

## **MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING**

**October 14, 2014 -- 10:00 A. M.**

The Budget and Control Board (Board) met at 10:00 a.m. on Tuesday, October 14, 2014, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Nikki R. Haley, Chair;  
Mr. Curtis M. Loftis, Jr., State Treasurer;  
Mr. Richard Eckstrom, Comptroller General;  
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and  
Representative W. Brian White, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Paul Koch; Division Director Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff Ted Pitts; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

[Secretary's Note: The Board met immediately following a meeting of the State Education Assistance Authority, the members of which are the Budget and Control Board members, ex officio.]

### ***Adoption of Agenda for Budget and Control Board***

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted the agenda as proposed.

### ***Minutes of Previous Meeting***

Upon motion by Representative White, seconded by Mr. Eckstrom, the Board approved the minutes of the August 12, 2014, Budget and Control Board meeting.

### ***Blue Agenda***

Mr. Loftis stated that he wanted to have a conversation about JEDA and its transactions. He noted that he has been trying to get the cost of JEDA transactions for a couple of years and has not been successful. He said the statutes concerning JEDA envision a 2% cost of the issuance of bonds. He noted that after several meetings he has not been able to obtain the cost.

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Mr. Loftis said his concern is that the cost of issuance may be higher than it should be. He stated that his research shows there is a disparity between the estimated legal and other costs and the actual cost. He said that the State has a responsibility to check the cost. He indicated that he would be voting against the JEDA items. Mr. Loftis stated that he would vote against the conduit issues that are in blue agenda item #1 and blue agenda items #4, #6, and #7.

Senator Leatherman asked Mr. Loftis what were the costs he was talking about. Mr. Loftis said that he has been focused on the legal costs associated with bond counsel. He said that presently JEDA does not track all of the fees and that the Board should have some idea of what those costs are.

Mr. Eckstrom asked if it is the case that the entity doing the borrowing enters into the agreement with bond counsel and not the State. Mr. Loftis said that a concern is that only five or six firms in the State have been authorized to be bond counsel. He said this impacts the borrowing entity's ability to negotiate fees. Mr. Loftis also said in further discussion that the Board has a fiduciary obligation to ensure that this tax subsidized debt is kept as low as possible.

Blue agenda items were acted upon as noted herein.

***State Treasurer: Bond Counsel Selection (Blue Agenda Item #1)***

Upon a motion by Mr. Eckstrom, seconded by Mr. White, the Board approved the following notification of the assignment of bond counsel for conduit issues, other revenue issues, and special assignment of bond counsel for which Board approval was requested. Governor Haley, Mr. Eckstrom, Senator Leatherman, and Mr. White voted for the item. Mr. Loftis voted against the item.

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$25,000,000 SC JEDA	Bishop of Charleston/Catholic Diocese of Charleston	Haynsworth Sinkler Boyd	Nexsen Pruet
\$16,500,000 SC JEDA	CareAlliance Health Services d/b/a Roper St. Francis Healthcare	Haynsworth Sinkler Boyd	Howell, Linkous & Nettles
\$21,000,000 SC JEDA	Myrtle Beach Convention Center	McNair Law Firm	Parker Poe
\$15,000,000 SC JEDA	SC SAVES (c/o Abundant	McGuire Woods	Haynsworth

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	Power Solutions)		Sinkler Boyd
\$20,000,000 SC JEDA	Conway Hospital	Parker Poe Adams & Bernstein	Haynsworth Sinkler Boyd
\$20,000,000 SC JEDA	Palmetto Health	Chapman & Cutler	Howell Linkous & Nettles
\$36,000,000 SC JEDA	Anderson University	Haynsworth Sinkler Boyd	Nexsen Pruet
\$70,000,000.00 SC JEDA	RePower South, LLC	Nexsen Pruet	Pope Zeigler
\$36,090,000.00 SC JEDA	Destination Developments, LLC	Haynsworth Sinkler Boyd	McNair Law Firm

**OTHER REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$16,250,000.00 Clemson University	Clemson University-Athletic Facilities Rev Bonds, Series 2014 (refunding of 2005)	Pope Zeigler, LLC/recommended

**SPECIAL ASSIGNMENT OF BOND COUNSEL:**

Description of Issue	Agency/Institution	Approved Bond Counsel
US Securities & Exchange Comm Municipalities Continuing Disclosure Cooperation Initiative.	Clemson University	Pope Zeigler, LLC/recommended

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

***Division of General Services: Real Property Conveyances (Blue Agenda Item #2)***

The Division of General Services recommended approval of real property conveyances as noted herein.

Mr. Eckstrom noted that the Board approved the sale of this property by the Department of Employment and Workforce (DEW) at its June 14, 2014, Board meeting for not less than the appraised price of \$443,000. He said that now DEW is asking for approval to sell the property for one-third of that cost. He said he needed to have reconciliation between the difference in the price that was approved for sale versus the current sale price.

Martha Stevenson and Don Grant from DEW appeared before the Board. Mr. Grant stated that there is 90% federal equity in the property and that following the applicable federal regulations the market value of the property is the decision point. He said that the property was

advertised for public sale and that any entity could purchase the property. He stated that when the only offer comes in below the appraised value it is deemed to be fair market value at that time. He noted this is the only offer that has come in on the property.

Mr. Eckstrom noted that there have been three appraisals since 2010 and they all range from \$350,000 to \$430,000. He asked if there is a problem with the property or how the agency advertised for the sale of the property. Ms. Stevenson said that the property has been listed by the Board's Real Property Services Office and that DEW has followed up on inquiries received about the property. Mr. Eckstrom asked how the property was advertised. Ms. Stevenson said that it is advertised on the State's surplus property list. Ashlie Lancaster with the Board stated that the property was originally advertised with State agencies because they have first right of refusal of the property. She stated that there were no offers from State agencies and then an ad was published in state and local newspapers and SCBO (South Carolina Business Opportunities). She commented that they also use a broker with the consent of the state agency, but that broker fees can eat into the sale price.

Governor Haley commended DEW for disposing of the property. She said that this is something that has concerned her for a long time and that the State does not need to be in the property business. She said she appreciates the efforts the agency is doing to get rid of surplus property.

Mr. Loftis asked if the property was landlocked or surrounded by the church. Ms. Lancaster said the property is surrounded by the church, but there is access to the property. She commented that there is a limited market for this type of property despite the appraised value. She stated that often the appraised value is not reflective of the offers and purchase prices. She said that is the reason that many of the surplus properties sit for a long time.

Mr. Eckstrom said he wonders about the decision not to use a broker in a case like this. Ms. Adams stated that a contract is about to be awarded that will allow for a real estate consultant to advise on buying or selling of property. She said the company will also advise when a broker should be engaged or the property be sold at the price that is offered. Mr. Eckstrom said that this sale should be looked at by the real estate consultant the Board is hiring.

Mr. Eckstrom asked if there was a rush to sell the property. Ms. Stevenson said that she is not aware of a rush to sell, but that they do want to give an answer concerning the offer.

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Mr. Eckstrom asked whether it was likely that the consultant will have the opportunity to review the sale before the next meeting and bring it back before the Board. Ms. Adams said that the consultant would review the matter before the next meeting.

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Board agreed to carry over the real property conveyance for item 2(a) until the next Board meeting and approved the real property conveyances for items 2(b) through 2(k) as requested by the Division of General Services. Governor Haley, Mr. Eckstrom, and Senator Leatherman voted for the item. Mr. Loftis voted against the item and Mr. White abstained from voting on the item.

(a) **CARRIED OVER**

<b>Agency:</b>	<b>Department of Employment and Workforce</b>
Acreage:	0.685± acres and a 9,461 square foot office building
Location:	309 W. Whitner Street, Anderson
County:	Anderson
Purpose:	To dispose of surplus real property.
Price/Transferred To:	\$135,000/First Presbyterian Church of Anderson
Disposition of Proceeds:	To be retained and/or divided accordingly between the Department of Employment and Workforce and the Budget and Control Board based on federally funded real property requirements and pursuant to Proviso 101.23.
Additional Information:	On June 17, 2014, the Board approved the sale of the subject property for not less than the appraised value which was \$443,000. The property was recently advertised for sale by sealed bid which resulted in only one offer from the Church. The surrounding property is owned by the Church and the acquisition of this building would enhance the Church's ability to provide programs for the Anderson community.

(b) <b>Agency:</b>	<b>Department of Employment and Workforce</b>
Acreage:	2.04± acres and a 4,769 square foot office building
Location:	353 Highway 28 By-Pass, Abbeville
County:	Abbeville
Purpose:	To dispose of surplus real property.
Price/Transferred To:	Not less than appraised value/To be determined
Disposition of Proceeds:	To be retained and/or divided accordingly between the Department of Employment and Workforce and the Budget and Control Board based on federally funded real property requirements and pursuant to Proviso 101.23.

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- (c) **Agency:** **Department of Employment and Workforce**  
Acreage: 2.0± acres and a 4,745 square foot office building  
Location: 101 Mable T. Willis Boulevard, Walterboro  
County: Colleton  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be retained and/or divided accordingly between the Department of Employment and Workforce and the Budget and Control Board based on federally funded real property requirements and pursuant to Proviso 101.23.
- (d) **Agency:** **Department of Employment and Workforce**  
Acreage: 1.25± acres and a 4,591 square foot office building  
Location: 317 Summit Drive, Liberty  
County: Pickens  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Employment and Workforce pursuant to Proviso 101.23.
- (e) **Agency:** **Department of Employment and Workforce**  
Acreage: 1.45± acres  
Location: 400 South Church Street, Spartanburg  
County: Spartanburg  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be retained and/or divided accordingly between the Department of Employment and Workforce and the Budget and Control Board based on federally funded real property requirements and pursuant to Proviso 101.23.
- (f) **Agency:** **Department of Disabilities and Special Needs**  
Acreage: 374.504± acres  
Location: Off Old Colony Road, Clinton (DDSN Whitten Center)  
County: Laurens  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/ To be determined  
Disposition of Proceeds: To be divided between the Department of Disabilities and Special Needs and the Budget and Control Board pursuant to Proviso 101.23.

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- (g) **Agency:** **Budget and Control Board**  
**Acreage:** 27.046± acres and improvements  
**Location:** 921 Ribaut Road, Beaufort  
**County:** Beaufort  
**Purpose:** To transfer seven parcels of land that makes up the Technical College of the Lowcountry's main campus to the College's governing body, the Technical College of the Lowcountry Area Commission. This transfer will be consistent with other property holdings of the College.  
**Price/Transferred To:** No consideration/Technical College of the Lowcountry Area Commission  
**Additional Information:** The State of South Carolina acquired the property in 1968 from the Woman's American Baptist Home Mission Society for use as an area trade school, now known as the Technical College of the Lowcountry. At the time of the conveyance, the College was not a separate entity as it is now and operated under the State Board for Technical and Comprehensive Education. The College has had sole possession of the property since the conveyance and has been responsible for all maintenance and operations.
- (h) **Agency:** **Department of Transportation**  
**Acreage:** 10.16± acres and 4 vacant buildings totaling 19,832 square feet  
**Location:** 1439 Laurens Road, Greenville  
**County:** Greenville  
**Purpose:** To dispose of surplus real property owned by the Department of Transportation, Department of Public Safety and the Department of Motor Vehicles pursuant to Provisos 63.4 and 101.23.  
**Price/Purchaser:** Not less than appraised value/To be determined  
**Disposition of Proceeds:** To be divided with the agencies pursuant to Proviso 63.4.  
**Additional Information:** On June 21, 2006, the Board approved the sale of the surplus property for not less than the appraised value which was \$2,018,000. The property has been actively marketed for well over 10 years with varying inquiries and unsuccessful contracts. In February of this year, SCDOT partnered with the Greenville County Economic Development Corporation (GCEDC) in association with Greenville County to market the property for a mixed use development project. The proposed project will contribute to the revitalization of the area and encourage and support economic development consistent with the goals of GCEDC, Greenville County and the City of Greenville.

- (i) **Agency:** Department of Transportation  
Acreage: 12.60± acres  
Location: On University Boulevard (S-26-953)  
County: Horry  
Purpose: To transfer ownership and maintenance responsibility of University Boulevard due to SCDOT removing the road from the State Highway System.  
Price/Transferred To: No consideration/Coastal Carolina University
- (j) **Agency:** Clemson University  
Acreage: 4.73± acre  
Location: Old Stone Church Road at US Highway 76, Clemson  
County: Pickens  
Purpose: To convey a 4.73-acre tract of land in exchange for a 0.7-acre tract owned by the City of Clemson. The exchange will allow the University to control the corner parcel adjacent to its ballpark property and to acquire property consistent with the University's long range master plan.  
Price/Transferred To: Property exchange between Clemson University and the City of Clemson with the property Clemson will acquire having a greater appraised value (\$59,000) than the property the City will acquire (\$57,000).  
Disposition of Proceeds: N//A

#### OTHER TRANSACTION

- (k) **Agency:** South Carolina Forestry Commission  
Equipment: Communication tower, associated facilities and equipment  
Location: Richard B. Russell Lake and Dam  
County: Abbeville  
Purpose: To transfer ownership and maintenance responsibility of a communication tower back to the US Army Corps of Engineers.  
Price/Transferred To: No consideration/US Army Corps of Engineers  
Additional Information: In 2002, the Army Corps of Engineers (COE) transferred ownership of a communications tower located at the Richard B. Russell Lake and Dam to the Forestry Commission. COE now wants to take back ownership of the tower and give Forestry long-term use of the tower. Forestry is in favor of transferring ownership back to the COE as the tower is in great need of repair.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

***Division of General Services: Easements (Blue Agenda Item #3)***

Upon a motion by Mr. Loftis, seconded by Mr. White, the Board approved the following easements in accordance with the SC Code of Laws as requested by the Division of General Services:

- (a) County Location: Richland  
From: Budget and Control Board  
To: South Carolina Electric and Gas Company  
Consideration: \$700  
Description/Purpose: To grant a 0.98 acre easement for the construction, operation and maintenance of two aerial 230 kV electric transmission lines over the Broad River between I-126 and US 176 bridges. The easement is part of a project to provide reliable electric service to SCE&G's residential, commercial and industrial customers in the Columbia Northwest region of its service area and to ensure that SCE&G remains in compliance with North American Electric Reliability Corporation (NERC) standards. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
  
- (b) County Location: Sumter  
From: Budget and Control Board  
To: High Hills Rural Water Company, Inc.  
Consideration: \$1  
Description/Purpose: To grant a 0.04 acre easement for the installation, operation and maintenance of a water distribution system on property of the Wateree River Correctional Institution to provide potable water service to the facility. The easement is being sought by the Department of Corrections for the benefit of the property.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

***South Carolina Energy Office: \$15M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC Saves with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Denmark-Olar School District 2 of Bamberg County (Blue Agenda Item #4)***

Abundant Power Group, LLC requested \$15M Qualified Energy Conservation Bond [QECCB] volume cap allocation in connection with the implementation of a qualifying green community program at the Denmark-Olar School District 2 of Bamberg County.

The project consists of building a net-zero K-12 school for Denmark-Olar School District 2 of Bamberg County. The Owner of the building will be Denmark-Olar School Foundation, a nonprofit corporation created in SC. The Foundation and the School District have signed a Pre-Development Agreement with FirstFloor K-12 Solutions, LLC, as developer. The Foundation will own the school and lease it to the school district. Financing will be provided in two parts: approximately \$31 million in a loan directly from USDA and a loan of approximately \$15 million from a bank which will be guaranteed by USDA and run through the SC SAVES program utilizing the QECCB allocation. Both loans will be made to the Foundation. The developer is not guaranteeing that there will not be an electric bill; however, it is providing maintenance and optimization of the energy systems in the building for 5 years. The school district will keep any excess power generation revenues to its benefit. Under the lease, the school district provides building maintenance and janitorial services. The developer plans to start land clearing in April 2015 with the school ready for occupancy in August 2016. The developer will be responsible for negotiations with the utility in terms of a net-metering or purchase power agreement. The developer will determine the best terms for the school district and the district will make the final decision on the contract. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 300 direct jobs from the capital investment and approximately 38 indirect jobs based on expected energy savings of 22,500 MWHs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECCBs broadened the range of programs which qualify under the Green Community Programs designation to ‘promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed’ and ‘programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to

members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades. Based on the expanded definition of the Green Community Program, Abundant Power, using the SouthCarolinaSAVES (SC SAVES) Program, will implement a Green Community Program at the Denmark-Olar School District 2 of Bamberg County, with the intent of reducing energy costs through increased energy conservation and increasing operational savings. Applicant indicates QECB's will be sold in private placement to one or more qualified institutional buyers.

The QECB allocation request was approved by the SC ARRA Volume CAP Advisory Committee on September 18, 2014, specifically for use at Denmark Olar School District 2 of Bamberg County and with the stipulation that if the bonds are not issued within six (6) months of Budget and Control Board approval for the designated purpose, this allocation expires and reverts to the pool.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the proposed \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC Saves with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Denmark-Olar School District 2 of Bamberg County. This allocation will expire and revert to the volume cap allocation pool if the bonds are not issued within six (6) months of Budget and Control Board approval. Governor Haley, Mr. Eckstrom, Senator Leatherman, and Mr. White voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

***Division of Procurement Services: Procurement Audit of the Department of Consumer Affairs (Blue Agenda Item #5)***

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services reviewed the procurement system of the Department

of Consumer Affairs. As the Department did not request procurement certification, the audit report was submitted as information only.

Upon a motion by Mr. Loftis, seconded by Mr. Eckstrom, the Board, in accord with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, received as information the procurement audit of the Department of Consumer Affairs.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

***Executive Director: Revenue Bonds (Blue Agenda Item #6)***

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board approved the following proposals to issue revenue bonds. Governor Haley, Mr. Eckstrom, and Senator Leatherman voted for the item. Mr. Loftis and Mr. White voted against the item.

- a. Issuing Authority: Beaufort County  
Amount of Issue: Not Exceeding \$21,000,000 Hospital Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Beaufort County Memorial Hospital d/b/a Beaufort Memorial Hospital  
Employment Impact: N/A  
Project Description: acquisition, construction, renovation, improvement, and equipping of hospital facilities  
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.  
(Exhibit 6)
  
- b. Issuing Authority: Dillon County  
Amount of Issue: Not Exceeding \$900,000 Special Source Revenue Bonds  
Allocation Needed: -0-  
Name of Project: \$900,000 Original Principal Amount Dillon County, Special Source Revenue Bond, Series 2014  
Employment Impact: N/A  
Project Description: proceeds of the bond will be used to (a) defray the costs of undertaking one or more of the following projects located in or adjacent to a Dillon County joint county industrial and business park in order to enhance the continued economic development of Dillon County and to pay costs of issuance of the Series 2014 Bond: acquiring, designing, constructing and improving water and wastewater infrastructure; (b) acquiring, designing, constructing and improving such other infrastructure necessary for the continued economic development of Dillon County

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Bond Counsel: Brandon T. Norris, McNair Law Firm  
(Exhibit 7)

- c. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$36,000,000 Educational Facilities Revenue and Refunding Bonds (\$13,530,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: Anderson University  
Employment Impact: maintain existing employment for 611 people and providing additional employment for 3 people within 12 months  
Project Description: A. (i) constructing, furnishing and equipping a new student center, (ii) constructing, landscaping, furnishing, and equipping a new residence hall to accommodate enrollment growth, and (iii) constructing, landscaping, furnishing, and equipping various athletic venues;  
B. refinance a taxable loan with Peoples Bank, outstanding in the principal amount of \$2,431,338 maturing in December 2028, used to provide funds to acquire land for an athletic campus;  
C. refinance a taxable loan with Bank of America, N.A. outstanding in the principal amount of \$2,613,384 maturing in May 2017, used to provide funds for the School of Nursing and residence hall;  
D. refinance the \$13,335,000 original principal amount of Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Educational Facilities Refunding and Improvement Revenue Bonds (Anderson College Project), Series 2004A, currently outstanding in the principal amount of \$8,480,000, used to provide funds for defraying the costs of (i) the design, acquisition, construction, furnishing and equipping of an approximately 45,000 square foot library, and related improvements and amenities and (ii) the construction, furnishing and equipping of other improvements and facilities on the University's campus; and  
E. pay certain costs of issuance of the bonds.

*Note:*

*private sale*

Bond Counsel: Jeremy Cook, Haynsworth Sinkler Boyd, P. A.  
(Exhibit 8)

- d. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$16,500,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: CareAlliance Health Services D/B/A Roper St. Francis Healthcare  
Employment Impact: maintenance of approximately 5,300 employees  
Project Description: acquisition of approximately 123 acres of land in Goose Creek

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(Berkeley County) to be used as the site for the development of future healthcare facilities by Roper St. Francis Healthcare.

*Note:*

*private sale*

Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.  
(Exhibit 9)

- e. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$20,000,000 Revenue Notes  
Allocation Needed: -0-  
Name of Project: Conway Hospital Inc.  
Employment Impact: N/A  
Project Description: financing certain items of equipment and software to upgrade the hospital's information technology infrastructure and paying certain fees, payment, premium and expenses to be incurred in connection with the issuance of the revenue notes.  
Bond Counsel: Ray E. Jones, Parker Poe Adams & Bernstein LLP  
(Exhibit 10)

- f. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$21,000,000 Revenue Refunding Bonds (\$21,000,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: City of Myrtle Beach  
Employment Impact: maintaining approximately 135 jobs  
Project Description: to refinance the outstanding \$23,500,000 original principal amount South Carolina Jobs-Economic Development Authority Subordinate Revenue Bonds (Myrtle Beach Convention Center Hotel Project), 2001 Series B issued to finance a portion of the cost of acquisition, by construction or purchase, of a 404-unit convention center hotel and related parking garage contiguous to, and the refurbishment of certain support facilities within, the Myrtle Beach Convention Center in the City of Myrtle Beach  
*Note:*  
*private sale, for public reoffering thereafter*  
Bond Counsel: William M. Musser, McNair Law Firm, P. A.  
(Exhibit 11)

- g. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$42,000,000 Economic Development Revenue Bonds  
Allocation Needed: \$42,000,000 (carryforward requested)  
Name of Project: Olde York Square Senior Living LLC project  
Employment Impact: provide employment for those engaged in construction of the project and create new, full-time employment for 300 people within 4 months  
Project Description: the proceeds of the bonds will be used (i) primarily for the acquisition, construction and equipping of a senior living

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residential healthcare complex in York County; (ii) to pay capitalized interest, if any, on the bonds; (iii) fund the debt service reserve requirement, if any, with respect to the bonds; and (iv) pay certain costs of issuance with respect to the bonds.

*Note:* *limited public offering*  
Bond Counsel: April C. Lucas, Nexsen Pruet, LLC  
(Exhibit 12)

- h. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$20,000,000 Hospital Refunding Revenue Bonds (\$20,000,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: Palmetto Health, Series 2014A  
Employment Impact: maintain 8,322 jobs  
Project Description: refund a portion of the \$126,895,000 South Carolina Jobs-Economic Development Authority Hospital Refunding and Improvement Revenue Bonds, Series 2009, specifically the bond maturing August 1, 2036, in the aggregate principal amount of \$18,085,000 (the “Refunded Bonds”); pay certain costs incurred in connection with the issuance of the bonds and the refunding of the Refunded Bonds.

*Note:* *private sale, for public reoffering thereafter*  
Bond Counsel: David J. Kates, Chapman and Cutler LLP.  
(Exhibit 13)

- i. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$70,000,000 Solid Waste Disposal Revenue Bonds  
Allocation Needed: \$70,000,000 (carryforward requested)  
Name of Project: Repower South, LLC  
Employment Impact: 75  
Project Description: municipal solid waste disposal facilities, including recycling and production of renewable fuel specifically engineered as a coal substitute in power generation from non-recyclable fibers and polymers.

*Note:* *negotiated private sale or sales*  
Bond Counsel: Alan M. Lipsitz, Nexsen Pruet, LLC  
(Exhibit 14)

- j. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$15,000,000 Qualified Energy Conservation Bonds  
Allocation Needed: -0-  
Name of Project: South Carolina SAVES, Inc. and Abundant Power Group, LLC and the South Carolina SAVES Green Community Program  
Employment Impact: estimated at 300 direct jobs and 38 indirect jobs  
Project Description: construction of a net zero K-12 school in Bamberg County

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Denmark-Olar School District which requires the subsidy associated with the entire amount of the reallocation to offset the intent of financing and makes the project viable.

*Note:* *negotiated private sale*  
Bond Counsel: Douglas E. Lamb, McGuireWoods  
(Exhibit 15)

- k. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$1,050,000 Athletic Facilities Refunding Revenue Bonds (\$1,050,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: The Citadel, the Military College of South Carolina  
Employment Impact: N/A  
Project Description: refunding of the Athletic Facilities Refunding Revenue Bonds, Series 2003

*Note:* *private sale*  
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P. A.  
(Exhibit 16)

- l. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$100,000,000 Mortgage Revenue Bonds (\$30,000,000 refunding involved)  
Allocation Needed: (\$70,000,000 from available carryforward)  
Name of Project: Mortgage Revenue Bonds, Series 2014  
Employment Impact: N/A  
Project Description: Mortgage Revenue Bonds, Series 2014  
Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.  
(Exhibit 17)

- m. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$30,000,000 Multifamily Rental Housing Revenue Bonds  
Allocation Needed: (\$30,000,000 from available carryforward)  
Project Description: acquisition and rehabilitation of affordable housing complexes located throughout South Carolina  
Bond Counsel: Ray E. Jones, Parker Poe Adams & Bernstein LLP  
(Exhibit 18)

***Executive Director: Economic Development (2014 Ceiling Allocations) (Blue Agenda Item #7)***

The initial balance of the 2014 state ceiling allocation was \$477,483,900. In accord with Code Section 1-11-520, \$190,993,560 (40% of the total) was designated as the state pool and \$286,490,340 (60% of the total) was designated as the local pool. There is presently a state

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ceiling balance of \$477,483,900 remaining for 2014. Allocation requests for 2014 totaling \$112,000,000 have been received thus far.

Relating to requests for calendar year 2014 ceiling allocations, the Board was asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

The recommendation from the Department of Commerce for allocations for this cycle total \$112,000,000. The Department of Commerce makes the following recommendation:

From the local pool:

JEDA, Olde York Square Senior Living, LLC, (York County) \$42,000,000; and

JEDA, Repower South, LLC, (Berkeley County) \$70,000,000.

Board approval of the recommended requests leaves an unexpended state ceiling balance of \$365,483,900 (state pool - \$190,993,560; local pool - \$174,490,340) to be allocated later in the calendar year.

Additionally, in accord with S.C. Code of Laws Section 1-11-560, JEDA requested the allocations to Olde York Square Senior Living, LLC, and Repower South, LLC, be designated as carryforward for use in subsequent years. The Olde York Square Senior Living, LLC, project is for a multi-family housing unit and the Repower South, LLC, project is for a solid waste recycling facility and, therefore, qualify for carryforward designation for the next three calendar years.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board:

1) In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, granted the following tentative ceiling allocation from the local pool and designated the allocations for carryforward for the next three calendar years, and authorize the filing of a carryforward election with the Internal Revenue Service, if the bonds are not issued on or before December 31, 2014:

JEDA, Olde York Square Senior Living, LLC, (York County) \$42,000,000; and

JEDA, Repower South, LLC, (Berkeley County) \$70,000,000.

2) Authorized shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

Governor Haley, Mr. Eckstrom, and Senator Leatherman voted for the item. Mr. Loftis and Mr. White voted for the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

***South Carolina State University: President's Update (Regular Session Item #1)***

The Board was asked to receive as information an update concerning South Carolina State University (SCSU).

SCSU President Thomas Elzey appeared before the Board on this matter. Mr. Elzey briefed the Board on events that have been ongoing at SCSU for the past several months. He said during the last six months SCSU has moved forward enhancing its enrollment, enhancing public opinion about SCSU, and providing services for its students. He stated that an economic impact report of SCSU has been done. He said the report shows that SCSU's impact is about \$187 million in the local community and in the State. He said there is also a social and education impact that SCSU has on the local community. Mr. Elzey stated that a strategic plan has been prepared and submitted to their Board of Trustees and they have approved the strategic plan. He said the strategic plan resets how SCSU deals with students, its academic programs, admissions and growing the university. He stated that SCSU is in the process of instituting the strategic plan. Mr. Elzey also noted that SCSU passed a balanced budget which included \$5 million in cuts. He stated that part of SCSU's saving involves a non-voluntary furlough of seven days and that SCSU will need the Board's assistance in implementing the furlough. He noted that current state law will not allow a non-voluntary furlough to take place unless the current year's appropriation is less than the previous year's appropriation and that is not the case for SCSU. He said SCSU will need support in getting relief from state law in order to implement the furlough which will save about \$1.5 million and keep their budget balanced.

Mr. Elzey further advised the Board that SCSU was still behind in its outstanding payables to vendors from the previous year and the current year. He said SCSU is working with vendors to assure them that they will be paid but that they do not have the resources to do so at

this time. He noted the Blue Ribbon Committee has met and has recommended additional relief for SCSU. He said he hopes the Board will act on the recommendation at some point in the near future. He also noted that SCSU's enrollment fell short of their target for the year. However, he stated that they did not take a financial hit because SCSU has a higher percentage of out-of-state students. He also noted that their freshman class grew. He said the problem SCSU has is SACS (Southern Association of Colleges and Schools) put the university on probation because its financial position has not improved. Mr. Elzey stated that they are preparing for another visit from SACS in April. He said they will have a comprehensive report for SACS concerning the standards on which they were cited.

Governor Haley commended Mr. Elzey and members of SCSU's trustee board and faculty for being present. She noted that they have come a long way in working together since Mr. Elzey's first appearance by himself before the Board. She said she appreciated Mr. Elzey's continued sacrifice and commitment to the students at SCSU.

In further discussion, Governor Haley asked Ms. Adams for an update on the review of SCSU's financial status. Ms. Adams said the Board hired Elliott-Davis to do some agreed upon procedures. She said Tom McNeish with Elliott-Davis was present to answer questions. She said Elliott-Davis will review bank statements and not the general ledger, vendor accounts, disbursements, federal grants and other areas to identify the SCSU's true cash position at the end of the fiscal year. Ms. Adam noted that CPAs will be on site at SCSU to work with SCSU's financial employees to the extent SCSU thinks it is necessary.

Mr. Loftis said that he wants to make sure that the accounting firm is met with open arms and that SCSU is committed to giving every consideration in working with the accounting firm. Mr. Elzey said that SCSU will fully cooperate with the outside accountants. He said they recognize that the work the accounting firm will do will be supportive of their efforts going forward. He said this work will lay the groundwork for moving forward and that SCSU is going to cooperate. He said he hopes the audit can be done as soon as possible because their concern is what services and what resources does SCSU have to provide to its students going forward.

Mr. Eckstrom asked Mr. Elzey what was the current status of SCSU's payables. Mr. Elzey stated that currently SCSU has \$6.5 million outstanding in payables of which about half is past 120 days overdue. Mr. Elzey noted that much of that amount is carried over from last fiscal

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year. Mr. Eckstrom noted that SCSU has used \$2.2 million to satisfy payable balances at the end of the year. He said he thought the majority of the \$6 million loan given to SCSU was to go to payables. Ms. Adams stated that of the \$5.5 million sent to SCSU approximately \$2 million was used for debt service, payroll, and utilities. She said the remainder was sent to the school for satisfying vendor payables.

After further discussion, Governor Haley suggested that Ms. Adams make arrangements for any Board members who would like to individually talk with the Elliott-Davis or Mr. Elzey.

Mr. Loftis asked Mr. Elzey if SCSU’s budget envisions repaying the \$6 million loan or postponing repayment. Mr. Elzey said the budget envisions postponing repayment of the loan.

Upon a motion by Mr. Loftis, seconded by Mr. White, the Board received as information an update concerning South Carolina State University.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

***Division of General Services: SC Public Service Commission Lease (Regular Session Item #2)***

The SC Public Service Commission requested approval to continue leasing 18,041 rentable square feet of office space located at 101 Executive Center Drive, Suite100, in Columbia from GPT Properties Trust c/o Reit Management and Research, LLC. Approximately thirty-four (34) employees and seven (7) commissioners utilize the space. The facility also contains a boardroom to accommodate one-hundred and twelve (112) people at a time in auditorium seating, court reporter and witness seating, and podium/seating for seven (7) commissioners, as well as a hearing room to accommodate thirty (30) people.

A solicitation was conducted and four (4) responses were received, of which the selected location represents the lowest bid. The lease term will be ten (10) years beginning September 1, 2015, at a rate of \$11.00 per square foot for the first year, which is a reduction from their current rate of \$16.29 per square foot. The landlord is also providing five (5) months rent free during the first year. Thereafter, basic rent increases two (2) percent annually as shown in the chart below:

<u>INITIAL TERM</u>			<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>RENT</u>	<u>PER SF</u>

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YEAR 1	09-01-2015 to 01-31-2016	(5 months free rent)	(5 months free rent)	\$11.00
YEAR 1	02-01-2016 to 08-31-2016	\$115,763.06	\$16,537.58	\$11.00
YEAR 2	09-01-2016 to 08-31-2017	\$202,420.08	\$16,868.34	\$11.22
YEAR 3	09-01-2017 to 08-31-2018	\$206,389.08	\$17,199.09	\$11.44
YEAR 4	09-01-2018 to 08-31-2019	\$210,538.44	\$17,544.87	\$11.67
YEAR 5	09-01-2019 to 08-31-2020	\$214,687.92	\$17,890.66	\$11.90
YEAR 6	09-01-2020 to 08-31-2021	\$219,017.76	\$18,251.48	\$12.14
YEAR 7	09-01-2021 to 08-31-2022	\$223,347.60	\$18,612.30	\$12.38
YEAR 8	09-01-2022 to 08-31-2023	\$227,857.80	\$18,988.15	\$12.63
YEAR 9	09-01-2023 to 08-31-2024	\$232,368.12	\$19,364.01	\$12.88
YEAR 10	09-01-2024 to 08-31-2025	\$237,058.80	\$19,754.90	\$13.14
	<b>Total</b>	<b>\$2,089,448.66</b>	<b>Average</b>	<b>\$11.95</b>

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

Agency	SF	Address	Lease Term	Initial Rate/SF	Final Rate/SF
School for the Deaf and Blind	6,323	101 Executive Center Drive	5/1/11-9/30/15	\$12.00	\$12.00
Patients Compensation Fund	2,573	121 Executive Center Drive	7/1/12-6/30/17	\$12.73	\$12.73
Office of the Inspector General	1,786	111 Executive Center Drive	10/1/13-9/30/18	\$13.75	\$13.75
State Board of Technical and Comprehensive Education	23,831	111 Executive Center Drive	7/1/12-6/30/22	\$9.75	\$11.65
Department of Labor, Licensing and Regulation	71,580	110 Centerview Drive	1/1/13-12/31/22	\$9.00	\$10.76

Additionally, there are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its October 7, 2014 meeting.

Mr. Loftis noted that there was no information on the number two bidder which is usually received. He asked that that information be provided in the future.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the proposed 10 year lease for the SC Public Service Commission at 101 Executive Center Drive, Suite 100 in Columbia, South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

***Executive Budget Office: Permanent Improvement Projects (Regular Session Item #3)***

The Board was asked to approve permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee.

Mr. Eckstrom noted that item 3(c) concerning the College of Charleston's Lockwood Drive renovations appears in the agenda prior to the purchase of the property being approved in regular session item #4. Ms. Adams asked Mr. Eckstrom if he would like to take the items in a different order. Senator Leatherman commented that Steve Osborne with the College of Charleston could respond to Mr. Eckstrom. Mr. Osborne stated that the College of Charleston would not do the renovations until they owned the property. Mr. Eckstrom stated that he had questions about regular session item #4 before voting on regular session item #3. The Board agreed to discuss item #4 prior to voting on item #3.

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board approved the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee.

- (a) Summary 2-2015: JBRC Item 1. The Citadel  
Project: 9611, New Capers Hall  
Funding Source: \$250,000 Other, Capital Improvement Fee funds, which are funds that are derived from a \$160 per academic year per cadet fee dedicated to funding new construction efforts on campus.  
Request: Establish project and budget for \$250,000 (Other, Capital Improvement Fee funds) to begin design work to construct a new building to replace Capers Hall. The 65 year old building is 75,116 square feet and houses the English, History, Math, Psychology, Criminal Justice and Education departments. The configuration of the building is not conducive to current teaching methods and the building has numerous maintenance needs that make replacing the building

more feasible than renovating the existing structure. The new building will be between 80,000 and 96,000 square feet. The Citadel is considering two different configurations for Capers. One configuration would house all of the existing programs, while the other would not include the School of Education. The Citadel is also exploring the possibility of building a new stand-alone facility to house the School of Business. Should this facility be built, space currently occupied by the School of Business in Bond Hall will be available to house the School of Education allowing a smaller configuration for the new Capers Hall. The final decision on which configuration will be constructed will be made based on cost and the availability of donor funds for the School of Business as the project reaches pre-design completion.

- (b) Summary 2-2015: JBRC Item 2. The Citadel  
Project: 9612, New School of Business Building  
Funding Source: \$250,000 Other, Gift funds, which are restricted donor gifts raised by the Citadel Foundation for this project.  
Request: Establish project and budget for \$250,000 (Other, Gift Funds) to begin design work to construct a new building to house the School of Business. The business program is currently located in Bond Hall and lacks the space necessary to accommodate the increased demand for the business program and growth in the corps of cadets. The new School of Business will be approximately 56,000 square feet. In addition to lecture space and office space for the 34 full time staff, the building will provide flexible use conference space that will be available for conferences and community events as well as an auditorium capable of seating an entire academic class of cadets. The final decision on whether to construct the business school will be made based on cost and the availability of donor funds as the project reaches pre-design completion.
- (c) Summary 2-2015: JBRC Item 3. College of Charleston  
Project: 9655, 176 Lockwood Drive Renovation  
Funding Source: \$79,500 Other, Capital Institutional Project Funds, which are revenues generated by the Capital Improvement fee of \$781 per semester in excess of annual debt service payments.  
Request: Establish project and budget for \$79,500 (Other, Capital Institutional Project Funds) to begin design work to renovate the building at 176 Lockwood Drive. The College is in the process of purchasing this property, which was declared as surplus by the Department of Employment and Workforce. The 25 year old 22,980 square foot building, which is located within several blocks of the College's existing footprint in downtown Charleston, will require renovation to meet College security, safety and technological infrastructure standards. Assessments done by an external architectural and engineering firm as part of a feasibility study recommend replacing or repairing the HVAC system, main electrical distribution panels, and the low slope roof system. Repairs to the building's exterior, plumbing and sewer systems are also needed due to ground

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settling. Once renovated, this property will be occupied by the Controller's Office, the Procurement Office and the Center for Livable Communities to this property. These administrative offices are currently located in the core campus and their previous location will be converted into instructional space to better serve the College community.

- (d) Summary 2-2015: JBRC Item 4. College of Charleston  
Project: 9656, Physical Plant Renovation  
Funding Source: \$53,000 Other, Renovation Reserve funds, which are revenues derived from student tuition and fees such as charges for course credits, lab fees, transcript fees, and other miscellaneous revenues. The college commits \$4,000,000 of these fees annually to the Renovation Reserve to fund maintenance projects.  
Request: Establish project and budget for \$53,000 (Other, Renovation Reserve funds) to begin design work to renovate the interior of the Physical Plant building, located at 133 Calhoun Street. The 122 year old 22,770 square foot building was purchased by the College 40 years ago. The renovations will address building and fire code deficiencies as well as ADA compliance issues. These renovations will include a new first floor rear exits and stairs, a commercial fire sprinkler system and upgraded fire alarm system, new ADA bathrooms on the first floor and ADA access between the multi-level second floor spaces. The renovations will also create new office spaces within the existing footprint to allow the consolidation of the Physical Plant Department, which was newly expanded to include Residence Life facilities staff.
- (e) Summary 2-2015: JBRC Item 5. Vocational Rehabilitation Department  
Project: 9604, Evaluation Center Reroofing  
Funding Source: \$11,000 Federal funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services.  
Request: Establish project and budget for \$11,000 (Federal funds) to begin design work to replace the roof on the Evaluation Center Building, located in Lexington County. The 21,200 square foot coal tar pitch roof is 27 years old and is experiencing increasingly frequent leaks which are not economically feasible to repair. The work would include adding insulation, the installation of a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may also require the removal and disposal of asbestos containing roofing, soffit and flashing materials.
- (f) Summary 2-2015: JBRC Item 6. Vocational Rehabilitation Department  
Project: 9605, Gaffney VR Center Reroofing  
Funding Source: \$11,000 Federal funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services.  
Request: Establish project and budget for \$11,000 (Federal funds) to begin design work

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to replace the roof on the Gaffney VR Center. The 20,000 square foot existing roof is 21 years old and is experiencing increasingly frequent leaks which are not economically feasible to repair. The work will include adding insulation, the installation of a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may also require the removal and disposal of asbestos containing roofing, soffit and flashing materials.

- (g) Summary 2-2015: JBRC Item 7. Vocational Rehabilitation Department  
Project: 9606, Marlboro VR Center Repaving  
Funding Source: \$10,000 Federal funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services.  
Request: Establish project and budget for \$10,000 (Federal funds) to begin design work to repair and resurface the Marlboro VR Center parking lot and loading area. The facility is over 26 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be conducted prior to resurfacing to adequately estimate the final construction cost.
- (h) Summary 2-2015: JBRC Item 8. Vocational Rehabilitation Department  
Project: 9607, Oconee Pickens VR Center Repaving  
Funding Source: \$10,000 Federal funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services.  
Request: Establish project and budget for \$10,000 (Federal funds) to begin design work to repair and resurface the Oconee-Pickens VR Center parking lot and loading area. The facility is over 25 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be conducted prior to resurfacing to adequately estimate the final construction cost.
- (i) Summary 2-2015: JBRC Item 9. Department of Mental Health  
Project: 9732, Harris Hospital Utility Building Renovations  
Funding Source: \$15,000 Other, Capital Improvement/Maintenance Funds, which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time

funding sources.

Request: Establish project and budget for \$15,000 (Other, Capital Improvement and Maintenance Funds) to begin design work to repair or replace the Harris Hospital Utility/Support Building roof and wall waterproofing. The roof of the building is 29 years old and is constructed of precast concrete framing and a poured concrete deck. The poured concrete deck is covered with a membrane roofing system on top of which is 18 inches of soil covered with grass. The 13,016 square foot existing roof is leaking and concrete is falling from the concrete roof framing and deck. Signs of water infiltration have also been discovered in the exterior walls of the facility, indicating that waterproofing on the retaining walls has begun to fail. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as to determine the condition of the roof structure the soil will have to be excavated at several locations along the roof. Soil excavations will also have to be performed along the retaining wall to assess the wall condition.

(j) Summary 2-2015: JBRC Item 10. Department of Parks, Recreation and Tourism

Project: 9742, Fort Mill Welcome Center Replacement

Funding Source: \$ 60,000 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Establish project and budget for \$60,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to replace the existing Fort Mill Welcome Center, located in York County. The facility is 33 years old and has not received any major renovations since its construction. The welcome center and restroom facility, which serve 673,000 visitors per year, are outdated and inadequate to meet current visitor demand. The new design will take into account historic visitor counts as well the needs of visitors at the center. The pre-design process will also explore opportunities to incorporate new technologies to assist travelers.

(k) Summary 2-2015: JBRC Item 11. Department of Parks, Recreation and Tourism

Project: 9743, Hardeeville Welcome Center Replacement

Funding Source: \$ 60,000 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Establish project and budget for \$60,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to replace the existing Hardeeville Welcome Center, located in Jasper County. The facility is 36 years old has not received any major renovations since the addition of a restroom 27 years ago. The welcome

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center and restroom facility, which serve 697,000 visitors per year, are outdated and inadequate to meet current visitor demand. The new design will take into account historic visitor counts as well the needs of visitors at the center. The pre-design process will also explore opportunities to incorporate new technologies to assist travelers.

- (l) Summary 2-2015: JBRC Item 12. Department of Parks, Recreation and Tourism  
Project: 9744, Kings Mountain State Park Paving  
Funding Source: \$5,250 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.  
Request: Establish project and budget for \$5,250 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to repair and repave the roadways at Kings Mountain State Park, located in York County. The 1.1 mile stretch of road to be repaved runs from the Park Headquarters past the historic farm and ends at the Cherokee Group Camp. The roadways in the park, which serves 184,652 visitors per year, are over 30 years old. The pre-design work will include geotechnical work necessary to determine which portions can be repaired and which portions require repaving.
- (m) Summary 2-2015: JBRC Item 13. Department of Parks, Recreation and Tourism  
Project: 9745, Myrtle Beach State Park Paving  
Funding Source: \$ 15,000 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.  
Request: Establish project and budget for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to repair and repave roadways and parking areas at Myrtle Beach State Park, located in Horry County. The 2.7 mile stretch of road to be repaved runs from the Gate House past the Park Office headquarters and fishing pier and along the beach front parking areas and boardwalks. The paved surfaces in the park, which serves 1,280,012 visitors per year, are over 20 years old and are in need of repaving.
- (n) Summary 2-2015: JBRC Item 14. Department of Motor Vehicles  
Project: 9608, Anderson DMV Renovation  
Funding Source: \$5,250 Other, Miscellaneous Revenue funds, which are DMV operating revenues that have been set aside for capital improvements.  
Request: Establish project and budget for \$5,250 (Other, Miscellaneous Revenue funds) to begin design work to renovate the Department of Motor Vehicles facility in

Anderson County. The scope of the project will include building renovations, data and telephone infrastructure and asbestos abatement. The Department of Motor Vehicles currently shares this facility with the Department of Public Safety, however the Department of Public Safety is moving out of this location and into a larger space. This will allow the Department of Motor Vehicles to expand into the remaining portion of the facility, approximately 4,251 square feet, adding customer workstations, renovating restrooms and replacing the current flooring with slip-resistant flooring. The facility is 42 years old and, other than HVAC and lighting systems, all equipment is original to the building. The renovations will help to improve wait times at the facility, which is one of the 15 busiest offices in the state and currently has high customer wait times compared to similar facilities.

**Establish Construction Budget**

- (o) Summary 2-2015: JBRC Item 16. Clemson University  
Project: 9916, Memorial Stadium Suites Renovation  
Funding Source: \$25,000,000 Athletic Revenue Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid from a combination of Athletic net revenues, ticket surcharges, private (IPTAY) gifts and contributions from the Clemson Athletics Facilities Trust Endowment invested with the Clemson University Foundation.  
Request: Increase budget to \$25,000,000 (add \$25,000,000 Revenue Bond and subtract \$375,000 Other, Private Athletic Gift funds) to renovate the Memorial Stadium Suites and Concourses at Clemson. The project was established for pre-design in February 2014, which is now complete. The suites and concourses have not had any substantial renovations in 35 years. The project will address life cycle issues, add 750 premium seats, provide enhanced amenities including completely redesigned space with an upgraded lighting system, improved access points, the addition of operable windows, and HVAC replacement. In addition, the renovation addresses several critical structural issues and repairs water intrusion issues, addresses ADA noncompliance issues with elevators and stair access, and provide a safe and more secure building at night through additional lighting. The agency reports the total projected cost of this project is \$25,000,000 and no additional operating expenses are anticipated. Pursuant to Section 59-119-940, the Athletic Facilities Revenue Bond issuance is anticipated not to exceed \$25,000,000. The agency plans to execute the construction contract in October 2014 with completion of construction in August 2015.
  
- (p) Summary 2-2015: JBRC Item 17. State Board for Technical and Comprehensive Education  
Project: 6088, Spartanburg - Tyger River Building CBED  
Funding Source: \$1,700,000 which includes \$782,445 Other, EDA Grant funds, which

are a grant from the Economic Development Administration of the US Department of Commerce specifically for this project, \$500,000 Other, ARC Grant funds, which are a grant from the Appalachian Regional Commission specifically for this project and \$417,555 Other, College Plant Funds which are defined as total revenue and fund balance less college capital expenses less college plant fund carry forward projects, resulting in the remaining college revenue and fund balance.

Request: Increase budget to \$1,700,000 (add \$1,674,500 - \$782,445 Other, EDA Grant, \$500,000 Other, ARC Grant and \$392,055 Other, College Plant Funds) to renovate the Tyger River Building for Spartanburg Community College's Center for Business and Entrepreneurial Development (CBED). The building is located on the Tyger River Campus in Duncan, SC. The project was established for pre-design in January 2014, which is now complete. The work will include renovating 19,032 square feet of unused space to create additional office and meeting spaces, training classrooms and workstations and to provide the necessary equipment and technology for the CBED. It will also include upgrading the roof, restrooms, wall and floor finishes and the HVAC, plumbing, lighting, fire protection, and security systems in the space. The CBED expansion is needed because it is currently occupied at capacity and because of increasing business demand for office and training spaces for starting and expanding businesses, product lines and manufacturing processes in Spartanburg County. The agency reports the total projected cost of this project is \$1,700,000 and additional operating costs ranging from \$61,180 to \$64,300 are anticipated in the three years following project completion. The agency plans to execute the construction contract in January 2015 with completion of construction in September 2015.

(q) Summary 2-2015: JBRC Item 18. State Board for Technical and Comprehensive Education

Project: 6091, Piedmont - Event Center Breakout Building and N Building Renovations

Funding Source: \$898,857 Other, Local/College

Funds which are a combination of a dedicated capital fee of \$150 per fulltime student per semester included in the college's tuition and residual balance transfers that have been approved for transfer to the Plant Fund by the college's Area Commission.

Request: Increase budget to \$898,857 (add \$886,107 Other, Local Funds) to construct an event center and make exterior upgrades to the N Building on the Greenwood Campus of Piedmont Technical College. The project was established for pre-design in December 2013, which is now complete. The work will include constructing an approximately 2,000 square foot event center breakout building with an open space that can be subdivided, a kitchenette and restrooms and renovating the exterior to the adjacent event center, the N Building, to tie the two facilities together. The breakout building will be used for community and internal events, training and classes, for which the need for space has increased up to 40% over the past two years. The N Building's interior was renovated in

2012, but the exterior of the former gym building, built in 1980, was not included in the renovation. The agency reports the total projected cost of this project is \$898,857 and additional operating costs ranging from \$8,367 to \$9,224 are anticipated in the three years following project completion. The agency plans to execute the construction contract in April 2015 with completion of construction in February 2016.

- (r) Summary 2-2015: JBRC Item 20. Budget and Control Board  
Project: 9927, Hayne Lab Boiler/Cooling Tower/Roof Replacements/Repairs  
Funding Source: \$1,413,809 Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charged to state agencies housed in state buildings.  
Request: Increase budget to \$1,413,809 (add \$1,398,670 Other, Depreciation Reserve funds) to replace the boiler and cooling tower and repair the roof at the Hayne Lab in Richland County which houses DHEC staff. The project was approved for pre-design in December 2013, which is now complete. The work will include replacing a portion of the roof membrane, repairing roof parapet walls, replacing selected metal panels in the roof, and coating other metal panels and replacing the boiler and chiller serving the facility. The majority of the roof is 38 years old, original to the facility, past its useful life, and leaks. The boiler and chiller are also 38 years old, original to the facility, at the end of their life cycles, and are not energy efficient. The agency reports the total projected cost of this project is \$1,413,809 and no additional operating costs are anticipated in association with this project. The agency plans to execute the construction contract in February 2015 with completion of construction in June 2015.
- (s) Summary 2-2015: JBRC Item 21. Budget and Control Board  
Project: 9934, Five Points Building DPPPS Generator Installation  
Funding Source: \$293,144 Other, Miscellaneous Revenue funds, which are funds derived from fines and fees that the agency is authorized to collect.  
Request: Increase budget to \$293,144 (add \$291,326 Other, Miscellaneous Revenue funds) to install a generator for the Department of Probation, Pardon and Parole (PPP) at the Five Points building in Richland County. The project was established for pre-design in April 2014, which is now complete. The project will include the installation of a 230 KW generator which will provide back-up power to PPP's information technology operations and the building elevator. The 39 year old Five Points building is 97,000 square feet and houses five state agencies in addition to PPP. PPP has a staff of 200 that will benefit from the generator. The Five Points Building does not currently have an emergency generator, and PPP is the only agency housed in the building that has requested a generator. The agency reports the total projected cost of this project is \$293,144 and no additional operating costs are anticipated in association with this project. The agency plans to execute the construction contract in March 2015 with completion of construction in October 2015.

**Revise Scope**

- (t) Summary 2-2015: JBRC Item 22. State Board for Technical and Comprehensive Education  
Project: 6094, Horry-Georgetown - Land Acquisition  
Funding Source: \$20,000 Other, College Funds which are funds dedicated to plant maintenance that are set aside from carry forwards in tuition, state and local allocations.  
Request: To revise the scope of a project to procure the investigative studies required to adequately evaluate property prior to purchase. Horry-Georgetown Technical College (HGTC) was considering the acquisition of approximately 2 commercial buildings along with 3.5 acres of land in the Business Park across from the Conway Campus in Horry County. However, upon further investigation HGTC determined that the asking price of the facilities is in excess of their budget and an estimated appraised value. In the process of investigating this building, the College identified a separate 3.5 acre parcel of land in the same business park that would be suitable for the construction of a purpose built facility to house the College's CNC/Machine Tool, Welding, CDL/Truck Driver Training and HVAC programs. The College has outgrown its existing academic space for these programs, and needs additional space to support growing these programs to meet increased employer demands. The College would like to change the scope of this project and proceed with preliminary studies as a land-only project.

**Establish Project for Preliminary Land Studies**

- (u) Summary 2-2015: JBRC Item 23. Department of Natural Resources  
Project: 9941, Jocassee Gorges WMA and Wadokoe Mountain Tracts Land Trade  
Funding Source: \$20,000 Other, Timber Revenue funds, which are derived from timber harvest on DNR lands.  
Request: Establish project and budget for \$20,000 (Other, Timber Revenue funds) to procure investigative studies required to adequately evaluate property prior to purchase. The Department of Natural Resources is considering a property exchange that involves the acquisition of two adjacent tracts totaling approximately 62 acres in exchange for approximately 80 acres of property that is deemed not ecologically significant. The property to be acquired includes a 54 acre tract at Wadokoe Mountain, which borders the Wadokoe Mountain Heritage Preserve, and an 8 acre tract at Jocassee Gorges. This Wadokoe Mountain tract contains soils with high concentrations of magnesium and calcium that help produce habitat for species not commonly found in the area, resulting in one of the most biologically diverse regions in the United States. The Jocassee Gorges tract will ensure unimpeded access to the Wadokoe Mountain tract along an access road in the Jocassee Gorges Wildlife Management Area and safeguard additional wildlife habitat. When acquired, both tracts would be open to the public for outdoor recreational activities.

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

***Executive Budget Office: Real Property Acquisitions (Regular Session Item #4)***

The Executive Budget Office recommended approval of real property acquisitions as noted herein.

Mr. Eckstrom noted that the appraisal for the property refers to an agreement entered into between the City of Charleston and someone for the development of this project into the “Horizon Project” which is a planned urban mixed use biotech research development project that is adjacent to the Medical University of South Carolina (MUSC). He said he wanted to make sure that there were no dueling interests between the College of Charleston and MUSC. He said he noticed that the appraisal was not done for this transaction, but for MUSC coming into ownership of the project. Allyn Powell with the Board’s Executive Budget Office appeared before the Board on this matter. She stated that the appraisal was done at the time the property was valued to be surplus by the Department of Employment and Workforce. She said the appraisal was used to set the surplus value. She said that state law does not allow surplus property to be sold at less than appraised value without Board approval and that the College of Charleston cannot pay more than the appraised value. She said the College of Charleston was not required to get a separate appraisal because the appraisal in question is the one used to set the surplus value.

Mr. Osborne commented that this property borders against the properties that will be used in the Horizon Project. He said it does not move into the Horizon property. He said the College of Charleston spoke with MUSC to see if they had any interest in the property and they did not. Greg Weigle Chief Engineering and Facilities Officer for MUSC said they have no interest in the property.

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board approved the following real property acquisitions as requested by the Executive Budget Office. Governor Haley, Mr. Eckstrom, Senator Leatherman, and Mr. White voted for the item. Mr. Loftis abstained from voting on the item.

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- (a) Agency: H12 Clemson University  
Acreage: 0.7 Acres  
Location: The property is located at the corner of Old Stone Church Road and US76  
County: Pickens  
Purpose: This acquisition is part of a property exchange with the City of Clemson, and would result in Clemson's acquisition of property adjacent to property it owns at the ballpark while transferring property to the City of Clemson adjacent to its water treatment plant to allow for expansion of the plant.
- Appraised Value: N/A  
Price/Seller: N/A City of Clemson  
Source of Funds: N/A  
Project Number: 9919  
Environmental Study: Approved  
Building Condition Assessment: None  
Additional Annual Op Cost/SOF: None  
Current Year Property Tax: N/A - Exempt  
Approved By: JBRC staff on 10/9/2014
- (b) Agency: H15 College of Charleston  
Acreage: 1.76 Acres  
Location: 176 Lockwood Drive in Charleston, SC  
County: Charleston  
Purpose: To relocate administrative functions away from the campus core to allow for space in the campus core to be used for instructional purposes.
- Appraised Value: \$4,985,000  
Price/Seller: \$4,985,000/ SC Department of Employment and Workforce  
Source of Funds:  
Project Number: 9657  
Environmental Study: Approved  
Building Condition Assessment: Approved, issues addressed in associated project  
Additional Annual Op Cost/SOF: \$160,860 for 22,980 square feet  
Current Year Property Tax: N/A – Exempt  
Approved By: JBRC on 10/7/2014

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

***Clemson University: Not Exceeding \$16,250,000 Athletic Facilities Refunding Revenue Bonds, Series 2014 of Clemson University (Regular Session Item #5)***

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$16,250,000 Athletic Facilities Refunding Revenue Bonds, Series 2014 of Clemson University.

The proceeds of the Series 2014 bonds will be used for the purposes of (i) providing the amount necessary, together with other available funds of the University, to defray the costs of defeasing and advance refunding the Refunded Bonds; (ii) subject to the provisions of Section 6.03 of the 2014 Series Resolution, providing money to fund the Series 2014 Debt Service Reserve Fund, if any, for the Series 2014 Bonds; and (iii) paying certain costs and expenses relating to the issuance of the Series 2014 Bonds.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$16,250,000 Athletic Facilities Refunding Revenue Bonds, Series 2014 of Clemson University.

Information relating to this matter has been retained in these files and is identified as Exhibit 24.

***Clemson University: Not Exceeding \$25,000,000 Athletic Facilities Revenue Bonds, Series 2014 of Clemson University (Regular Session Item 6)***

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$25,000,000 Athletic Facilities Revenue Bonds, Series 2014 of Clemson University.

The proceeds of the Series 2014 bonds will be used to (i) provide the amount necessary, together with other available funds of the University, to defray the costs of construction and equipping of renovations to Memorial Stadium suites and concourses on the campus of the University; (ii) capitalizing interest during construction, if necessary; (iii) subject to the provisions of Section 6.03 of the 2014 Series Resolution, providing money to fund the Series 2014 Debt Service Reserve Fund, if any, for the Series 2014 Bonds; and (iv) paying certain costs

and expenses relating to the issuance of the Series 2014 Bonds, including a municipal bond insurance premium, if any.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$25,000,000 Athletic Facilities Revenue Bonds, Series 2014 of Clemson University.

***Future Meeting***

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board agreed to meet at 10:00 a.m. on Tuesday, December 9, 2014, in Room 252, Edgar A Brown Building.

***Adjournment***

The meeting adjourned at 11:10 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:45 a.m. on Monday, October 13, 2014.]