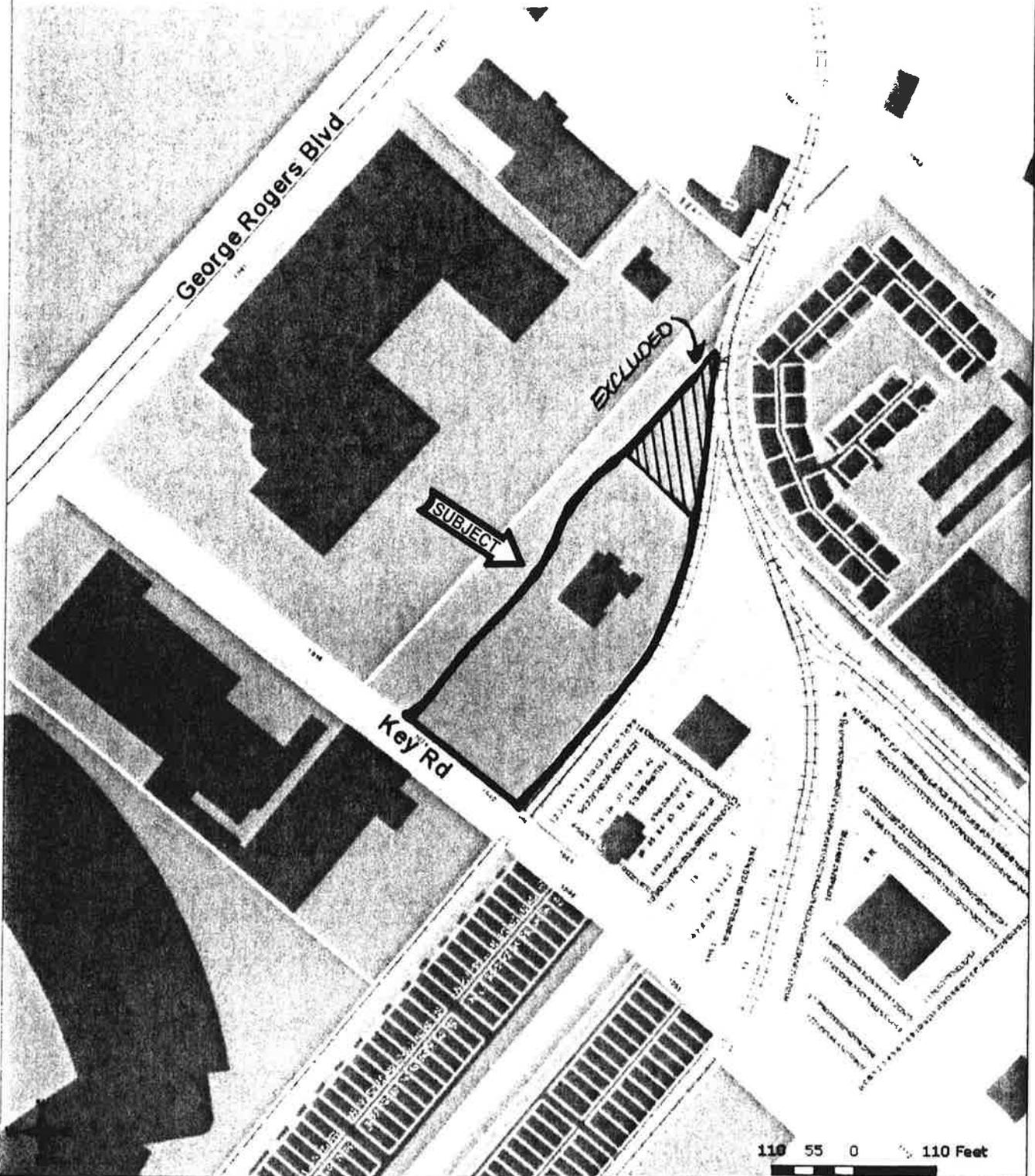


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1034 Key Road, Columbia, SC (TMS #R11210-01-11)



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STATE BUDGET AND CONTROL BOARD
MEETING OF May 9, 2012

BLUE AGENDA
ITEM NUMBER 3

AGENCY: Division of General Services

SUBJECT: Easement

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

| | |
|----------------------|--|
| County Location: | Charleston |
| From: | Budget and Control Board |
| To: | Comcast of Carolina, Inc. |
| Consideration: | \$1,400 |
| Description/Purpose: | To grant a 0.640 acre easement and a 0.443 acre easement for the relocation, installation, operation and maintenance of fiber optic cables to accommodate SCDOT's replacement of SC 171 Bridges over the Folly River and Folly Creek near the City of Folly Beach. |

BOARD ACTION REQUESTED:

Approve the referenced easement.

ATTACHMENTS:

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

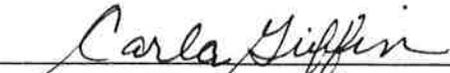
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 9, 2012

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: EASEMENT

3. Summary Background Information:

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

| | |
|----------------------|--|
| County Location: | Charleston |
| From: | Budget and Control Board |
| To: | Comcast of Carolina, Inc. |
| Consideration: | \$1,400 |
| Description/Purpose: | To grant a 0.640 acre easement and a 0.443 acre easement for the relocation, installation, operation and maintenance of fiber optic cables to accommodate SCDOT's replacement of SC 171 Bridges over the Folly River and Folly Creek near the City of Folly Beach. |

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

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

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

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.

STATE BUDGET AND CONTROL BOARD
MEETING OF May 9, 2012

BLUE AGENDA
ITEM NUMBER 4

AGENCY: Division of General Services

SUBJECT: Petition to Request Annexation of Department of Employment and Workforce's Seneca Workforce Center into the City of Seneca

The Department of Employment and Workforce is requesting annexation of its Seneca Workforce Center into the City of Seneca. The office is located at 11091 North Radio Station Road and consists of approximately 2.482 acres. Benefits to be gained from annexation are police, fire and emergency services. A public hearing was conducted by the City of Seneca on December 20, 2010, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

BOARD ACTION REQUESTED:

Approve the petition to request annexation of the Department of Employment and Workforce's Seneca Workforce Center into the City of Seneca.

ATTACHMENTS:

Agenda item worksheet; Letter from Department of Employment and Workforce dated March 5, 2012; Letter from City of Seneca dated May 24, 2010; Statement from Representative William E. Sandifer, III dated March 2, 2012; Letter from Senator Thomas C. Alexander dated March 2, 2012; Map; Code Section 5-3-140

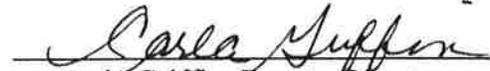
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 9, 2012

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

- 2. Subject:** Petition to Request Annexation of Department of Employment and Workforce's Seneca Workforce Center into the City of Seneca
-

3. Summary Background Information:

The Department of Employment and Workforce is requesting annexation of its Seneca Workforce Center into the City of Seneca. The office is located at 11091 North Radio Station Road and consists of approximately 2.482 acres. Benefits to be gained from annexation are police, fire and emergency services. A public hearing was conducted by the City of Seneca on December 20, 2010, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

- 4. What is Board asked to do?** Approve the petition to request annexation of the Department of Employment and Workforce's Seneca Workforce Center into the City of Seneca.
-

- 5. What is recommendation of Board Division involved?** Approval of the petition to request annexation of the Department of Employment and Workforce's Seneca Workforce Center into the City of Seneca.
-

6. List of Supporting Documents:

- (a) Letter from Department of Employment and Workforce dated March 5, 2012
- (b) Letter from City of Seneca dated May 24, 2010
- (c) Statement from Representative William E. Sandifer, III dated March 2, 2012
- (d) Letter from Senator Thomas C. Alexander dated March 2, 2012
- (e) Map
- (f) Code Section 5-3-140

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



Nikki R. Haley
Governor

Abraham J. Turner
Executive Director

March 5, 2012

Lisa Catalanotto
Real Property Services
State Budget and Control Board
1201 Main Street, Suite 420
Columbia, SC 29201

Re: Annexation of Department of Employment and Workforce Office in Seneca

Dear Ms. Catalanotto:

The Department of Employment and Workforce has agreed to have its property located at 11091 N. Radio Station Road, Seneca, Oconee County, South Carolina annexed into the city of Seneca. This annexation would facilitate provision of police, fire, and emergency services. The Agency requests that the Budget and Control Board approve this action as soon as possible.

Other required documents will follow as soon as possible.

With kind regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew W. Sexton".

Matthew W. Sexton
Administration and Support Division

"Putting South Carolinians Back to Work"



CITY OF SENECA
Planning and Development

P. O. Box 4773
250 East North Second Street
Seneca, South Carolina 29679
(864) 888-0878
Fax (864) 888-0879
www.seneca-sc.net

Tamy Sanford
Planner

May 24, 2010

State of South Carolina Employment Security Commission
Martha Stephenson
1550 Gadsen Street
P O Box 995
Columbia, SC 29202-0995

Re: Annexation of Real Property
Seneca Workforce Center
11091 North Radio Station Road
Oconee County Tax Map #: 223-00-04-083

Dear Ms. Martha Stephenson:

The property referenced above is adjacent to the corporate boundaries of the City of Seneca. As such, it is eligible for inclusion. Per our conversation, I have prepared a petition to be executed by the State Budget and Control Board. In addition to the signed petition we will need a copy of the board resolution authorizing the same and or the authority granted those that sign it.

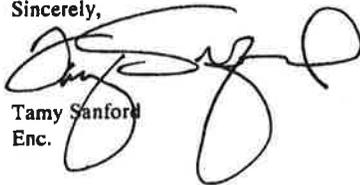
Below is an excerpt from the State of South Carolina Code of Law that guides the annexation of properties owned by the Federal or State Government:

SECTION 5-3-140. Alternate method when entire area proposed to be annexed owned by Federal or State Government.

If the territory proposed to be annexed belongs entirely to the federal government or to the State of South Carolina and is adjacent to a municipality, it may be annexed upon the petition of the federal government or of the State to the city or town council thereof. As used in this section, a petition by the State shall mean a petition executed by the State Budget and Control Board. Upon agreement of the city or town council to accept the petition and the passage of an ordinance to that effect, the annexation is complete.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to call me at 864-888-0878.

Sincerely,



Tamy Sanford
Enc.

"City of Smiles, City with Style"

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



Nikki R. Haley
Governor

Abraham J. Turner
Executive Director

March 2, 2012

The Honorable Representative William "Bill" Sandifer, III
407 Blatt Building
Columbia, South Carolina 29201

Dear Representative Sandifer:

The South Carolina Department of Employment and Workforce (SCDEW) wishes to have the property located at 11091 N. Radio Station Road, Seneca, Oconee County, South Carolina annexed into the City of Seneca. This change would allow more efficient provision of police, emergency and fire protection to the office. In order to obtain approval from the Budget and Control Board, the members of the House and Senate representing the area in which property is located must provide a statement of no objection to the annexation.

If you do not have any objections to the proposed annexation, please sign the attached statement and return it to SCDEW.

With kind regards,

Sincerely,

Matthew W. Sexton
SC Department of Employment and Workforce

"Putting South Carolinians Back to Work"

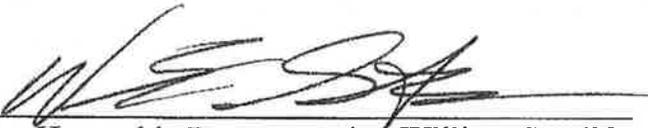
PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov



Nikki R. Haley
Governor

Abraham J. Turner
Executive Director

I have no objection to the annexation into the City of Seneca for the property owned by the South Carolina Department of Employment and Workforce located at 11091 N. Radio Station Road, Seneca, Oconee County, South Carolina.



The Honorable Representative William Sandifer
South Carolina State House of Representatives

March 6, 2012

THOMAS C. ALEXANDER
SENATOR, OCONEE AND PICKENS COUNTIES

HOME ADDRESS:
150 CLEVELAND DRIVE
WALHALLA, SC 29891
RESIDENCE: (864) 638-2153
BUSINESS: (864) 638-2988
DELEGATION: (864) 638-4237



SENATORIAL DISTRICT NO. 1

SENATE ADDRESS:
SUITE 402 GRESSETTE BLDG.
P. O. BOX 142
COLUMBIA, SC 29202
(803) 212-6220
EMAIL: SGENCOMM@SCSENATE.GOV

March 2, 2012

Mr. Abraham J. Turner
Executive Director
SC Dept. of Employment & Workforce
1550 Gadsden Street
Columbia, South Carolina 29202

Dear Mr. Turner:

The South Carolina Department of Employment and Workforce wishes to have the property located at 11091 N. Radio Road, Seneca, Oconee County, South Carolina annexed into the City of Seneca. This change would allow more efficient provision of police, emergency and fire protection to the office.

I have no objection to the annexation into the City of Seneca for the property owned by the South Carolina Department of Employment and Workforce located at 11091 N. Radio Station Road, Seneca, South Carolina. Matter of fact, I am fully supportive of this property being annexed into the City of Seneca.

If I can be of further assistance to you in this matter, please do not hesitate to contact me.

Warm regards,

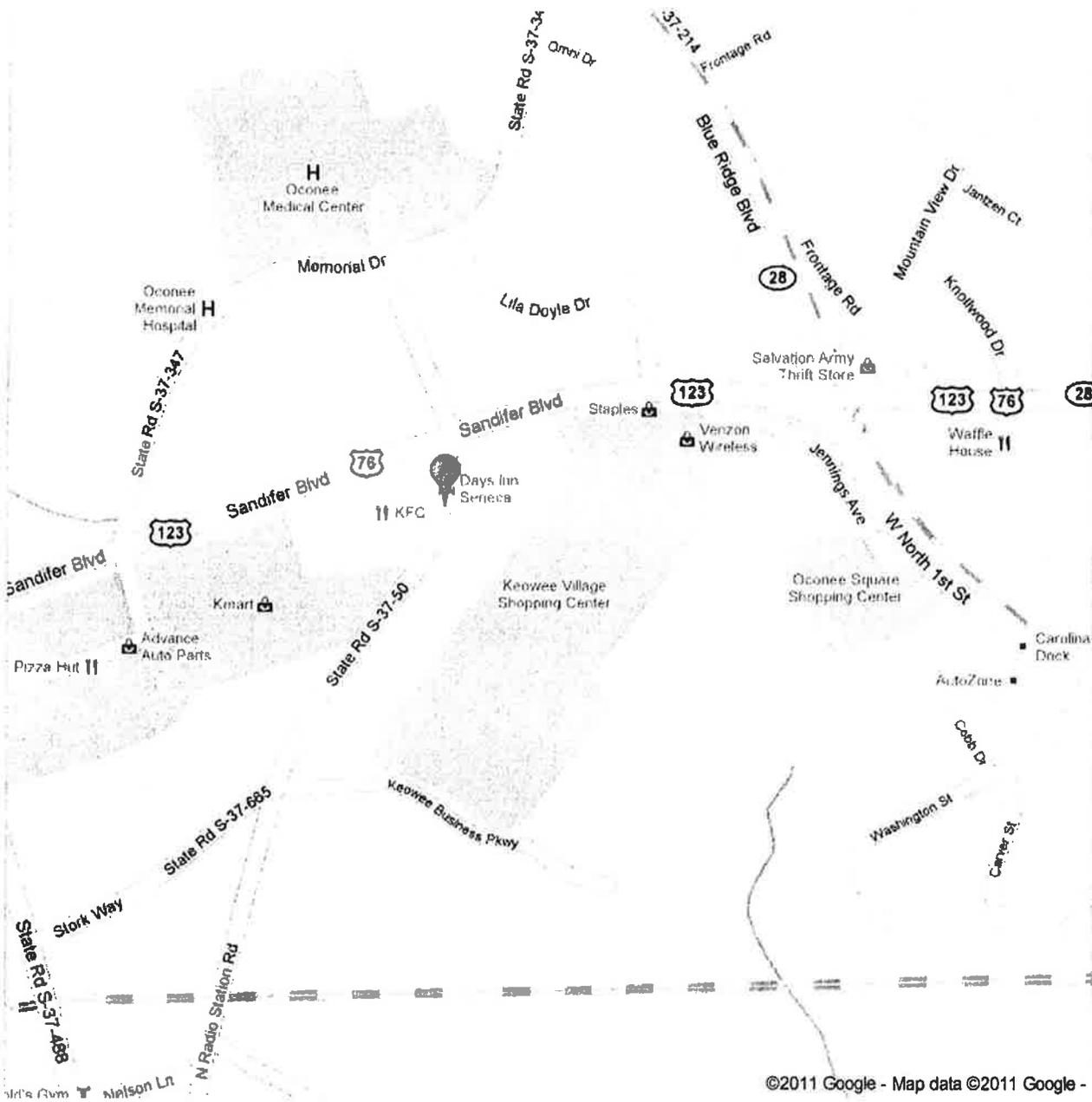
A handwritten signature in cursive script that reads "Thomas".

Thomas C. Alexander

TCA:cwy

Google maps

Get Google Maps on your phone
Text the word "GMAPS" to 466453



A. Employment Service
11091 North Radio Station Road, Seneca, SC
- (864) 882-5638

SECTION 5-3-140. Alternate method when entire area proposed to be annexed owned by Federal or State Government.

If the territory proposed to be annexed belongs entirely to the federal government or to the State of South Carolina and is adjacent to a municipality, it may be annexed upon the petition of the federal government or of the State to the city or town council thereof. As used in this section, a petition by the State shall mean a petition executed by the State Budget and Control Board. Upon agreement of the city or town council to accept the petition and the passage of an ordinance to that effect, the annexation is complete.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

- a. The Citadel (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$100,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

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

The audit confirms The Citadel's Procurement Office has the internal controls and expertise to ensure compliance with the application requirements for the certifications.

- b. Horry-Georgetown Technical College (for a period of three years): supplies and services, \$150,000* per commitment; consultant services, \$150,000* per commitment; information technology, \$100,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$5,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

The audit confirms the Horry-Georgetown Technical College's Procurement Office has the internal controls and expertise to ensure compliance with the application requirements for the certifications.

BOARD ACTION REQUESTED:

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

- a. The Citadel (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$100,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

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

The audit confirms The Citadel's Procurement Office has the internal controls and expertise to ensure compliance with the application requirements for the certifications.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- b. Horry-Georgetown Technical College (for a period of three years): supplies and services, \$150,000* per commitment; consultant services, \$150,000* per commitment; information technology, \$100,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$5,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

The audit confirms the Horry-Georgetown Technical College's Procurement Office has the internal controls and expertise to ensure compliance with the application requirements for the certifications.

ATTACHMENTS:

Agenda item worksheets and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: May 9, 2012

Blue Agenda

1. Submitted by:

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


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for The Citadel

3. Summary Background Information:

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

| | <u>Current Certification</u> | <u>Certification Recommended</u> |
|---|----------------------------------|--------------------------------------|
| I. Supplies and Services | *\$250,000 Per Commitment | *\$500,000 Per Commitment |
| II. Consultant Services | *\$250,000 Per Commitment | *\$500,000 Per Commitment |
| III. Information Technology | *\$100,000 Per Commitment | *\$100,000 Per Commitment |
| IV. Construction Contract Award | \$100,000 Per Commitment | \$250,000 Per Commitment |
| V. Construction Contract Change Order | \$100,000 Per Change Order | \$100,000 Per Change Order |
| VI. Architect/Engineer Contract Amendment | \$ 15,000 Per Amendment | \$ 15,000 Per Amendment |

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

The audit confirms The Citadel's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications.

4. What is Board asked to do?

Grant procurement certification for The Citadel by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

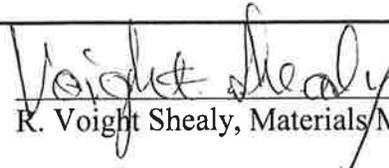
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: May 9, 2012

Blue Agenda

1. Submitted by:

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


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for Horry-Georgetown Technical College

3. Summary Background Information:

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

| | <u>Current Certification</u> | <u>Certification Recommended</u> |
|---|----------------------------------|--------------------------------------|
| I. Supplies and Services | *\$ 75,000 Per Commitment | *\$150,000 Per Commitment |
| II. Consultant Services | *\$ 75,000 Per Commitment | *\$150,000 Per Commitment |
| III. Information Technology | *\$ 50,000 Per Commitment | *\$100,000 Per Commitment |
| IV. Construction Contract Award | \$ 50,000 Per Commitment | \$100,000 Per Commitment |
| V. Construction Contract Change Order | \$ 0 | \$ 5,000 Per Change Order |
| VI. Architect/Engineer Contract Amendment | \$ 0 | \$ 10,000 Per Amendment |

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

The audit confirms the Horry-Georgetown Technical College's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications.

4. What is Board asked to do?

Grant procurement certification for Horry-Georgetown Technical College by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

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

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$40,000,000 Hospital Refunding Revenue bonds (\$40,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Georgetown Hospital System
Employment Impact: maintain 1373 jobs and add 8 within 12 months
Project Description: refunding certain maturities of outstanding Series 1998 Bonds and Series 2001 Bonds used to acquire, construct, renovate and equip hospital facilities at Georgetown Memorial Hospital and Waccamaw Community Hospital
Note: *private sale*
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

BOARD ACTION REQUESTED:

Adopt a resolution approving the referenced proposal to issue revenue bonds.

ATTACHMENTS:

Resolution

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$40,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE REFUNDING BONDS (GEORGETOWN HOSPITAL SYSTEM) SERIES 2012B, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Hospital Revenue Refunding Bonds (Georgetown Hospital System) Series 2012B, in the aggregate principal amount of not exceeding \$40,000,000 (the "**Series 2012B Bonds**") through private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Series 2012B Bonds will be sold by the Authority through private sale to an underwriter for public distribution thereafter;

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Series 2012B Bonds through private sale to an underwriter for public distribution thereafter be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for
Georgetown Hospital System

PRELIMINARY – SUBJECT TO CHANGE

April 18, 2012

| | |
|--|--|
| Outstanding bonds proposed to be refinanced | \$25,760,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Revenue Bonds (Georgetown Memorial Hospital) Series 1998 (the “ <i>Series 1998 Bonds</i> ”), maturing on November 1, 2023, and November 1, 2029, respectively, which are currently outstanding in the principal amount of \$14,155,000. |
| | \$45,000,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Revenue Bonds (Georgetown Memorial Hospital) Series 2001, maturing on February 1, 2026 and February 1, 2030, which are currently outstanding in the principal amount of \$23,675,000 (the “ <i>Series 2001 Bonds</i> ”). |
| Average interest rate of bonds refinanced | Series 1998 Bonds – 5.00% Series 2001 Bonds – 5.38% |
| Projected average interest rate of refinancing bonds | 4.44% |
| True interest cost of refinancing bonds | 4.63% |
| Projected net present value savings (net of costs) | Series 1998 Bonds - \$938,195 Series 2001 Bonds - \$1,582,437 |
| Projected net present value savings as a percentage of the bonds refinanced | 6.6% for Series 1998 Bonds and Series 2001 Bonds |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) | 706,100 (2.0% of refinancing bonds) |
| Underwriting | \$314,000 |
| Legal fees – bond, disclosure and general counsel | 230,000 |

| | |
|---|----------|
| Rating agency fees | \$35,000 |
| Advisory fees | \$75,000 |
| Bond trustee/registrar | \$7,500 |
| Accounting and verification | \$30,000 |
| Credit enhancement/bond insurance | \$0 |
| Publication, printing, contingencies and all other expenses | \$14,600 |
| Total | |

Prepared by: Haynsworth Sinkler Boyd, P.A. and Ponder & Co.
Date: April 18, 2012, updated April 25, 2012

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 \$32,500,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$20,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA Viva Recycling of South Carolina, LLC (formerly known as Tire International Environmental Solutions, Inc.), (Berkeley County), \$20,000,000.

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$412,026,850 (state pool - \$177,810,740; local pool - \$234,216,110) 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 and financial investment 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 Viva Recycling of South Carolina, LLC (formerly known as Tire International Environmental Solutions, Inc.), (Berkeley County), \$20,000,000;

ATTACHMENTS:

2012 Ceiling Allocation Requests; Jones 4/18/12 Ceiling Allocation Request Letter; Updated Transmittal Form for Ceiling Allocation Request; Young 4/17/12 Memo; Code Section 1-11-500 et seq.

2012 Ceiling Allocation Requests

| | Recd. | Issuing Authority | Project | Request | Cumulative | Bond Counsel | Request | | Location | NOTES |
|---|--------------|--------------------------|---------------------------------------|----------------|-------------------|---------------------|----------------|---------------|-----------------|--------------|
| | | | | | | | Alloc | St.Law | | |
| 1 | 02/13/12 | JEDA | LowCounty Biomass, LLC | 12,500,000 | 12,500,000 | E. Tyler Smith | x | x | Jasper County | |
| 2 | 04/16/12 | JEDA | Viva Recycling of South Carolina, LLC | 20,000,000 | 32,500,000 | Kathy McKinney | x | | Berkeley County | |



Ray E. Jones
Partner
Telephone: 803.253.8917
Direct Fax: 803.255.8017
rayjones@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

April 18, 2012

VIA EMAIL

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

Re: *Agenda Item for May 9, 2012*
Ceiling Allocation Request for Viva Recycling of South Carolina, LLC
(formerly known as Tire International Environmental Solutions, Inc.)

Dear Delbert:

I write, on behalf of our client Viva Recycling of South Carolina, LLC, to request approval by the Budget and Control Board ("Board") of an allocation of private activity volume cap in the amount of \$20,000,000. We would appreciate consideration by the Board at its meeting scheduled for May 9, 2012. Below, we provide background and enclose the following supporting materials:

1. Updated Board transmittal form (reflecting allocation request and new project name);
2. Original Board transmittal form and supporting materials (submitted in May 2011);
3. April 17, 2012 memorandum from Daniel Young; and
4. April 17, 2012 Resolution adopted by the South Carolina Jobs-Economic Development Authority ("JEDA").

On June 14, 2011, the Board approved the issuance by JEDA of not exceeding \$30,500,000 Solid Waste Disposal Facility Revenue Bonds (Tire International Environmental Solutions, Inc. Project) ("Bonds"). The Bonds received final approval from the JEDA Board on April 17, 2012, and are now scheduled to be marketed and sold in the next 30 days. The JEDA Board also approved a name change for the project to Viva Recycling of South Carolina, LLC ("Viva"). It is anticipated the final amount of the Bonds will not exceed \$20,000,000.

Per our discussion, we recognize a request of this size is governed by South Carolina Code Annotated section 1-11-540(B), which provides:

Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon

Mr. Delbert Singleton
April 18, 2012
Page 2

the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

Viva's project is of such significance to warrant the Board's approval on May 9, 2012. Located in Berkeley County, the project involves the establishment of a state-of-the-art tire recycling facility. The facility will take used tires from locations throughout the east coast of the United States and recycle them into consumer products, including pavers and child-friendly rubber "mulch" for playgrounds. The project includes an investment of \$25 million and the creation of 105 new jobs. The project has been embraced by the South Carolina Department of Commerce and Berkeley County, having already been granted a significant package of both State and County economic development incentives.

A large portion of the capital investment for the project is expected to be financed with Bond proceeds. Viva has hired Guggenheim Securities to market and sell the Bonds. Guggenheim has advised Viva that it should proceed with the marketing of the Bonds as soon as possible as the bond market is favorable. Viva must secure an allocation of volume cap to commence marketing of the Bonds. Accordingly, the quality of the project and the timing of the transaction merit consideration by the Board of a grant of volume cap prior to July 1.

We are prepared to provide you any additional information you may need in connection with this request. Thank you for your assistance. Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Jones', with a stylized flourish extending from the top right.

Ray E. Jones

/sr
Enclosures: stated

[Updated Transmittal Form for Ceiling Allocation Request]

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Secretary
 State Budget & Control Board
 600 Wade Hampton Office Building
 Columbia, SC 29201
OR: Post Office Box 12444, Columbia, SC 29211

Date: April 18, 2012
 Submitted for BCB Meeting on: May 9, 2012

FROM: Ray E Jones, Esquire

Name of Law Firm Parker Poe Adams & Bernstein LLP

1201 Main Street, Suite 1450

Street Address/Box Number

(803) 253-8917

Telephone Area Code and Number

Solid Waste Disposal Facility Revenue Bonds

Type of Bonds or Notes

June 2012

Projected Issue Date

City, State, Zip Code Columbia, SC 29201

RE: not exceeding \$30,500,000

Amount of Issue

SC Jobs-Economic Development Authority

Issuing Authority Name

Project Name: Viva Recycling of South Carolina, LLC (formerly known as Tire International Environmental Solutions, Inc.)

Project Description: Establishing a solid waste disposal facility in Berkeley County, South Carolina

Employment as a result of project: Approximately 105 new, full-time jobs

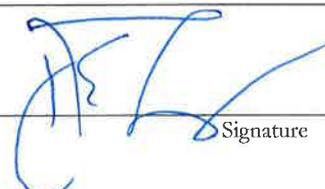
CEILING ALLOCATION REQUIRED

REFUNDING INVOLVED

PROJECT APPROVED PREVIOUSLY

Yes Amount (\$20,000,000) No Yes Amount No Yes (\$30,500,000) Amount No

**DOCUMENTS ENCLOSED (executed original and three copies of each:
 (ALL required for State law approval; A and C only for ceiling allocation only.)**

- A. Petition (see prior transmission)
- B. N/A Resolution or ordinance
- C. Inducement Resolution (see prior transmission)
- D. Standard Form Investment Letter from bonds purchaser (executed original) (see prior transmission)
 (Purchaser: Guggenheim Securities)
- OR N/A Audited financial statements for three most recent years
- E. N/A Department of Health and Environmental Control certificate IF REQUIRED
- F. Budget and Control Board Resolution and Public Notice (original)
 [Plus 5 copies for certification and return to counsel] (see prior transmission)
- G. N/A Processing fee
 Amount \$ _____ Check No. _____
 Payor _____
- H. Draft bond counsel opinion letter (see prior transmission)
 Counsel: Ray E. Jones, Esquire By: 
 Typed Name of Counsel



Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *ADY*

Date: April 17, 2012

Re: May 9, 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 Parker Poe Adams & Bernstein, LLP, Commerce recommends approval of Economic Development bonds at the May 9, 2012, Budget & Control Board meeting. The company is committing to create 100 new jobs within 36 months and invest \$30 million.

| Name | Amount | Score | County |
|----------------|--------------|-------|----------|
| Viva Recycling | \$20,000,000 | 6 | Berkeley |

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

- (1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;
- (2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;
- (3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and
- (4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

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 7-2012: JBRC Item 1. Clemson University
Project: 9899, Douthit Hills Development
Funding Source: \$1,852,000 Other, Housing Improvement Funds which result from bond covenant- required transfers from Housing Operations to allow for the maintenance and replacement of capital assets funded by bond issues.
Request: Establish project and budget for \$1,852,000 (Other, Housing Improvement Funds) to begin design work to construct new student housing at Clemson. The work will include constructing housing for approximately 1,450 students and constructing a 400-seat dining hall and main bookstore, along with other student services and retail space. Douthit Hills will be constructed on property at the front door to the campus in two sections, ones that will accommodate apartment-style housing for upperclassmen and women and one that will provide residence halls to house students in the Bridge program. Over the past ten years, Clemson's student population has grown by 30% and no new student housing has been added. Clemson currently has 1,300 fewer beds than it did in 2001, the average age of housing facilities is 31 years old, and 52% of available beds are more than 40 years old. The construction will allow Clemson to increase the number of students living on campus from approximately 36% to 50%. The new housing will provide a safe environment conducive to learning.
- (b) Summary 7-2012: JBRC Item 2. Coastal Carolina University
Project: 9593, Hicks Dining Hall Expansion
Funding Source: \$37,500 Other, Auxiliary Services funds which are food service funds derived from the food service contract for facility improvements and multi-year accumulations of vending revenues, catering commissions, and meal plan sales after expenses.
Request: Establish project and budget for \$37,500 (Other, Auxiliary Service funds) to begin design work to construct an addition to the Hicks Dining Hall at Coastal Carolina. The work will include constructing a 6,700 square foot addition and possible outdoor patio seating to provide three additional food stations, a beverage station and approximately 175 additional seats. To meet the university's strategic plan to grow to 12,500 students by 2020, the university will be adding 1,270 beds to university housing. Hicks Dining Hall will provide food service for this additional housing and expansion is needed to meet this growth.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (c) Summary 7-2012: JBRC Item 5. Medical University of South Carolina
Project: 9823, Basic Science Building Craniofacial Biology Research Renovations
Funding Source: \$39,000 Other, College of Dental Medicine Clinical Revenues which are funds generated and earned from faculty practice clinics, a portion of which goes to the College of Dental Medicine.
Request: Establish project and budget for \$39,000 (Other, College of Dental Medicine Clinical Revenue funds) to begin design work to renovate a portion of the Basic Science Building at MUSC. The work will include reconfiguring approximately 9,000 square feet on the second floor to create wet lab bench space and support spaces including tissue culture rooms, an autoclave room, a dark room, a microscopy room and lab technician areas for the Dental School's Department of Craniofacial Biology. The work will also include replacing the HVAC, electrical, fire alarm and plumbing systems, and installing new finishes in the space. The Department of Craniofacial Biology does not have any research lab space and completion of the new Dental Clinics Building resulted in vacated space, making this renovation to provide research lab space possible.
- (d) Summary 7-2012: JBRC Item 6. State Board for Technical and Comprehensive Education
Project: 6053, Aiken - Center for Energy and Advanced Technology Construction
Funding Source: \$92,958 Other, Local College funds which are unrestricted local college funds derived from remaining amounts from all prior years, not otherwise restricted or previously invested in capital assets.
Request: Establish project and budget for \$92,958 (Other, Local College funds) to begin design work to construct a Center for Energy and Advanced Technology at Aiken Tech. The work will include constructing an approximately 27,600 square foot facility to house classrooms, labs and offices for Industrial Technology programs and training rooms for business use, constructing parking for the facility, and doing related site work. Existing facilities housing Industrial Technology programs do not have sufficient lab space, have inadequate technology, do not meet current life safety codes, and have significant deferred maintenance needs. Renovating the existing facilities is not a cost effective option to meet the increased demands for industrial technology skills.
- (e) Summary 7-2012: JBRC Item 7. Budget and Control Board
Project: 9909, Sims-Aycock Building Roof and Wall Leak Repairs
Funding Source: \$19,800 Other, Depreciation Reserve funds which are derived from the Rent Account which receives rent charges from state agencies for rental of state buildings.
Request: Establish project and budget for \$19,800 (Other, Depreciation Reserve funds) to begin design work to repair the roof and wall leaks on the Sims-Aycock Building. The work will include repairing or replacing the roof and repairing wall penetrations on the fourth floor after evaluation of the existing roof system, flashing conditions and roof penetrations is completed during pre-design to determine the full scope of work to be done. The building leaks at

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

the roof and fourth floor, causing damage to the building's interior and affecting working conditions inside the building. The roof is out of warranty and leaks.

Established Construction Budget

(f) Summary 7-2012: JBRC Item 8. Coastal Carolina University

Project: 9582, Student Center Annex Construction

Funding Source: \$12,050,000, which includes \$3,050,000 Other, Renovation

Reserve/Plant Expansion funds which come from a \$150 per fulltime student per semester capital fee, \$3,000,000 Other, Institutional Capital Project Funds which are excess debt service funds, and \$6,000,000 Other, Horry County Higher Education Commission funds which will be provided by the commission from a loan or bonds.

Request: Increase budget to \$12,050,000 (add \$11,690,000 - \$2,690,000 Other, Renovation Reserve/Plant Expansion, \$3,000,000 Institutional Capital Project Fund and \$6,000,000 Other, Horry County Higher Education Commission funds) to construct the first of two annexes to the Student Center at Coastal Carolina. The project was established in March 2011 for pre-design work for both annexes which is now complete. The first annex will be approximately 39,052 square feet and will include a 250-seat theater/auditorium, a recreation and game room, and spaces for student organizations, administration and lounges. The Student Center was constructed in 1978 when the enrollment was 1,760 students, while Fall 2011 enrollment was 9,084. The center lacks lobby and lounge areas and general social space for students and the university needs this student life space to develop a stronger student community. The annex will be constructed to LEED Silver certification and will include water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$1,101,399 over 30 years. The agency reports the total projected cost of this phase is \$12,050,000 and additional annual operating costs of \$147,500 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is August 2014. (See Attachment 1 for additional annual operating costs.)

(g) Summary 7-2012: JBRC Item 9. Medical University of South Carolina

Project: 9819, College of Nursing Floors 2-5 Interior Renovation

Funding Source: \$8,000,000, which includes \$5,000,000 Other, Institutional Capital

Project Funds which are funds transferred each June from MUSC's State Treasurer's Office General Debt Service Account and \$3,000,000 Other, College of Nursing Tuition which is tuition paid by students of the College of Nursing.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$8,000,000 (add \$7,880,000 - \$4,880,000 Other, Institutional Capital Project Funds and \$3,000,000 Other, College of Nursing Tuition funds) to renovate four floors in the College of Nursing Building at MUSC. The project was established in November 2011 for pre-design work which is now complete. The work will include reconfiguring space to provide more efficient classrooms and offices, renovating the HVAC, plumbing, electrical and fire alarm systems, installing a new fire sprinkler system, and replacing the roof. The building was constructed in 1956 and designed as a nursing dormitory. It has not been substantially renovated since construction, still has remnants of the original dormitory usage, and is deteriorated. The lack of efficient space and condition of the building systems threaten growth of the college. Energy savings and conservation measures will include the installation of energy efficient lighting and HVAC systems, a lighting control system, and water-conserving plumbing fixtures. The agency reports the total projected cost of this project is \$8 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 January 2013 and for completion of construction is April 2014.

(h) Summary 7-2012: JBRC Item 10. State Board for Technical and Comprehensive Education

Project: 9899, Piedmont - Abbeville County Extension Center Construction

Funding Source: \$1,560,000 Other, Local Plant funds which are combination of a dedicated capital fee that is part of tuition and residual balance transfers that have been approved for transfer to the Plant Fund by Piedmont Tech's Area Commission.

Request: Increase budget to \$1,560,000 (add \$1,500,000 Other, Local Plant funds) to construct an approximately 9,489 square foot extension center for Piedmont Tech in Abbeville. The project was established in December 2004, put on hold, and then restarted with pre-design recently completed. The building will include classrooms, offices, computer rooms, vending and support spaces for associate degree and certificate programs. The building is needed to replace a facility leased year to year consisting of a farm house and block building, which are old, have space restrictions, and are not code compliant. As a result, curriculum and continuing education offerings are limited in Abbeville due to small classrooms and space accommodations. Energy savings and conservation measures will include the installation of energy efficient lighting, HVAC system, energy management controls, lighting sensor/controls, auto flush valves, and other features. The agency reports the total projected cost of this project is \$1,560,000 and additional annual operating costs ranging from \$27,000 to \$29,767 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2012 and for completion of construction is July 2013. (See Attachment 2 for additional annual operating costs.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (i) Summary 7-2012: JBRC Item 11. Budget and Control Board
Project: 9904, DEW - David Building Chiller Replacement
Funding Source: \$590,728 Other, Miscellaneous Revenue from Department of Employment and Workforce which is derived from DEW's Contingency Assessment Fund, a portion of unemployment tax on wages for administrative costs and employment services.
Request: Increase budget to \$590,728 (add \$582,128 Other, Miscellaneous Revenue - DEW funds) to replace the chiller at the Department of Employment and Workforce's David Building. The project was established in November 2011 for pre-design work which is now complete. The work will include replacing the chiller, associated piping, valves and pumps, and making any structural modifications needed to ensure efficient and maintainable installation. The chiller is 35 years old, at the end of its service life, not energy efficient, and uses an obsolete and environmentally-restricted refrigerant. Because this is the building's only chiller, the building would be uninhabitable most of the year if the chiller failed. Energy savings and conservation measures will include the installation of an energy efficient chiller. The agency reports the total projected cost of this project is \$590,728 and annual operating cost savings of \$15,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2012 and for completion of construction is March 2013. (See Attachment 3 for annual operating cost savings.)
- (l) Summary 7-2012: JBRC Item 12. Budget and Control Board
Project: 9907, Five Points Building Chiller and Cooling Tower Replacement
Funding Source: \$653,620 Other, Depreciation Reserve funds which are derived from the Rent Account which receives rent charges from state agencies for rental of state buildings.
Request: Increase budget to \$653,620 (add \$646,920 Other, Depreciation Reserve funds) to replace HVAC equipment at the Five Points Building. The project was established in March 2012 for pre-design work which is now complete. The work will include replacing the chiller, cooling tower, pumps and controls and associated electrical work. 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 the lack of replacement parts for a unit its age. A rental chiller will provide cooling this summer until the new chiller is installed. Energy savings and conservation measures will include the installation of an energy efficient chiller and cooling tower. The agency reports the total projected cost of this project is \$653,620 and annual operating cost savings of \$16,361 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 November 2012. (See Attachment 4 for annual operating cost savings.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (k) Summary 7-2012: JBRC Item 13. Department of Mental Health
Project: 9723, Broad River CI Sexually Violent Predator Treatment Program Renovations
Funding Source: \$552,750 Excess Debt Service funds which are Patient Fee Account funds derived from daily room and board charges, physician charges, ancillary charges, and outpatient services charges received from patients and Medicare on behalf of patients.
Request: Increase budget to \$552,750 (add \$546,300 Excess Debt Service funds) to renovate facilities at the Broad River Correctional Institution for the Department of Mental Health's Sexually Violent Predator Treatment (SVPT) Program. The project was established in January 2012 for pre-design work which is now complete. The work will include renovating four facilities at Broad River, including installing security measures, converting a kitchen facility to administration and visitation space, renovating four cells to provide medical treatment rooms, doing electrical and HVAC renovations, and related work. Mental Health's SVPT Program is experiencing unprecedented growth, has outgrown space in the Edisto Unit at Broad River, and has worked with the Department of Corrections to expand into the Congaree Unit to increase capacity by 90 cells for clients. Energy savings and conservation measures will include the installation of energy efficient lighting and energy saving transformers. The agency reports the total projected cost of this project is \$552,750 and additional annual operating costs of \$165,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2012 and for completion of construction is March 2013. (See Attachment 5 for additional annual operating costs.)

Increase Budget

- (l) Summary 7-2012: JBRC Item 14. Clemson University
Project: 9889, Wind Turbine Drivetrain Test Facility/Grid Simulator Construction
Funding Source: \$84,977,278 which includes \$45 million Federal funds from the US Department of Energy, \$10 million State funds provided by the General Assembly, \$8 million from the Charleston Redevelopment Authority, \$18,423,364 Other, Institutional Capital Project Funds which are excess debt service funds, and \$3,553,914 Other, Private funds which are funds donated by individuals, corporations and other entities.
Request: Increase budget to \$84,977,278 (add \$20,977,278 - \$2,000,000 Other, Redevelopment Authority, \$15,423,364 Other, Institutional Capital Project Fund and \$3,553,914 Other, Private funds) to provide additional funds for the drivetrain test facility and to add construction of a grid simulator to the Clemson project in Charleston. The project was established in January 2010 to design and construct a Wind Turbine Drivetrain Test Facility. Additional funds are needed for the drivetrain test facility to meet current seismic and wind codes, because of the

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

anticipated complexity of the project, and because of changes to the facility's capabilities driven by industry feedback to support a sustainable business plan. In addition, a 15 MW Hardware-in-the-loop Grid Simulator will also be constructed to leverage the electrical infrastructure of the Wind Turbine Drivetrain Test Facility. The facilities will allow Clemson to test and validate new technologies for enhancement of the power infrastructure. The facility will be constructed to LEED Silver certification and will include recycling energy generated by the test specimen, air venting main test bays, and water cooling equipment. The LEED cost benefit analysis is still under development and will be submitted when it is completed. The agency reports the total projected cost of this project is \$84,977,278 and additional annual operating costs ranging from \$800,000 to \$1,210,000 will result in the three years following project completion. The agency also reports the date for execution of the construction contract was June 2011 and the projected date for completion of construction is May 2013. (See Attachment 6 for additional annual operating costs.)

- (m) Summary 7-2012: JBRC Item 15. Budget and Control Board
Project: 9891, Data Center Computer Room Electrical Upgrades
Funding Source: \$686,991 Other, Division of State Information Technology funds which are revenues generated from the sale of telecommunication and data processing services to state agencies, local governments and public sector entities.
Request: Increase budget to \$686,991 (add \$480,202 Other, Division of State Information Technology Revenue funds) to increase the delivery capacity of uninterrupted power at the State Data Center. The project was established in February 2011 and increased for the construction budget in January 2012. Since that time, the need for increasing the uninterruptible power supply (UPS) capacity has become time critical as client demands have changed and is directly related to the original scope of the project which has not yet been advertised for bid. The work will now include installing a new UPS module and battery string, along with adding power distribution units, remote distribution cabinets and the related electrical work needed to address growing client demands and future client service needs. Energy savings and conservation measures will include the installation of energy efficient service platforms. The agency reports the total projected cost of this project is \$686,991 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 August 2012 and for completion of construction is February 2013.

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**

ATTACHMENT 1

1. AGENCY
Code H17 Name Coastal Carolina University

2. PROJECT
Project # 9582 Name Student Center Annex Construction

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

COSTS SAVINGS NO CHANGE

4.

| TOTAL ADDITIONAL OPERATING COSTS/SAVINGS | | | | |
|--|---------------|---------|-----------|-----------|
| Projected Financing Sources | | | | |
| (1) | (2) | (3) | (4) | (5) |
| Fiscal Year | General Funds | Federal | Other | Total |
| 1) 2014/15 | | \$ | \$147,500 | \$147,500 |
| 2) 2015/16 | | \$ | \$147,500 | \$147,500 |
| 3) 2016/17 | | \$ | \$147,500 | \$147,500 |

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). Expenses are related to general maintenance and campus operations. Operations and maintenance funds are provided by student tuition in our general operating budget. No increase in tuition will result due to these expenses. All of CCU's state appropriated funds are spent on salaries and benefits.

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

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

| <u>COST FACTORS</u> | <u>AMOUNT</u> |
|--|------------------|
| 1. <u>Utilities</u> | <u>\$65,500</u> |
| 2. <u>Supplies</u> | <u>\$26,000</u> |
| 3. <u>Personnel (custodial/event set up)</u> | <u>\$56,000</u> |
| 4. _____ | _____ |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. <u>(Operating Costs for 1st Annex only)</u> | _____ |
| 8. _____ | _____ |
| TOTAL | <u>\$147,500</u> |

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 2

9. Submitted By: Stacie A. Bowie 1/10/12
Stacie A. Bowie, Vice President for Finance & Administration Date

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

ATTACHMENT 2

1. AGENCY
Code H59 Name PIEDMONT TECHNICAL COLLEGE
2. PROJECT
Project # 9899 Name PIEDMONT - ABBEVILLE COUNTY Extension Center Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)
 COSTS SAVINGS NO CHANGE

4.

| TOTAL ADDITIONAL OPERATING COSTS/SAVINGS | | | | |
|--|---------------|---------|-------|----------|
| Projected Financing Sources | | | | |
| (1) | (2) | (3) | (4) | (5) |
| Fiscal Year | General Funds | Federal | Other | Total |
| 1) 2013 | \$27,000 | \$ | | \$27,000 |
| 2) 2014 | \$28,350 | \$ | | \$28,350 |
| 3) 2015 | \$29,767 | \$ | | \$29,767 |

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

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

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year. Projected amount below illustrates additional cost over existing facility budget.

| <u>COST FACTORS</u> | <u>AMOUNT</u> |
|-----------------------|------------------|
| 1. <u>Utilities</u> | <u>\$ 18,000</u> |
| 2. <u>Custodial</u> | <u>\$ 3,000</u> |
| 3. <u>Maintenance</u> | <u>\$ 2,000</u> |
| 4. <u>Grounds</u> | <u>\$4,000</u> |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. _____ | _____ |
| 8. _____ | _____ |
| TOTAL | <u>\$27,000</u> |

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. No new positions

9. Submitted By: Paige Childs - Vice President Finance and Business

Paige Childs Signature of Authorized Official and Title Date 2/29/12

**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 # 9907 Name: Five Points Building (100415) Chiller/Cooling Tower 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 Partial | \$ | \$ | \$8,180.35 | \$8,180.35 |
| 2) 2013-2014 | \$ | \$ | \$16,360.70 | \$16,360.70 |
| 3) 2014-2015 | \$ | \$ | \$16,360.70 | \$16,360.70 |

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 chiller. 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 costs

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>\$8,180.35</u> |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. _____ | _____ |
| 8. _____ | _____ |
| TOTAL | <u>\$8,180.35</u> |

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: Carla Griffin, Deputy Director of General Services 4/16/12
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY CODE: H12 NAME: Clemson University
2. PROJECT #: 9889 NAME: Wind Turbine Drivetrain Test Facility/Grid Simulator Construction
3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

| TOTAL ADDITIONAL OPERATING COSTS/SAVINGS | | | | |
|--|---------------|---------|----------------|----------------|
| Projected Financing Sources | | | | |
| (1) | (2) | (3) | (4) | (5) |
| Fiscal Year | General Funds | Federal | Other | Total |
| 1) 2014 | | | \$800,000.00 | \$800,000.00 |
| 2) 2015 | | | \$1,150,000.00 | \$1,150,000.00 |
| 3) 2016 | | | \$1,210,000.00 | \$1,210,000.00 |

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

User Fees, Grants

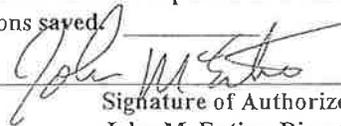
6. Will the additional costs be absorbed into your existing budget? Yes No
 If no, how will the additional funds be provided?

The Wind Turbine Drivetrain Test Facility is a one of a kind test bed. People and companies will come from around the world to utilize the facility and pay the fees necessary to operate it.

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

| <u>COST FACTORS</u> | <u>AMOUNT</u> |
|-----------------------|----------------------------|
| 1. <u>Utilities</u> | <u>\$500,000.00</u> |
| 2. <u>Maintenance</u> | <u>\$300,000.00</u> |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. _____ | _____ |
| 8. _____ | _____ |
| TOTAL | <u>\$800,000.00</u> |

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

9. Submitted By:  2/20/12
 Signature of Authorized Official and Title Date
 John McEntire, Director Capital Projects

Permanent Improvement Project Information for May 9, 2012 B&CB Meeting

| Agency/ Project No. | Agency/Project Name | Original Approved Budget | Date of Original Approval | Phase I Amount | Date of Phase I Approval | Included in CPIP | Total Projected Project Cost |
|------------------------|--|--------------------------------|---------------------------------|-------------------|--------------------------------|---------------------|---------------------------------|
| H12-9899 | Clemson University - Douthit Hills Development | \$1,852,000 for pre-design | 5/9/12 | \$1,852,000 | 5/9/12 | 2012 CPIP Year 1 | To Be Determined |
| H17-9593 | Coastal Carolina University - Hicks Dining Hall Expansion | \$37,500 for pre-design | 5/9/12 | \$37,500 | 5/9/12 | 2012 CPIP Year 1 | To Be Determined |
| H51-9823 | Medical University of SC - Basic Science Building Craniofacial Biology Research Renovations | \$39,000 for pre-design | 5/9/12 | \$39,000 | 5/9/12 | 2012 CPIP Year 1 | To Be Determined |
| H59-6053 | Aiken Tech - Center for Energy and Advanced Technology Construction | \$92,958 for pre-design | 5/9/12 | \$92,958 | 5/9/12 | 2012 CPIP Year 1 | To Be Determined |
| F03-9909 | Budget and Control Board - Sims-Aycock Building Roof and Wall Leak Repairs | \$19,800 for pre-design | 5/9/12 | \$19,800 | 5/9/12 | No | To Be Determined |
| H17-9582 | Coastal Carolina University - Student Center Annex Construction | \$360,000 for pre-design | 3/22/11 | \$360,000 | 3/22/11 | 2012 CPIP Year 1 | \$12,050,000 |
| H51-9819 | Medical University of SC - College of Nursing Floors 2-5 Interior Renovation | \$120,000 for pre-design | 11/3/11 | \$120,000 | 11/3/11 | 2012 CPIP Year 1 | \$8,000,000 |
| H59-9899 | Piedmont Tech - Abbeville County Extension Center Construction | \$250,000 for design | 12/14/04 | \$250,000 | 12/14/04 | 2011 CPIP Year 1 | \$1,560,000 |
| F03-9904 | Budget and Control Board - DEW David Building Chiller Replacement | \$8,600 for pre-design | 11/3/11 | \$8,600 | 11/3/11 | No | \$590,728 |

Permanent Improvement Project Information for May 9, 2012 B&CB Meeting

| Agency/ Project No. | Agency/Project Name | Original Approved Budget | Date of Original Approval | Phase I Amount | Date of Phase I Approval | Included in CPIP | Total Projected Project Cost |
|------------------------|--|--------------------------------|---------------------------------|-------------------|--------------------------------|---------------------|---------------------------------|
| 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 | \$653,620 |
| J12-9723 | Mental Health - Broad River CI Sexually Violent Predator Treatment Program Renovations | \$6,450 for pre-design | 1/31/12 | \$6,450 | 1/31/12 | No | \$552,750 |
| H12-9889 | Clemson University - Wind Turbine Drivetrain Test Facility/Grid Simulator Construction | \$64,000,000 | 1/13/10 | \$64,000,000 | 1/13/10 | 2012 CPIP Year 1 | \$84,977,278 |
| F03-9891 | Budget and Control Board - Data Center Computer Room Electrical Upgrade | \$3,150 for pre-design | 2/1/11 | \$203,639 | 1/4/12 | No | \$686,991 |

Attachment 8
Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects

Item (a) – Clemson University Douthit Hills Development

The source of funds for A&E pre-design for \$1,852,000 is Other, Housing Improvement Fund. Housing Improvement Funds result from bond covenant-required transfers from Housing Operations to allow for the maintenance and replacement of assets funded by bond issues. The current uncommitted balance of Housing Improvement Funds is \$3,539,268.

The proposed source of funds for construction is Auxiliary Revenue Bonds. These are bonds backed by a combination of pledged revenues, such as Dining and Housing operations, and by a secondary pledge of University fees. There is currently no uncommitted balance of Auxiliary Revenue Bonds for this project. Auxiliary Revenue Bonds will be issued upon approval of a Bond Resolution by the Clemson University Board of Trustees, Joint Bond Review Committee and Budget and Control Board and will be coordinated with the Office of State Treasurer.

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

Item (b) – Coastal Carolina University Hicks Dining Hall Expansion

The source of funds for A&E pre-design for \$37,500 is Other, Auxiliary Service funds. Auxiliary Service funds are food service funds derived from advanced and yearly commissions from the food service contract with Aramark, which are to be used for facility improvements, and from multi-year accumulations of vending revenues, catering commissions and meal plan sales after expenses. The current uncommitted balance of Auxiliary Service funds is \$2,943,701. The proposed source of funds for construction is Auxiliary Service funds which are defined above.

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

Item (c) – Medical University of SC Basic Science Building Craniofacial Biology Research Renovations

The source of funds for A&E pre-design for \$39,000 is Other, College of Dental Medicine Clinical Revenue funds. College of Dental Medicine Clinical Revenue funds are fund generated and earned from faculty practice clinics held by faculty of the College of Dental Medicine. Faculty are allowed to treat private patients up to three half days a week and are responsible for covering all clinical costs associated with their practice. After costs are subtracted from gross collections, the remaining net income is split with MUSC retaining 40% of those revenues. The current uncommitted balance of College of Dental Medicine Clinical Revenue funds is \$400,000.

The proposed source of funds for construction is Other, Indirect Cost Recovery funds. These funds are indirect cost recoveries from extramural grants and contracts of the College of Dental Medicine and of the University's Provost's Office. The uncommitted balance of these funds is \$2,561,000.

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

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

- (a) **Agency:** **University of South Carolina**
Acreage: 6.43± acres and two buildings totaling 115,108 square feet
Location: At Key Road and George Rogers Boulevard in Columbia.
County: Richland
Purpose: To meet needs related to operations at Williams Brice Stadium and to provide space for relocation of programs and institutes that do not need a central campus location.
Appraised Value: \$5,275,000
Price/Seller: \$5,275,000 / SC Educational Television Commission
Source of Funds: Other, Institutional funds
Project Number: H27-6095
Environmental Study: Approved
Building Condition Assessment: Approved
Additional Annual Op Cost/SOF: Additional annual operating costs of \$800,789 will result from the acquisition and will be paid from Other, Institutional funds. Renovation of approximately 25,000 square feet is anticipated to cost \$800,000 and will be paid from Other, Institutional funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 2/15/12; JBRC on 4/25/12
Additional Information: This request also includes approval of establishment of the budget for the permanent improvement project of \$5,300,000 from the fund source noted above.
- (b) **Agency:** **Coastal Carolina University**
Acreage: 19.44± acres with existing baseball, softball and tennis facilities.
Location: On the corner of University Boulevard and Chanticleer Drive West in Conway.
County: Horry

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

Purpose: To construct new baseball and softball stadium complexes.

Appraised Value: N/A

Price/Seller: Donation / Coastal Educational Foundation

Source of Funds: N/A

Project Number: H17-9583

Environmental Study: Approved

Building Condition: N/A

Assessment:

Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition. Construction of new baseball and softball facilities is anticipated to cost \$10.2 million and will be funded from Other, Institutional Capital Project Funds, Other, Renovation Reserve/Plant Expansion funds, and Other, Auxiliary funds.

Current Year Property Tax: N/A - Exempt

Approved By: CHE on 2/29/12; JBRC on 4/25/12

(c) **Agency:** **Department of Parks, Recreation and Tourism**

Acreage: 110± acres

Location: Adjacent to Jones Gap State Park in northern Greenville County

County: Greenville

Purpose: To conserve and protect natural resources and to connect more than 50,000 acres of mountain lands from Table Rock State Watershed to Poinsett Watershed.

Appraised Value: N/A

Price/Seller: Donation / The Nature Conservancy

Source of Funds: N/A

Project Number: P28-9723

Environmental Study: Approved

Building Condition: N/A

Assessment:

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

Additional Annual Op
Cost/SOF:

Current Year Property Tax:

Approved By:

Additional Information:

No additional annual operating costs will result from the donation.

N/A - Exempt

JBRC on 4/25/12

Title to all property held in a state agency or department name has been transferred to the State under the control of the Budget and Control Board. These properties must be titled to the State of South Carolina.

BOARD ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 9, 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) **Agency:** University of South Carolina
Acreage: 6.43± acres and two buildings totaling 115,108 square feet
Location: At Key Road and George Rogers Boulevard in Columbia.
County: Richland
Purpose: To meet needs related to operations at Williams Brice Stadium and to provide space for relocation of programs and institutes that do not need a central campus location.
Appraised Value: \$5,275,000
Price/Seller: \$5,275,000 / SC Educational Television Commission
Source of Funds: Other, Institutional funds
Project Number: H27-6095
Environmental Study: Approved
Building Condition Assessment: Approved
Additional Annual Op Cost/SOF: Additional annual operating costs of \$800,789 will result from the acquisition and will be paid from Other, Institutional funds. Renovation of approximately 25,000 square feet is anticipated to cost \$800,000 and will be paid from Other, Institutional funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 2/15/12; JBRC on 4/25/12
Additional Information: This request also includes approval of establishment of the budget for the permanent improvement project of \$5,300,000 from the fund source noted above.

- (b) **Agency:** **Coastal Carolina University**
Acreage: 19.44± acres with existing baseball, softball and tennis facilities.
Location: On the corner of University Boulevard and Chanticleer Drive West in Conway.
County: Horry
Purpose: To construct new baseball and softball stadium complexes.
Appraised Value: N/A
Price/Seller: Donation / Coastal Educational Foundation
Source of Funds: N/A
Project Number: H17-9583
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition. Construction of new baseball and softball facilities is anticipated to cost \$10.2 million and will be funded from Other, Institutional Capital Project Funds, Other, Renovation Reserve/Plant Expansion funds, and Other, Auxiliary funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 2/29/12; JBRC on 4/25/12
- (c) **Agency:** **Department of Parks, Recreation and Tourism**
Acreage: 110± acres
Location: Adjacent to Jones Gap State Park in northern Greenville County
County: Greenville
Purpose: To conserve and protect natural resources and to connect more than 50,000 acres of mountain lands from Table Rock State Watershed to Poinsett Watershed.
Appraised Value: N/A
Price/Seller: Donation / The Nature Conservancy
Source of Funds: N/A
Project Number: P28-9723
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the donation.
Current Year Property Tax: N/A - Exempt
Approved By: JBRC on 4/25/12
Additional Information: Title to all property held in a state agency or department name has been transferred to the State under the control of the Budget and Control Board. These properties must be titled to the State of South Carolina.

4. What is Board asked to do?

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

5. What is recommendation of Board Division involved?

Recommend approval of the property acquisitions and permanent improvement project budget establishment as requested.

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

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

7. List of Supporting Documents:

1. Code Section 1-11-65
 - (a) University of South Carolina
 - (b) Coastal Carolina University
 - (c) Department of Parks, Recreation and Tourism

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

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

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

**(a) University of South Carolina
Richland County
H27-6095**

List of Supporting Documents:

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



THOMAS D. QUASNEY
ASSOCIATE VICE PRESIDENT FOR FACILITIES

February 24, 2012

Charles Shawver
Office of State Budget
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

RECEIVED

FEB 28 2012

Office of State Budget
Edgar A. Brown Building
Columbia, SC 29201

Re: 1011 George Rogers Boulevard Acquisition

Dear Charles:

On February 10, 2012, the University Board of Trustees approved the acquisition of 1011 George Rogers Boulevard and 1034 Key Road.

It is requested that the necessary action be taken to obtain all required approvals for this transaction. The appraisal, the appraisal update, the Property Condition Assessment, and the Phase I Environmental Site Assessment are enclosed. The Form A-1, Form A-49, and other required documentation have already been sent to you.

Thank you for your assistance in this matter and if you have any questions, please do not hesitate to contact me.

Sincerely,

Thomas D. Quasney
Associate Vice President for Facilities

Carter Commercial Appraisal Group, Inc.

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

January 26, 2012

Mr. Mark Whittington
ETV of SC
1101 George Rogers Blvd
Columbia, SC 29201

RE: Appraisal Update of the ETV Complex
Located at 1101 George Rogers Blvd and Key Road
Columbia, Richland County, South Carolina

Dear Mr. Whittington:

The subject property is comprised of a large office and production facility and 4.48 acres of land located at the corner of Key Road and George Rogers Blvd in Columbia, SC. The property is currently occupied by SC ETV. Also being appraised is a 1.95 acre parcel on Key Road.

At your request, I have re-inspected the properties and any available plats or surveys. The purpose of this re-inspection was to estimate the current market value of the property and to communicate my findings to you in an Appraisal Update.

It is my understanding that the sole function of this report is to assist you, the client of the report, with internal buy-sell decisions. The intended users of the report are you and your assigns.

After gathering and analyzing all of the pertinent data and applying the methods and techniques prescribed by Advisory Opinion 3 of the Uniform Standards of Professional Appraisal Practice, it is my opinion that as of the effective date, the date of my most recent inspection, the property had a value of roughly:

| Asset | Effective Date | Value |
|--------------------|------------------|-------------|
| 1101 George Rogers | January 26, 2012 | \$4,150,000 |
| 1034 Key Road | January 26, 2012 | \$1,125,000 |

Mr. Whittington
Page Two

Most of the facts and data that led to the above stated value conclusions can be found in the appraisal report that I prepared on February 27, 2011 for the University of SC. Reliance on this Update can only be made by a reader familiar with that report. You have indicated to me that a copy of that report is in the possession of ETV.

At the time of my re-inspection of the property on January 26, 2012, I noted no significant physical or economic changes in the main building at 1101 George Rogers Blvd. That value will remain the same, which is \$4,150,000. Regarding the Key Road parcel, it is also the same physically and economically, however, you have indicated that you will be keeping the fenced-in area where the satellite farm is located. After deducting the land allocated to that section of property, I have adjusted the value of that property downward slightly, to \$1,125,000.

In 2011, I put a total value of \$5,350,000 on this property. After reviewing the physical and economic condition of both properties, exploring market trends, and adjusting the Key Road parcel for an adjusted site area, it is my opinion that the total market value is **\$5,275,000**. If you have any questions or comments regarding this appraisal update, please contact me at your convenience.

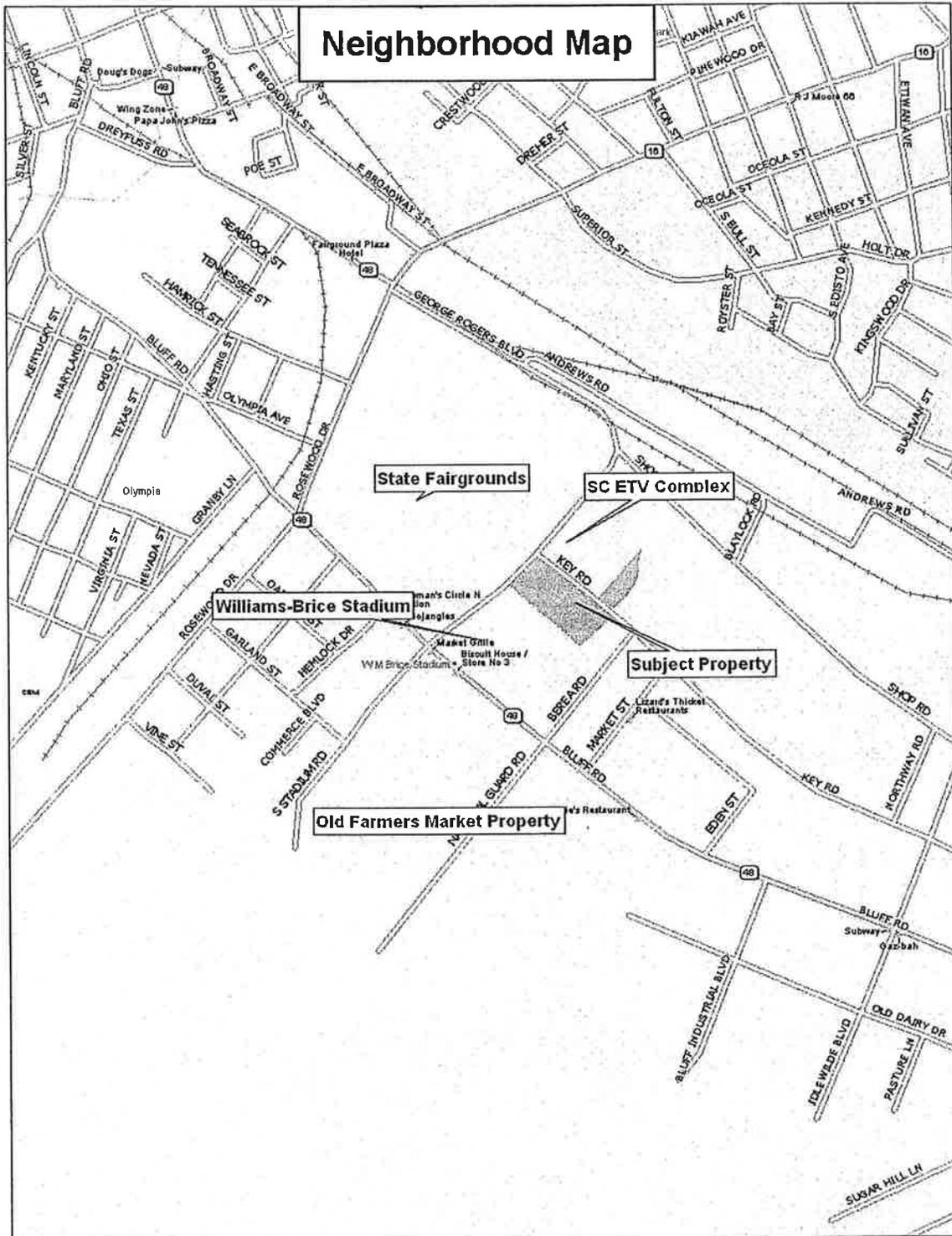
Respectfully submitted,

Carter Commercial Appraisal Group

A handwritten signature in black ink, appearing to read 'Joseph J.T. Carter, II', with a long, sweeping horizontal line extending to the right.

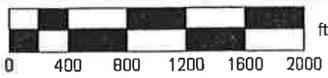
Joseph J.T. Carter, II
State Certification #CG646

Neighborhood Map



DELORME

Data use subject to license.
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 www.delorme.com



Data Zoom 14-0

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
SCETV
COLUMBIA, SOUTH CAROLINA**

**Project No. 73117709
May 18, 2011**

EXECUTIVE SUMMARY

This Phase I ESA was performed in accordance with our proposal dated April 13, 2011, and was conducted consistent with the procedures included in ASTM E 1527-05, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. The ESA was conducted under the supervision or responsible charge of Norman E. Partin, Jr., CHMM, environmental professional who performed the site reconnaissance on May 6, 2011.

A cursory summary of findings is provided below. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The site is located at 1101 George Rogers Boulevard in Columbia, Richland County, South Carolina. The site is a 4.4-acre tract of land that has been improved with an approximate 130,000 square foot building, asphalt and concrete parking areas, and landscaped areas. The site is currently occupied by the South Carolina Educational Television offices and the South Carolina Public Radio Station.
- Terracon conducted the site visit on May 6, 2011. Terracon was accompanied by Mr. Ricky Vick of SCETV. Terracon observed two sumps, one emergency generator, two air compressors, one cable elevator and one hydraulic elevator, one diesel AST in secondary containment, one closed-in-place fuel oil UST, one pad mounted transformer, interior floor drains, and stained concrete in the former printing press rooms. The referenced features are not considered RECs.
- Based on a review of the historical information, the site was initially developed in approximately 1955 as the State Record Building where The State and The Record newspapers were published. SCETV bought the site in 1989 and moved in after some renovations. The printing press equipment was removed from site and the press room has been closed off. RECs identified in previous investigations have been assessed and concerns have been addressed to the satisfaction of the SCDHEC who issued a No Further Action Letter on June 20, 2008. The former heating oil UST is considered a historical REC.
- The site is bound to the north by George Rogers Boulevard and the State Fair Grounds; to the east by Key Road and SCETV studios; to the south by University of South Carolina "Cock-a-Booses" and condominiums beyond; and to the west by Williams Brice Football Stadium.

- Based on a review of available regulatory information the site is listed as a RCRA-SQG under its former occupant, the State Record. The site is also listed as a UST facility for a former fuel oil UST which was closed in place in 1989. No release was reported and the SCDHEC did not require further investigation. Other USTs listed at the site are actually located on the east adjacent property, also owned by SCETV. Six USTs were closed in 1989. One 2,500-gallon gasoline UST remains in use and is registered with the SCDHEC UST Program (Site ID# 15612). Although, no releases have been reported from the current UST system, it is upgradient of the site and considered a REC. The former USTs on the adjacent upgradient property are considered historical RECs. Other regulated facilities identified within ASTM search radii do not constitute RECs to the site at this time based on regulatory standing, distance, or topographic location relative to the site.
- Terracon reviewed previous investigation reports including a Phase I ESA (2007), a Limited Site Investigation (2007), and Additional Assessment Report (2008). The former heating oil UST was assessed for releases to soil and ground water. Based on the results of these investigations, impacts from the former UST were determined to be below risk based screening levels. The SCDHEC issued a No Further Action Letter on June 20, 2008.

Recommendations

Based on the scope of services, limitations, and findings of this assessment, Terracon did not identify RECs in association with the site and surrounding properties except for the following:

- The 2,500-gallon gasoline UST on the east adjacent SCETV property.

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
SCETV DAY CARE
COLUMBIA, RICHLAND COUNTY, SC**

**Project No. 73127711
March 23, 2012**

EXECUTIVE SUMMARY

This Phase I ESA was performed in accordance with our proposal dated March 9, 2012, and was conducted consistent with the procedures included in ASTM E 1527-05, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. The ESA was conducted under the supervision or responsible charge of Chris Bartley, environmental professional, who performed the site reconnaissance on March 19, 2012.

A cursory summary of findings is provided below. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The site is located at 1034 Key Road in Columbia, Richland County, South Carolina. The site is approximately two (2) acres of land that has been improved with an approximate 6,000-square foot former day care center. The building is currently vacant; however, the building and grounds are used during football season as parking and entertainment space. SCETV also uses several of the interior spaces for office equipment storage.
- Based on observations during the site reconnaissance, the site is improved with one structure used for storage and entertainment space. Grounds are grassed and landscaped. No evidence of RECs was observed.
- Based on a review of the historical information, the site was agricultural land prior to development with a warehouse in the 1950s. The warehouse was subsequently demolished and the current structure on the rear portion of the property was constructed in the early 1990s. No evidence of RECs was observed in the site historical records review. The southeast-adjacent property was operated as the Edco Chemical Company from approximately 1975-1985. This company sold janitorial supplies and equipment. The listing is not considered a REC to the site.
- Based on a review of the available regulatory records, the site is not listed as a regulated facility. Adjacent properties to the south and west are listed as UST facilities. Based on apparent ground water flow direction (west), these facilities are not considered RECs to the site.
- The site is bound by SCETV properties to the west and south; multi-family residential apartments to the northeast; and parking lots used for tailgating space to the southeast.

Recommendations

Based on the scope of services, limitations, and findings of this assessment, Terracon did not identify RECs which, in our opinion, warrant additional investigation at this time.

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: H27-TBD - Key Road Properties Acquisition
2. County: Richland
3. Description of Property: 1101 George Rogers Boulevard is located at the corner of Key Road and George Rogers Boulevard. The site is mostly rectangular in shape with an area of 4.48 acres. It is improved with a large, multi-use building housing offices, production facilities, and warehouse. Improvements also include several paved parking lots, open lawn area, and all normal site work and utilities. 1034 Key Road is located on the northeast side of Key Road, one lot south of George Rogers Boulevard. The site is irregular in shape with an area of 1.95 acres. It is improved with a paved parking lot, a grass parking lot, some open lawn area, and a one story brick veneer building.
4. Grantor(s) Name and Address: South Carolina ETV Commission
1041 George Rogers Boulevard
Columbia, SC 29211
5. Grantee(s) Name and Address: University of South Carolina
Columbia, SC 29208
6. County Location: Both tracts are located near the intersection of George Rogers Boulevard and Key Road, in the city of Columbia, SC.
7. Acreage: Two tracts of property

| | |
|------------------------------|------------|
| 1101 George Rogers Boulevard | 4.48 acres |
| 1034 Key Road | 1.95 acres |
8. Purpose for Acquisition: The acquisition of 1101 George Rogers Boulevard is proposed to meet both needs related to operations at Williams Brice Stadium, and to provide space for relocation of programs and institutes that do not need a central campus location.

9. The acquisition of 1101 George Rogers Boulevard is proposed due to its location and proximity to Williams Brice Stadium, and to provide needed space for relocation of programs and institutes that do not require a central campus location. Williams Brice Stadium is a major public event venue that poses many operational and logistical challenges in usage. The ETV facility is located in very close proximity to the Stadium and ownership will allow greater control of activities in that area including security measures taken to protect the public in the use of this important event venue. The facility that currently sits on the site is well located and configured to house programs and institutes that do not need a presence in the central campus area. Relocating uses like these to this facility will make additional space available in the core areas of campus where student-focused academic functions need to be conducted.
10. Purchase Price: \$5,275,000
11. Current Year Property Tax Amount: N/A

PART II

1. How many sites were evaluated?

Because of the need to acquire this location and its suitability to our space needs, no other sites were evaluated. This property is currently owned by the South Carolina ETV Commission and is being vacated by current occupant. The location, adjacent to the University's William-Brice Stadium, poses concerns related to usage of this venue for major public events which is a supporting factor for our conclusion that the property should be owned and controlled by the University. The acquisition also provides the space needed to relocate institutes and non-academic programs that do not require a presence on the core campus.

2. Please list the selection criteria used to evaluate sites.

See No. 1

3. How was the final selection of the site made?

See No. 1

4. Why was this specific site selected?

See No. 1

5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?

As programs are identified for relocation, renovations to accommodate programmatic needs will be implemented. Current plans are to renovate 25,000 square feet of the facility. The estimated cost is \$800,000 and is to be funded with Institutional Funds.

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.

The estimated additional annual operating cost resulting from the acquisition is \$800,789 to be funded with Institutional Funds. These costs include custodial, maintenance, grounds, waste management, and utilities.

7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.

No additional operating costs resulting from construction/renovation are anticipated.

**(b) Coastal Carolina University
Horry County
H17-9583**

List of Supporting Documents:

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



February 21, 2012

Ms. Carol Routh
Assistant Director, 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 for the donation of 19.44 acres of land to the University from the Coastal Educational Foundation. This property is needed for construction and renovation of the current baseball and softball stadiums.

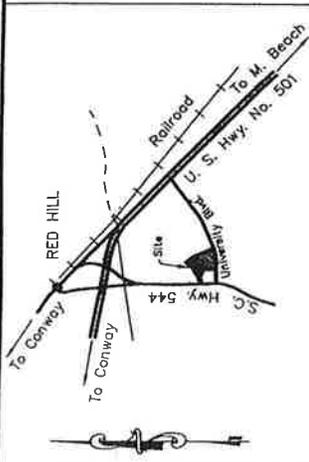
Thank you for your assistance in this regard.

Sincerely,

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

Stacie A. Bowie
Vice President
Finance & Administration

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



LOCATION MAP
Scale: 1" = 1 Mi.

- LEGEND:
- CONC. F. - CONCRETE FOUND
 - IPF - IRON PIPE FOUND
 - IF - IRON FOUND
 - IS - IRON SET
 - STN. D - STAKE FOUND
 - STU. F - STUMP FOUND
 - ANF - ANGLE FOUND
 - PK - P.K. NAIL
 - PT - PORTLAND CEMENT
 - PO, SP - POWER POLE
 - TP - TELEPHONE PIER

**MAP OF
19.44 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 JT 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) free consent and hereby establish all lots and streets, alleys, walls, points and other open spaces to public or private use as noted.

Owner _____ Date _____
Owner _____ Date _____

Certificates of Survey and Accuracy as required by City of Conway are to be filed to the best of my knowledge, information and belief, the survey shown herein was made in accordance with the requirements of the minimum standards of the State of South Carolina, and meets or exceeds the requirements for a class "B" survey as specified therein; that the ratio of precision as calculated meets or exceeds a minimum of 1:50,000 and that the monuments shown herein have been placed in accordance with low and the standards of practice. Witness my original signature, registration number and seal this 14th day of February, 2011.

Coastal Land Surveyors, Inc.
223 Main St., Conway, S.C. 29628
PH: (843) 248-5419 \ (FAX) 248-6565

J.T. Barfield, Jr.
REG. LAND SURV. S.C. 07188
J T BARFIELD, JR.

PARENT TRACT: TMS# 151-00-01-099
DEED REC'D DB. 551, PG. 186, PLAT ON PG. 188 H.C.RECS.
OWNER OF RECORD:
COASTAL EDUCATIONAL FOUNDATION, INC.

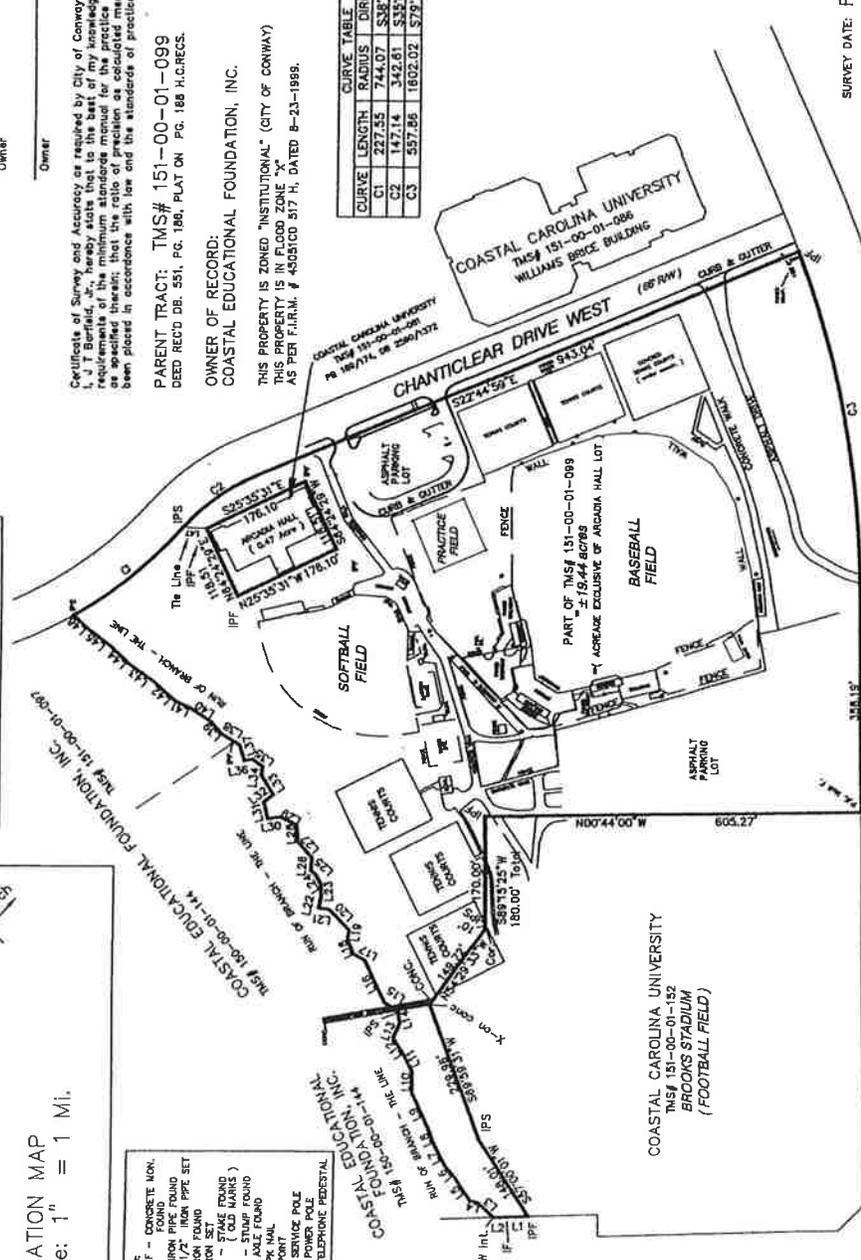
THIS PROPERTY IS ZONED "INSTITUTIONAL" (CITY OF CONWAY)
THIS PROPERTY IS IN FLOOD ZONE "X"
AS PER F.I.R.M. # 4003100 317 N, DATED 8-23-1998.

| CURVE | LENGTH | RADIUS | DIRECTION | CHORD |
|-------|--------|---------|-------------|--------|
| C1 | 227.55 | 744.07 | S35°35'37"E | 226.66 |
| C2 | 147.14 | 342.61 | S35°03'04"E | 146.01 |
| C3 | 557.86 | 1602.02 | S79°18'38"W | 553.05 |

COASTAL CAROLINA UNIVERSITY
TMS# 151-00-01-099
PG. 188/174, DB. 550/192

| LINE | LENGTH | BEARING | LINE | LENGTH | BEARING |
|------|--------|-------------|------|--------|-------------|
| L1 | 35.65 | N01°40'16"W | L11 | 26.35 | N67°45'33"E |
| L2 | 18.46 | N01°42'18"W | L12 | 32.35 | N57°23'58"E |
| L3 | 35.05 | N52°35'18"E | L13 | 26.86 | S85°33'24"E |
| L4 | 12.54 | N72°20'27"E | L14 | 17.99 | N77°45'42"E |
| L5 | 45.32 | N58°45'19"E | L15 | 26.87 | N35°41'17"E |
| L6 | 24.70 | N44°33'08"E | L16 | 73.26 | N64°00'02"E |
| L7 | 37.76 | N67°25'28"E | L17 | 21.35 | N30°19'43"E |
| L8 | 24.24 | N69°46'23"E | L18 | 24.60 | N68°38'18"E |
| L9 | 66.23 | N64°59'36"E | L19 | 16.49 | S81°40'50"E |
| L10 | 35.47 | N89°59'50"E | L20 | 46.89 | N44°18'13"E |
| L11 | 26.35 | N67°45'33"E | L21 | 17.63 | N07°46'37"E |
| L12 | 32.35 | N57°23'58"E | L22 | 18.59 | S77°33'48"E |
| L13 | 26.86 | S85°33'24"E | L23 | 19.70 | N87°30'11"E |
| L14 | 17.99 | N77°45'42"E | | | |
| L15 | 26.87 | N35°41'17"E | | | |
| L16 | 73.26 | N64°00'02"E | | | |
| L17 | 21.35 | N30°19'43"E | | | |
| L18 | 24.60 | N68°38'18"E | | | |
| L19 | 16.49 | S81°40'50"E | | | |
| L20 | 46.89 | N44°18'13"E | | | |
| L21 | 17.63 | N07°46'37"E | | | |
| L22 | 18.59 | S77°33'48"E | | | |
| L23 | 19.70 | N87°30'11"E | | | |

| LINE | LENGTH | BEARING | LINE | LENGTH | BEARING |
|------|--------|-------------|------|--------|---------|
| L24 | 17.10 | N61°38'28"E | | | |
| L25 | 16.93 | N41°23'01"E | | | |
| L26 | 20.16 | S85°49'54"E | | | |
| L27 | 35.02 | N48°17'13"E | | | |
| L28 | 25.37 | N88°18'13"E | | | |
| L29 | 28.90 | N48°20'30"E | | | |
| L30 | 21.73 | N08°01'27"W | | | |
| L31 | 26.90 | N75°24'42"E | | | |
| L32 | 19.51 | S39°18'19"E | | | |
| L33 | 36.29 | N57°26'43"E | | | |
| L34 | 14.19 | S81°02'45"E | | | |
| L35 | 20.29 | N35°45'10"E | | | |
| L36 | 13.28 | N08°33'49"W | | | |
| L37 | 26.14 | N72°10'44"E | | | |
| L38 | 33.22 | N30°18'38"E | | | |
| L39 | 27.50 | N48°02'34"E | | | |
| L40 | 40.02 | N33°03'54"E | | | |
| L41 | 27.29 | N24°42'40"E | | | |
| L42 | 45.78 | N42°11'12"E | | | |
| L43 | 50.07 | N34°40'07"E | | | |
| L44 | 40.95 | N44°08'18"E | | | |
| L45 | 48.95 | N37°51'52"E | | | |
| L46 | 30.06 | N42°44'11"E | | | |
| L47 | 37.59 | S03°18'08"W | | | |



SURVEY DATE: FEBRUARY 14, 2011

GRAPHIC SCALE: 1" = 200'



S. C. HIGHWAY NO. 953
(University Blvd.)

S. C. HIGHWAY NO. 544

DATA COLLECTED #151

SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 19.44 acres, located north of University Boulevard on the southwestern 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 of a softball field, the Charles L. Watson Baseball Stadium/Vrooman Field, bathrooms, tennis courts, a batting cage, and the associated asphalt parking and driveway areas. Additionally, there is a communication tower located between the softball and baseball fields. The adjacent properties consist of buildings and facilities 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, the softball and baseball fields were constructed, then the property was 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: 9583
2. County: Horry
3. Description of Property: 19.44 acres – part of TMS #151-00-01-099 located on the corner of University Boulevard and Chanticleer Drive West.
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: 19.44
8. Purpose for Acquisition: Construction/renovation of the Baseball and Softball Stadium complexes.
9. Demonstrate the need to acquire the property: Construction/renovation site for Baseball and Softball stadiums.
10. Purchase Price: None -- Land donation
11. Current Year Property Tax Amount: \$0.00

PART II

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites. Had to be where current baseball and softball stadiums are located. Current stadiums will be demolished and new ones constructed on this property.
3. How was the final selection of the site made? Same as 2 above.
4. Why was this specific site selected? Same as 2 above.
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?
Project #9580: Softball and Baseball Complex Improvements = \$10,200,000. \$4,000,000 from ICPF; \$4,200,000 private from Athletic Foundation; \$1,970,000 Renovation Reserve/Plant Expansion and \$30,000 from Auxiliary Funding.

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.
Project 9580: Softball and Baseball Complex Improvements = \$212,050 (includes utilities, supplies and custodial service). Expenses are related to general maintenance and campus operations. Operations and maintenance funds are provided by student tuition in our general operating budget. No increase in tuition will result due to these expenses.

B&CB Form

**(c) Department of Parks, Recreation and Tourism
Greenville County
P28-9723**

List of Supporting Documents:

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

South Carolina

Department of Parks, Recreation & Tourism

Nikki R. Haley
Governor

Duane N. Parrish
Director

March 30, 2012

Mr. Charles Shawver
State Budget and Control Board
Office of State Budget
1205 Pendleton Street
Columbia, SC 29201

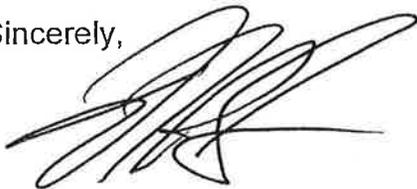
RE: Mountain Bridge White Tract Donation (110 Acres) P28-9723

Dear Mr. Shawver:

The South Carolina Department of Parks, Recreation and Tourism is hereby requesting that the Mountain Bridge White Tract Donation be taken to the Joint Bond Review Committee and the Budget and Control board for approval at the next available opportunity.

If you have any questions regarding this submission, please call me at 734-0258.

Sincerely,



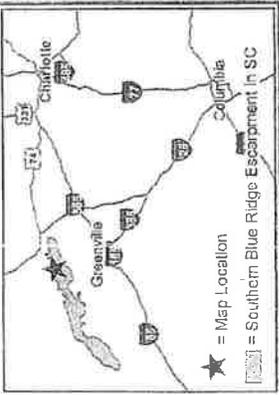
David R. Simms, P.E.
Chief of Engineering and Construction
State Park Service

cc: Phil Gaines
Frances Miley



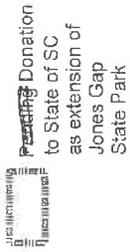
North Carolina

South Carolina



The Mountain Bridge -
Grassy Top
Mountain Area

Northern Greenville County,
South Carolina

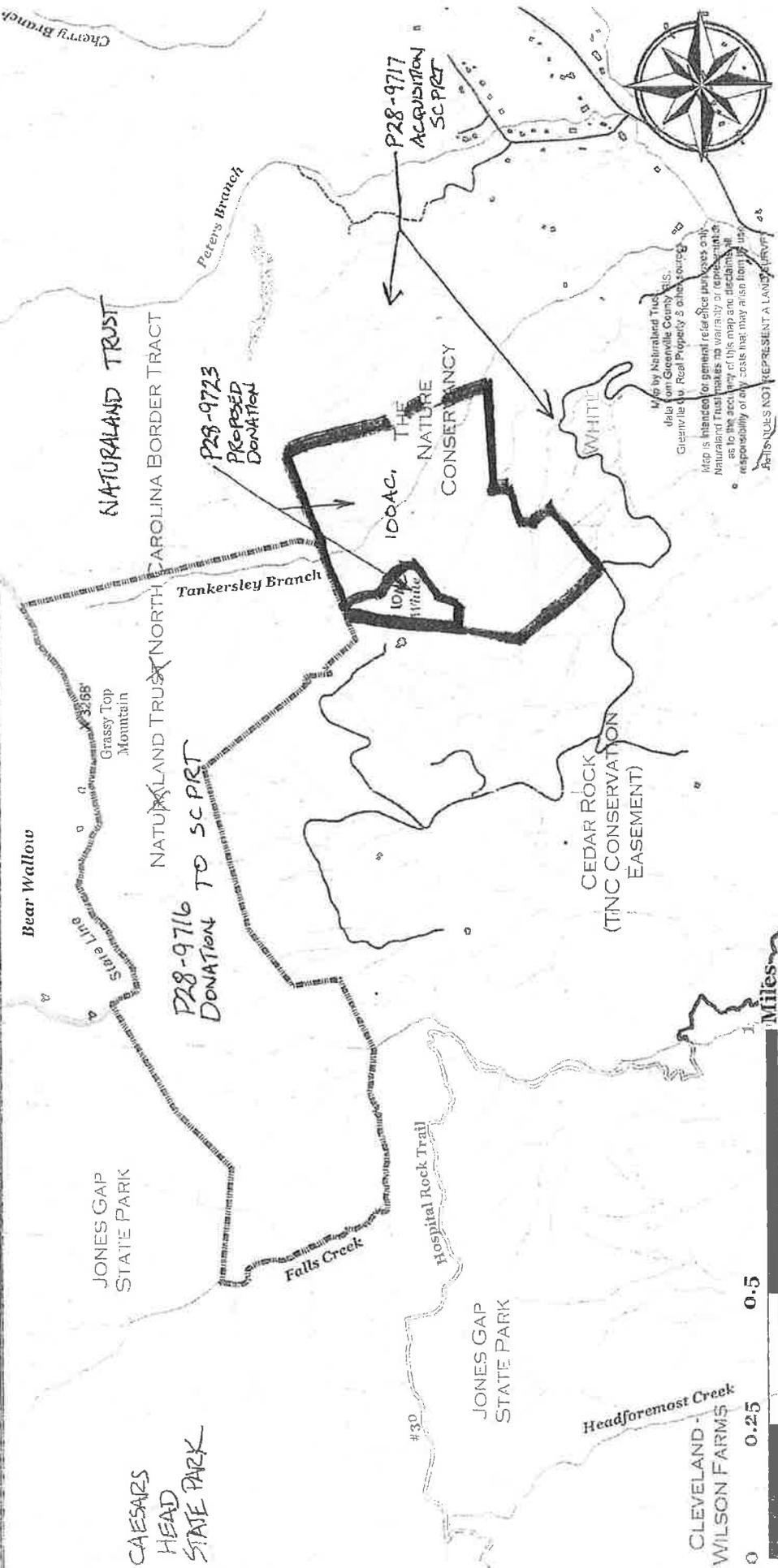


Presenting Donation
to State of SC
as extension of
Jones Gap
State Park

Order by:
Sussey for Naturaland Trust,
Grassy Top Mountain,
N.R. Williams, Jr.
August 23, 2009

NATURALAND TRUST

Map: Mt. Bridge Donation 2010; 10/14/2010, rev. 13 \$ (c)2010



CAESARS
HEAD
STATE PARK

P28-9716
DONATION TO SC PRT

P28-9723
PROPOSED
DONATION

P28-9717
ACQUISITION
SC PRT

CLEVELAND -
WILSON FARMS



Map by Naturaland Trust
data from Greenville County GIS,
Greenville Co. Real Property & other sources.
Map is intended for general reference purposes only.
Naturaland Trust makes no warranty or representation
as to the accuracy of this map and accepts no
responsibility or any costs that may arise from its use.
THIS DOES NOT REPRESENT A LAND ACQUISITION

5. CONCLUSIONS AND RECOMMENDATIONS

HRI performed a Phase 1 Environmental Site Assessment of the Northwest Tracts of the Former White Property, located north of Gap Creek Road in northern Greenville County. The Phase 1 ESA was performed in general conformance with ASTM Standard E1527-05.

At the time of this ESA the subject properties were owned by The Nature Conservancy. There are no structures or improvements on the property. SCPRT's State Parks Service intends to acquire the property to expand the parkland and conservation properties as a part of Jones Gap State Park. This property is strategically critical to provide connectivity between Caesars Head State Park, Jones Gap State Park, and various mountain recreational trails in the Blue Ridge escarpment area.

Based on HRI's research of site history, review of available environmental database information, interviews with knowledgeable persons, and inspection of the site pursuant to the scope of this Phase 1 ESA, no known or suspected releases of hazardous substances or petroleum compounds were identified on the property.

Environmental records did not reveal on-site or off-site contamination sources relevant to the property within the general vicinity or within standard search distances customary for ESAs.

Based on the site visit performed on 14 March, and on several previous site inspections, the information provided in the EDR report, interviews with knowledgeable persons, and other sources reviewed, HRI has not identified any significant or actionable "Recognized Environmental Conditions" on the Northwest Tracts of the Former White Property, or on any of the adjacent nearby tracts, including other portions of the property previously owned by White. Conditions observed through this ESA do not warrant further assessment, and therefore HRI does not recommend Phase 2 Environmental Site Assessment testing.

In the course of conducting this Phase 1 ESA HRI discovered no conditions that would likely interfere with SCPRT's stated intent and purpose of acquiring and managing the subject tracts for conservation and public use as parkland.

PROPERTY ACQUISITION FORMAT

PART I

1. Project Number: P28- 9723
2. County: 23- Greenville
3. Description: 110 Acre tract in northern Greenville County TMS 0671020101406/05
4. Grantor(s) Name and Address: The Nature Conservancy
4245 North Fairfax Drive, Suite 100
Arlington, VA 22203-1606
5. Grantee(s) Name and Address SC Department of Parks, Recreation and Tourism
1205 Pendleton Street
Columbia, SC 29201
6. County Location: Northern Greenville County adjacent to Jones Gap State Park
7. Acreage: 110 Acres
8. Purpose for Acquisition: Conservation & Protection of resources
9. Demonstrate the need to acquire the property: Conservation &
protection
10. Purchase Price: \$0 - Donation
11. Current Year Property Tax Amount: \$0

PART II

1. How many sites were evaluated? 1
2. Please list the selection criteria used to evaluate sites? N/A
3. How was the final selection made? N/A
4. Why was this specific site selected? Only site possible
5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work: 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. **None, personnel from Caesars Head State park and Jones Gap State Park will manage this property.**
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not. **None. Minor trail maintenance will be absorbed by Park Staff.**

AGENCY: Division of General Services

SUBJECT: Coastal Carolina University Lease for Student Housing at University Place in Conway

Coastal Carolina University requests approval to sublease from Coastal Housing Foundation, LLC (LLC) 54.38 acres with improvements, located approximately 0.25 miles from the campus in Conway for continued use as student housing. The leased property consists of an apartment complex commonly known as *University Place*, containing 46 apartment buildings, an office building with food service and two pool/activity houses with a collective area of approximately 708,481 square feet, as well as two pools, parking and common grounds. The leased property has 2,425 bedrooms, including 67 bedrooms reserved for resident advisors and staff, and is expected to provide housing for approximately 2,312 students for the Fall 2012 semester in 295 double occupancy bedrooms and 1,784 single occupancy bedrooms.

The property is owned by the CCU Student Housing Foundation (Foundation) and leased to the LLC. The Foundation purchased the property in phases between 2003 and 2009. Coastal Housing Foundation, LLC is a South Carolina Limited Liability Company, of which the Foundation is the sole member. The University currently markets, operates, leases and maintains *University Place* in accordance with management agreements with the LLC. The University currently directs students to *University Place* pursuant to support agreements signed in 2005 and 2009. The management agreements will terminate as of the commencement date of the lease, contingent upon the approval of the lease by the Joint Bond Review Committee and the Budget and Control Board; however, the 2005 and 2009 support agreements will not.¹

The lease term will be thirty (30) years commencing July 1, 2012, after which the University may exercise successive optional renewal terms of one (1) year each. Annual rent during the initial term will be equal to 30% above the annual debt service owed by the LLC with annual rent for the first year of the lease not to exceed \$7,983,556.75. The portion of rent paid above the debt service payment will be allocated by the LLC to a surplus fund, expenditures from which will be restricted to such amounts necessary to defray the cost of capital assets, major property expenses, capital expenses requested by the University to improve student living (such as food service or fitness facility upgrades), and operating expenses of the Foundation, including all expenses relating to the bonds secured by the Foundation for *University Place*. Rent for any optional renewal term is \$1.00 per year. In addition to rent, the University will be responsible for paying an amount for "Maintenance and Renewal" estimated at \$383,544.32 for the first year and escalating 3% each year thereafter, which amounts may be adjusted according to the actual use of this escrow fund. All amounts in the Maintenance and Renewal fund will be available for reimbursement to the

¹ The 2005 Student Housing Support Agreement was subject to the South Carolina Consolidated Procurement Code. At the University's request, and pursuant to regulation, the Procurement Services Division has ratified the University's execution of the 2005 Student Housing Support Agreement.

AGENCY: Division of General Services

SUBJECT: Coastal Carolina University Lease for Student Housing at University Place in Conway

University of approved expenses for capital improvements and/or routine maintenance expenses. Additionally, the University will be responsible for all operating costs for the property which is estimated at \$3,800,000 for the first year, and includes the cost of employees, security services, maintenance supplies, insurance, telephones, cable, utilities, etc. Based on the maximum rent the University can pay under the lease, the expected Maintenance and Renewal fee, and the expected operating costs, the estimated maximum amount the University will pay over the term is as follows:

| Year | Period | Rent | Maintenance & Renewal ² | Operating ³ | Total | Cost Per Bed |
|------|-------------------|-----------------|------------------------------------|------------------------|------------------|--------------|
| 1 | 7-1-12 to 6-30-13 | \$ 7,983,556.75 | \$ 383,544.32 | \$ 3,790,891.69 | \$ 12,157,992.75 | \$ 5,258.65 |
| 2 | 7-1-13 to 6-30-14 | \$ 7,981,249.25 | \$ 395,050.64 | \$ 3,862,874.08 | \$ 12,239,173.97 | \$ 5,293.76 |
| 3 | 7-1-14 to 6-30-15 | \$ 7,982,191.10 | \$ 406,902.16 | \$ 3,936,181.05 | \$ 12,325,274.31 | \$ 5,331.00 |
| 4 | 7-1-15 to 6-30-16 | \$ 7,986,124.25 | \$ 419,109.23 | \$ 4,010,835.65 | \$ 12,416,069.13 | \$ 5,370.27 |
| 5 | 7-1-16 to 6-30-17 | \$ 7,986,091.75 | \$ 431,682.51 | \$ 4,086,861.27 | \$ 12,504,635.53 | \$ 5,408.58 |
| 6 | 7-1-17 to 6-30-18 | \$ 7,981,671.75 | \$ 444,632.98 | \$ 4,164,281.67 | \$ 12,590,586.40 | \$ 5,445.76 |
| 7 | 7-1-18 to 6-30-19 | \$ 7,985,246.75 | \$ 457,971.97 | \$ 4,243,120.97 | \$ 12,686,339.69 | \$ 5,487.17 |
| 8 | 7-1-19 to 6-30-20 | \$ 7,987,814.25 | \$ 471,711.13 | \$ 4,323,403.67 | \$ 12,782,929.05 | \$ 5,528.95 |
| 9 | 7-1-20 to 6-30-21 | \$ 7,985,393.00 | \$ 485,862.46 | \$ 4,405,154.64 | \$ 12,876,410.10 | \$ 5,569.38 |
| 10 | 7-1-21 to 6-30-22 | \$ 7,981,623.00 | \$ 500,438.34 | \$ 4,488,399.10 | \$ 12,970,460.44 | \$ 5,610.06 |
| 11 | 7-1-22 to 6-30-23 | \$ 7,984,223.00 | \$ 515,451.49 | \$ 4,573,162.70 | \$ 13,072,837.19 | \$ 5,654.34 |
| 12 | 7-1-23 to 6-30-24 | \$ 7,985,978.00 | \$ 530,915.03 | \$ 4,659,471.44 | \$ 13,176,364.47 | \$ 5,699.12 |
| 13 | 7-1-24 to 6-30-25 | \$ 7,986,563.00 | \$ 546,842.48 | \$ 4,747,351.72 | \$ 13,280,757.20 | \$ 5,744.27 |
| 14 | 7-1-25 to 6-30-26 | \$ 7,984,405.00 | \$ 563,247.76 | \$ 4,836,830.33 | \$ 13,384,483.09 | \$ 5,789.14 |
| 15 | 7-1-26 to 6-30-27 | \$ 7,986,062.50 | \$ 580,145.19 | \$ 4,927,934.46 | \$ 13,494,142.15 | \$ 5,836.57 |
| 16 | 7-1-27 to 6-30-28 | \$ 7,986,225.00 | \$ 580,145.19 | \$ 5,038,096.05 | \$ 13,604,466.24 | \$ 5,884.28 |
| 17 | 7-1-28 to 6-30-29 | \$ 7,984,600.00 | \$ 580,145.19 | \$ 5,150,460.88 | \$ 13,715,206.07 | \$ 5,932.18 |
| 18 | 7-1-29 to 6-30-30 | \$ 7,980,895.00 | \$ 580,145.19 | \$ 5,265,073.00 | \$ 13,826,113.19 | \$ 5,980.15 |
| 19 | 7-1-30 to 6-30-31 | \$ 7,981,220.00 | \$ 580,145.19 | \$ 5,381,977.36 | \$ 13,943,342.55 | \$ 6,030.86 |
| 20 | 7-1-31 to 6-30-32 | \$ 7,981,626.25 | \$ 580,145.19 | \$ 5,501,219.81 | \$ 14,062,991.25 | \$ 6,082.61 |

² Bonds require a 3% increase yearly in Maintenance and Renewal, calculated per bedroom, unless revisited by an external consultant. A 3% escalation is assumed for the first fifteen (15) years. The University intends to have the required reserve amount revisited regularly.

³ Assumes a 2% operating expense increase per year.

AGENCY: Division of General Services

SUBJECT: Coastal Carolina University Lease for Student Housing at University Place in Conway

| | | | | | | |
|-----------------------------|-------------------|-------------------------|---------------|-----------------|-------------------------|-------------------|
| 21 | 7-1-32 to 6-30-33 | \$ 7,983,251.58 | \$ 580,145.19 | \$ 5,622,847.11 | \$ 14,186,243.88 | \$ 6,135.92 |
| 22 | 7-1-33 to 6-30-34 | \$ 7,985,282.50 | \$ 580,145.19 | \$ 5,746,906.96 | \$ 14,312,334.65 | \$ 6,190.46 |
| 23 | 7-1-34 to 6-30-35 | \$ 7,987,070.00 | \$ 580,145.19 | \$ 5,873,448.00 | \$ 14,440,663.19 | \$ 6,245.96 |
| 24 | 7-1-35 to 6-30-36 | \$ 7,981,382.50 | \$ 580,145.19 | \$ 6,002,519.87 | \$ 14,564,047.56 | \$ 6,299.33 |
| 25 | 7-1-36 to 6-30-37 | \$ 7,985,607.50 | \$ 580,145.19 | \$ 6,134,173.17 | \$ 14,699,925.86 | \$ 6,358.10 |
| 26 | 7-1-37 to 6-30-38 | \$ 7,987,362.50 | \$ 580,145.19 | \$ 6,268,459.54 | \$ 14,835,967.23 | \$ 6,416.94 |
| 27 | 7-1-38 to 6-30-39 | \$ 7,985,380.00 | \$ 580,145.19 | \$ 6,405,431.63 | \$ 14,970,956.82 | \$ 6,475.33 |
| 28 | 7-1-39 to 6-30-40 | \$ 7,984,892.50 | \$ 580,145.19 | \$ 6,545,143.17 | \$ 15,110,180.86 | \$ 6,535.55 |
| 29 | 7-1-40 to 6-30-41 | \$ 7,984,210.00 | \$ 580,145.19 | \$ 6,687,648.93 | \$ 15,252,004.12 | \$ 6,596.89 |
| 30 | 7-1-41 to 6-30-42 | \$ 7,981,642.50 | \$ 580,145.19 | \$ 6,833,004.82 | \$ 15,394,792.51 | \$ 6,658.65 |
| Total for 30 Years | | \$239,528,841.18 | | | \$408,877,691.46 | |
| Average for 30 Years | | \$7,984,294.71 | | | \$13,629,256.38 | \$5,895.01 |

Rent for comparable apartments near the University is more expensive and, as off-campus housing, does not offer many of the services of on-campus housing such as shuttle services, security and resident assistants.

The University has adequate funds for the lease according to a Budget Approval Form submitted January 10, 2012, which also includes a multi-year plan. Lease payments will be made from revenue received from student housing fees collected for *University Place*, which is \$6,620 per bed for a single occupancy bedroom or \$5,890 per bed for a double occupancy bedroom collectively for the fall and spring semesters of the 2012-2013 school year. Assuming an annual average occupancy at *University Place* of 85%, the University will realize a positive cash flow of approximately \$485,000 in the first year of the lease, which will be used for improving student experiences, including increased programming and residential academic opportunities. The University has the option to purchase the property at the expiration of the initial term or during any extended term for \$1.00 plus any costs remaining to satisfy outstanding bond obligations on the property. Environmental assessments dated September 9, 2005 and September 30, 2009 revealed no on-site environmental conditions associated with the property.

STATE BUDGET AND CONTROL BOARD
MEETING OF May 9, 2012

REGULAR SESSION
ITEM NUMBER 3, Page 4

AGENCY: Division of General Services

SUBJECT: Coastal Carolina University Lease for Student Housing at University Place in Conway

The lease was approved by David A. DeCenzo, President of Coastal Carolina University and by Nancy Z. Jarrett, Manager of Coastal Housing Foundation, LLC. The lease was approved by the Joint Bond Review Committee at its meeting on April 25, 2012 and by the Commission on Higher Education on May 3, 2012.

BOARD ACTION REQUESTED:

Approve the proposed thirty (30) year lease and optional renewal terms of one year each for Coastal Carolina University at *University Place* in Conway.

ATTACHMENTS:

Agenda item worksheet; Letter from Coastal Carolina University dated March 21, 2012; SC Code of Laws Sections 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 9, 2012

Regular Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: Coastal Carolina University Lease for Student Housing at University Place in Conway

3. Summary Background Information:

Coastal Carolina University requests approval to sublease from Coastal Housing Foundation, LLC (LLC) 54.38 acres with improvements, located approximately 0.25 miles from the campus in Conway for continued use as student housing. The leased property consists of an apartment complex commonly known as *University Place*, containing 46 apartment buildings, an office building with food service and two pool/activity houses with a collective area of approximately 708,481 square feet, as well as two pools, parking and common grounds. The leased property has 2,425 bedrooms, including 67 bedrooms reserved for resident advisors and staff, and is expected to provide housing for approximately 2,312 students for the Fall 2012 semester in 295 double occupancy bedrooms and 1,784 single occupancy bedrooms.

The property is owned by the CCU Student Housing Foundation (Foundation) and leased to the LLC. The Foundation purchased the property in phases between 2003 and 2009. Coastal Housing Foundation, LLC is a South Carolina Limited Liability Company, of which the Foundation is the sole member. The University currently markets, operates, leases and maintains *University Place* in accordance with management agreements with the LLC. The University currently directs students to *University Place* pursuant to support agreements signed in 2005 and 2009. The management agreements will terminate as of the commencement date of the lease, contingent upon the approval of the lease by the Joint Bond Review Committee and the Budget and Control Board; however, the 2005 and 2009 support agreements will not.¹

The lease term will be thirty (30) years commencing July 1, 2012, after which the University may exercise successive optional renewal terms of one (1) year each. Annual rent during the initial term will be equal to 30% above the annual debt service owed by the LLC with annual rent for the first year of the lease not to exceed \$7,983,556.75. The portion of rent paid above the debt service payment will be allocated by the LLC to a surplus fund, expenditures from which will be restricted to such amounts necessary to defray the cost of capital assets, major property expenses, capital expenses requested by the University to improve student living (such as food service or fitness facility upgrades), and operating expenses of the Foundation, including all expenses relating to the bonds secured by the Foundation for *University Place*. Rent for any optional renewal term is \$1.00 per year. In addition to rent, the University will be responsible for paying an amount for "Maintenance and Renewal" estimated at \$383,544.32 for the first year and escalating 3% each year thereafter, which amounts may be adjusted according to the actual use of this escrow fund. All amounts in the Maintenance and Renewal fund will

¹ The 2005 Student Housing Support Agreement was subject to the South Carolina Consolidated Procurement Code. At the University's request, and pursuant to regulation, the Procurement Services Division has ratified the University's execution of the 2005 Student Housing Support Agreement.

be available for reimbursement to the University of approved expenses for capital improvements and/or routine maintenance expenses. Additionally, the University will be responsible for all operating costs for the property which is estimated at \$3,800,000 for the first year, and includes the cost of employees, security services, maintenance supplies, insurance, telephones, cable, utilities, etc. Based on the maximum rent the University can pay under the lease, the expected Maintenance and Renewal fee, and the expected operating costs, the estimated maximum amount the University will pay over the term is as follows:

| Year | Period | Rent | Maintenance & Renewal ² | Operating ³ | Total | Cost Per Bed |
|-----------------------------|-------------------|-------------------------|------------------------------------|------------------------|-------------------------|-------------------|
| 1 | 7-1-12 to 6-30-13 | \$ 7,983,556.75 | \$ 383,544.32 | \$ 3,790,891.69 | \$ 12,157,992.75 | \$ 5,258.65 |
| 2 | 7-1-13 to 6-30-14 | \$ 7,981,249.25 | \$ 395,050.64 | \$ 3,862,874.08 | \$ 12,239,173.97 | \$ 5,293.76 |
| 3 | 7-1-14 to 6-30-15 | \$ 7,982,191.10 | \$ 406,902.16 | \$ 3,936,181.05 | \$ 12,325,274.31 | \$ 5,331.00 |
| 4 | 7-1-15 to 6-30-16 | \$ 7,986,124.25 | \$ 419,109.23 | \$ 4,010,835.65 | \$ 12,416,069.13 | \$ 5,370.27 |
| 5 | 7-1-16 to 6-30-17 | \$ 7,986,091.75 | \$ 431,682.51 | \$ 4,086,861.27 | \$ 12,504,635.53 | \$ 5,408.58 |
| 6 | 7-1-17 to 6-30-18 | \$ 7,981,671.75 | \$ 444,632.98 | \$ 4,164,281.67 | \$ 12,590,586.40 | \$ 5,445.76 |
| 7 | 7-1-18 to 6-30-19 | \$ 7,985,246.75 | \$ 457,971.97 | \$ 4,243,120.97 | \$ 12,686,339.69 | \$ 5,487.17 |
| 8 | 7-1-19 to 6-30-20 | \$ 7,987,814.25 | \$ 471,711.13 | \$ 4,323,403.67 | \$ 12,782,929.05 | \$ 5,528.95 |
| 9 | 7-1-20 to 6-30-21 | \$ 7,985,393.00 | \$ 485,862.46 | \$ 4,405,154.64 | \$ 12,876,410.10 | \$ 5,569.38 |
| 10 | 7-1-21 to 6-30-22 | \$ 7,981,623.00 | \$ 500,438.34 | \$ 4,488,399.10 | \$ 12,970,460.44 | \$ 5,610.06 |
| 11 | 7-1-22 to 6-30-23 | \$ 7,984,223.00 | \$ 515,451.49 | \$ 4,573,162.70 | \$ 13,072,837.19 | \$ 5,654.34 |
| 12 | 7-1-23 to 6-30-24 | \$ 7,985,978.00 | \$ 530,915.03 | \$ 4,659,471.44 | \$ 13,176,364.47 | \$ 5,699.12 |
| 13 | 7-1-24 to 6-30-25 | \$ 7,986,563.00 | \$ 546,842.48 | \$ 4,747,351.72 | \$ 13,280,757.20 | \$ 5,744.27 |
| 14 | 7-1-25 to 6-30-26 | \$ 7,984,405.00 | \$ 563,247.76 | \$ 4,836,830.33 | \$ 13,384,483.09 | \$ 5,789.14 |
| 15 | 7-1-26 to 6-30-27 | \$ 7,986,062.50 | \$ 580,145.19 | \$ 4,927,934.46 | \$ 13,494,142.15 | \$ 5,836.57 |
| 16 | 7-1-27 to 6-30-28 | \$ 7,986,225.00 | \$ 580,145.19 | \$ 5,038,096.05 | \$ 13,604,466.24 | \$ 5,884.28 |
| 17 | 7-1-28 to 6-30-29 | \$ 7,984,600.00 | \$ 580,145.19 | \$ 5,150,460.88 | \$ 13,715,206.07 | \$ 5,932.18 |
| 18 | 7-1-29 to 6-30-30 | \$ 7,980,895.00 | \$ 580,145.19 | \$ 5,265,073.00 | \$ 13,826,113.19 | \$ 5,980.15 |
| 19 | 7-1-30 to 6-30-31 | \$ 7,981,220.00 | \$ 580,145.19 | \$ 5,381,977.36 | \$ 13,943,342.55 | \$ 6,030.86 |
| 20 | 7-1-31 to 6-30-32 | \$ 7,981,626.25 | \$ 580,145.19 | \$ 5,501,219.81 | \$ 14,062,991.25 | \$ 6,082.61 |
| 21 | 7-1-32 to 6-30-33 | \$ 7,983,251.58 | \$ 580,145.19 | \$ 5,622,847.11 | \$ 14,186,243.88 | \$ 6,135.92 |
| 22 | 7-1-33 to 6-30-34 | \$ 7,985,282.50 | \$ 580,145.19 | \$ 5,746,906.96 | \$ 14,312,334.65 | \$ 6,190.46 |
| 23 | 7-1-34 to 6-30-35 | \$ 7,987,070.00 | \$ 580,145.19 | \$ 5,873,448.00 | \$ 14,440,663.19 | \$ 6,245.96 |
| 24 | 7-1-35 to 6-30-36 | \$ 7,981,382.50 | \$ 580,145.19 | \$ 6,002,519.87 | \$ 14,564,047.56 | \$ 6,299.33 |
| 25 | 7-1-36 to 6-30-37 | \$ 7,985,607.50 | \$ 580,145.19 | \$ 6,134,173.17 | \$ 14,699,925.86 | \$ 6,358.10 |
| 26 | 7-1-37 to 6-30-38 | \$ 7,987,362.50 | \$ 580,145.19 | \$ 6,268,459.54 | \$ 14,835,967.23 | \$ 6,416.94 |
| 27 | 7-1-38 to 6-30-39 | \$ 7,985,380.00 | \$ 580,145.19 | \$ 6,405,431.63 | \$ 14,970,956.82 | \$ 6,475.33 |
| 28 | 7-1-39 to 6-30-40 | \$ 7,984,892.50 | \$ 580,145.19 | \$ 6,545,143.17 | \$ 15,110,180.86 | \$ 6,535.55 |
| 29 | 7-1-40 to 6-30-41 | \$ 7,984,210.00 | \$ 580,145.19 | \$ 6,687,648.93 | \$ 15,252,004.12 | \$ 6,596.89 |
| 30 | 7-1-41 to 6-30-42 | \$ 7,981,642.50 | \$ 580,145.19 | \$ 6,833,004.82 | \$ 15,394,792.51 | \$ 6,658.65 |
| Total for 30 Years | | \$239,528,841.18 | | | \$408,877,691.46 | |
| Average for 30 Years | | \$7,984,294.71 | | | \$13,629,256.38 | \$5,895.01 |

² Bonds require a 3% increase yearly in Maintenance and Renewal, calculated per bedroom, unless revisited by an external consultant. A 3% escalation is assumed for the first fifteen (15) years. The University intends to have the required reserve amount revisited regularly.

³ Assumes a 2% operating expense increase per year.

Rent for comparable apartments near the University is more expensive and, as off-campus housing, does not offer many of the services of on-campus housing such as shuttle services, security and resident assistants.

The University has adequate funds for the lease according to a Budget Approval Form submitted January 10, 2012, which also includes a multi-year plan. Lease payments will be made from revenue received from student housing fees collected for *University Place*, which is \$6,620 per bed for a single occupancy bedroom or \$5,890 per bed for a double occupancy bedroom collectively for the fall and spring semesters of the 2012-2013 school year. Assuming an annual average occupancy at *University Place* of 85%, the University will realize a positive cash flow of approximately \$485,000 in the first year of the lease, which will be used for improving student experiences, including increased programming and residential academic opportunities. The University has the option to purchase the property at the expiration of the initial term or during any extended term for \$1.00 plus any costs remaining to satisfy outstanding bond obligations on the property. Environmental assessments dated September 9, 2005 and September 30, 2009 revealed no on-site environmental conditions associated with the property.

The lease was approved by David A. DeCenzo, President of Coastal Carolina University and by Nancy Z. Jarrett, Manager of Coastal Housing Foundation, LLC. The lease was approved by the Joint Bond Review Committee at its meeting on April 25, 2012 and by the Commission on Higher Education on May 3, 2012.

4. What is the Board asked to do? Approve the proposed thirty (30) year lease and optional renewal terms of one year each for Coastal Carolina University at *University Place* in Conway.

5. What is recommendation of the Division of General Services? Approval of the proposed thirty (30) year lease and optional renewal terms of one year each for Coastal Carolina University at *University Place* in Conway.

6. List of Supporting Documents:

- (a) Letter from Coastal Carolina University dated March 21, 2012
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Vice President
for Finance and Administration

March 21, 2012

Lisa H. Catalanotto, Esquire
SC Budget and Control Board
Division of General Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Lisa:

Please accept this letter as a request for State Budget and Control Board approval of the Governmental Real Estate Lease Agreement for University Place, an apartment-style student housing facility, between the Coastal Housing Foundation, LLC, as landlord, and Coastal Carolina University as tenant. The term of the lease shall be for a period commencing on July 1, 2012, and ending on June 30, 2042. The University will pay annual rent in semi-annual installments in the amounts set forth in the Rent Schedule as attached to the enclosed proposed lease agreement. A lease agreement, as opposed to the current management agreement between the University and the Student Housing Foundation, would allow University Place to be included under the umbrella of University Housing, thus making all student housing consistent and uniform with regard to rate settings.

Thank you for your assistance in this matter.

Sincerely,

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

Stacie A. Bowie
CFO/Vice President
Finance & Administration

Enclosure

/jad

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

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

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

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

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

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

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

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

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

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

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

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

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

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

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

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

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

STATE BUDGET AND CONTROL BOARD
MEETING OF May 9, 2012

REGULAR SESSION
ITEM NUMBER 4

AGENCY: Coastal Carolina University

SUBJECT: Not Exceeding \$6,750,000 Coastal Carolina University, South Carolina,
Refunding Revenue Bonds, Series 2012

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$6,750,000 Coastal Carolina University, South Carolina, Refunding Revenue Bonds, Series 2012.

The proceeds from the sale of the bonds will be used for the purpose of refunding the presently Outstanding Series 1999 Bonds maturing on and after June 1, 2013.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$6,750,000 Coastal Carolina University, South Carolina, Refunding Revenue Bonds, Series 2012.

ATTACHMENTS:

Lucas 4/18/12 letter; Resolution



POPE ZEIGLER
LAW FIRM

COLUMBIA | CHARLOTTE

Josiah C.T. Lucas
Partner

jluкас@popezeigler.com

MAIN 803 354.4900

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

April 18, 2012

VIA HAND DELIVERY

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

Re: Not exceeding \$6,750,000 Coastal Carolina University, South Carolina
Refunding Revenue Bonds, Series 2012 (the "**Bonds**")

Dear Mr. Singleton:

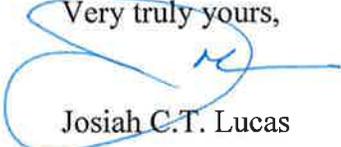
In connection with the issuance of the Bonds and in preparation for the State Budget and Control Board's meeting scheduled for May 9, 2012, enclosed please find one copy of each of the following items:

1. Summary of Refinancing Project for Coastal Carolina University;
2. General Bond Resolution adopted by the Board of Trustees of Coastal Carolina University on November 10, 1994;
3. Supplemental Resolution of Coastal Carolina University scheduled to be considered by the Board of Trustees of Coastal Carolina University on May 4, 2012.
4. Certificate and related Resolution of the State Budget and Control Board currently scheduled to be considered on May 9, 2012.

We will also be sending you in Microsoft Word, the electronic version of Item 4 listed above so that you can have it revised as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Thank you.

Very truly yours,


Josiah C.T. Lucas

Enclosures

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$6,750,000 REFUNDING REVENUE BONDS, SERIES 2012, OF COASTAL CAROLINA UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

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

ARTICLE I

FINDINGS OF FACT

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

Section 1.01

(a) The Board of Trustees for Coastal Carolina University (the "Board of Trustees"), the governing body of Coastal Carolina University, South Carolina (the "University"), is authorized by Chapter 136, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), to make provision for the issuance of revenue bonds ("Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of construction, reconstruction, and improvement and equipment of building for the purposes of the University, including, without limiting the generality of the foregoing, dormitories, apartment buildings, dwelling houses, dining halls, cafeterias, parking facilities, sports facilities and inns or for any one or more of these purposes, all in accordance with and pursuant to the provisions of the Enabling Act.

(b) On November 10, 1994, the Board of Trustees adopted a resolution entitled "A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF COASTAL CAROLINA UNIVERSITY REVENUE BONDS TO FINANCE OR REFINANCE THE CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, AND EQUIPMENT OF BUILDINGS AND OTHER PROJECTS OF COASTAL CAROLINA UNIVERSITY, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF REVENUE BONDS ISSUED HEREUNDER; COVENANTING AS TO THE REVENUES AND THE FIXING, ESTABLISHMENT, AND COLLECTION OF RENTALS, FEES, AND CHARGES; PLEDGING THE REVENUES TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Revenue Bonds of a particular series pursuant to the provisions of a Supplemental Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees

previously issued and there remains Outstanding (a) \$6,360,000 of the originally issued \$24,545,000 Refunding and Improvement Revenue Bonds, Series 1999 of Coastal Carolina University, South Carolina (the "Series 1999 Bonds"), (b) \$2,215,000 of the originally issued \$3,855,000 Refunding Revenue Bonds, Series 2004 of Coastal Carolina University, South Carolina, and (c) \$11,625,000 of the originally issued \$13,175,000 Refunding Revenue Bonds, Series 2006 of Coastal Carolina University, South Carolina.

(c) On May 4, 2012, the Board of Trustees adopted a supplemental resolution entitled "A SUPPLEMENTAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF REFUNDING REVENUE BONDS OF COASTAL CAROLINA UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2012, AND TO BE ISSUED IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING SIX MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$6,750,000), AND OTHER MATTERS RELATING THERETO" (the "2012 Supplemental Resolution") authorizing the issuance of Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds") for the purpose of refunding the presently Outstanding Series 1999 Bonds maturing on and after June 1, 2013, in the principal amount of \$6,070,000 (the "Refunded Bonds").

(d) The 2012 Supplemental Resolution authorized the use of proceeds of the Series 2012 Bonds for the purposes of: (i) providing the amount necessary, together with other available funds of the University, to defray the cost of the refunding of the Refunded Bonds; and (ii) paying certain costs and expenses relating to the issuance of the Series 2012 Bonds.

(e) The Board of Trustees has determined that prevailing market conditions indicate that substantial debt service savings will be achieved through the refunding of the Refunded Bonds and requests the State Board to approve at this time the issuance by the University of the Series 2012 Bonds to effect a refunding of the Refunded Bonds, and other matters related thereto.

Section 1.02

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

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2012 Bonds, including those required by the Bond Resolution, the 2012 Supplemental Resolution, and the Enabling Act, will be met upon the issuance of the Series 2012 Bonds.

Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the Bond Resolution and the 2012 Supplemental Resolution.

Summary of Refinancing Proposal for
Coastal Carolina University

PRELIMINARY – SUBJECT TO CHANGE

As of April 18, 2012/Projected Closing Date of June 5, 2012

| | | |
|--|---|------------|
| Outstanding bonds proposed to be refinanced | Original Principal Amount of \$24,545,000 Refunding and Improvement Revenue Bonds, Series 1999, of which \$6,070,000 in principal amount will be refinanced, with a range of maturities to be refinanced of June 1, 2013 through and including June 1, 2026 | |
| Average interest rate of bonds refinanced | | 5.2884878% |
| Projected average interest rate of refinancing bonds | | 2.85% |
| True interest cost of refinancing bonds | | 2.8500314% |
| Projected net present value savings (net of costs) | | \$938,230 |
| Projected net present value savings as a percentage of the bonds refinanced | | 15.457% |
| | | |
| Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) | Percentage of Refinancing Bonds | 1.94% |
| | Percentage of Net PV Savings | 12.79% |
| Underwriting | None (Bank Placement) | |
| Legal fees – bond, bank and general counsel | | \$75,000 |
| Rating agency fees | None (Bank Placement) | |
| Advisory fees | | \$25,000 |
| Bond trustee/registrar | | \$2,500 |
| Accounting and verification | | \$2,500 |
| Credit enhancement/bond insurance | None (Bank Placement) | |
| Publication, printing, contingencies and all other expenses | | \$15,000 |
| Total | | \$120,000 |

Prepared by Pope Zeigler, LLC
Date: April 18, 2012

STATE BUDGET AND CONTROL BOARD
MEETING OF May 9, 2012

REGULAR SESSION
ITEM NUMBER 5

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Tuesday, June 19, 2012, in Room 252, Edgar A. Brown Building.

Remaining Meetings in 2012

| | |
|------------------------|----------|
| 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 10:00 a.m. on Tuesday, June 19, 2012, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: