

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, October 30, 2012 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

Item	Agency	Subject
A.		ADOPTION OF PROPOSED AGENDA
B.		MINUTES OF PREVIOUS MEETING
C.		BLUE AGENDA
1.	State Treasurer	Bond Counsel Selection
2.	Division of State Budget	Bank Account Transparency and Accountability (Discussions on the determination of the exemption will take place in Executive Session)
3.	Division of State Budget	Report of FTE Positions Recommended for Deletion in Accordance with Proviso 80A.7
4.	Division of General Services	Easements
5.	Division of General Services	Petition to Request Annexation of the Colonial Dorchester State Historic Site into the Town of Summerville
6.	Division of General Services	Real Property Conveyance
7.	Division of Procurement Services	Procurement Audits and Certifications
8.	South Carolina Energy Office	Barnwell County Economic Development Fund -- Project Funding Request
9.	Executive Director	Revenue Bonds
D.		REGULAR SESSION
1.	South Carolina Retirement System Investment Commission	Briefing on Investment Earnings for FY 2011-2012
2.	Public Employee Benefits Authority	Approval of PEBA Policy Determinations

STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, October 30, 2012 -- 10:00 A. M.
Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
3.	Division of State Budget	Department of Agriculture Request for Approval to Expend Funds Pursuant to Proviso 34.6
4.	Division of State Budget	Permanent Improvement Projects
5.	Division of State Budget	Real Property Acquisitions
6.	Division of General Services	Clemson University Lease at Greenville ONE Development in Greenville
7.	Division of General Services	Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg
8.	Division of General Services	South Carolina Army National Guard Lease Amendment for 2737 West Fifth North Street in Summerville
9.	Division of General Services	Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive in Columbia
10.	Procurement Services Division	Waiver to Extend the Maximum Time on a Multi-term Contract for the South Carolina Department of Transportation
11.	Coastal Carolina University	Not Exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013
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STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, October 30, 2012 -- 10:00 A. M.
Room 252 Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer	Bond Counsel Selection
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7.	Division of Procurement Services	Procurement Audit and Certification
8.	South Carolina Energy Office	Barnwell County Economic Development Fund – Project Funding Request
9.	Executive Director	Revenue Bonds

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
\$16,000,000 SC JEDA	New Horizon Family Health	Haynsworth Sinkler Boyd	Parker Poe
\$250,000,000 SC JEDA	Bon Secours/St. Francis	Jones Day	Nexsen Pruet
\$5,200,000 SC JEDA	Clemson Land Stewardship Foundation	Haynsworth Sinkler Boyd	McNair

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for October 30, 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	
\$16,000,000 SC JEDA	New Horizon Family Health	Haynsworth Sinkler Boyd	Parker Poe	08/15/2012	
\$250,000,000 SC JEDA	Bon Secours/St. Francis	Jones Day	Nexsen Pruet	09/10/2012	
\$5,200,000 SC JEDA	Clemson Land Stewardship Found.	Haynsworth Sinkler Boyd	McNair	09/20/2012	

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 State Budget

SUBJECT: Bank Account Transparency and Accountability

Proviso 89.98 of the FY 2012-13 Appropriation Act requires agencies with composite bank accounts or other accounts containing public funds which are not included in the Comptroller General's Statewide Reporting and Accounting System (STARS) or the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted. The proviso provides for an agency to petition the Budget and Control Board for an exemption from the reporting requirements if release of the information would be detrimental to the state or agency. Discussions on the determination of the exemption must take place in Executive Session. However, the exemption may only be granted upon a majority vote of the Budget and Control Board in a public meeting.

The Division of State Budget requested that state agencies provide the required reports by October 1, 2012 and to notify the Division if an exemption to the proviso was being sought and the reason for the exemption. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on their website. Attached is a list of agencies which submitted a report in accordance with Proviso 89.98.

In FY 2011-12 the following agencies were awarded an exemption from the reporting requirements and with the exception of the Department of Mental Health have requested that the exemption be continued:

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

AGENCY: Office of State Budget

SUBJECT: Bank Account Transparency and Accountability

The Budget and Control Board granted the above agencies an exemption from the detailed transaction reporting requirements of Proviso 89.98 except for the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account. The exemptions continue into future year unless changes are made in the operation and use of an agency's composite account. Additionally, the Budget and Control Board requested the State Auditor's Office to include a review of agency composite accounts when performing audits of state agencies.

Two additional agencies are petitioning the Budget and Control Board for an exemption from the reporting requirements of Proviso 89.98:

South Carolina Department of Social Services
Wil Lou Gray Opportunity School

BOARD ACTION REQUESTED:

- (a) Grant approval for the agency requests for exemption from the detailed reporting requirements of Proviso 89.98 except for the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account. The exemptions continue into future year unless changes are made in the operation and use of an agency's composite account.
- (b) Request the State Auditor's Office continue to include a review of agency composite accounts when performing audits of state agencies.

ATTACHMENTS:

Agenda item worksheet; Proviso 89.98; Summary of agency responses; Letter from Lillian B. Kohler, State Director, SC Department of Social Services; Letter from Pat G. Smith, Director, Wil Lou Gray Opportunity School

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

2013-01

For Meeting Scheduled for: October 30, 2012

Blue Agenda

1. Submitted By:

(a) Agency: Division of State Budget

(b) Authorized Official Signature: _____

Les Fales

2. Subject:

Bank Account Transparency and Accountability

3. Summary:

Proviso 89.98 of the FY 2012-13 Appropriation Act requires agencies with composite bank accounts or other accounts containing public funds which are not included in the Comptroller General's Statewide Reporting and Accounting System (STARS) or the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted. The proviso provides for an agency to petition the Budget and Control Board for an exemption from the reporting requirements if release of the information would be detrimental to the state or agency. Discussions on the determination of the exemption must take place in Executive Session. However, the exemption may only be granted upon a majority vote of the Budget and Control Board in a public meeting.

The Division of State Budget requested that state agencies provide the required reports by October 1, 2012 and to notify the Division if an exemption to the proviso was being sought and the reason for the exemption. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on their website. Attached is a list of agencies which submitted a report in accordance with Proviso 89.98.

In FY 2011-12 the following agencies were awarded an exemption from the reporting requirements and with the exception of the Department of Mental Health have requested that the exemption be continued:

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John de la Howe School
South Carolina Department of Consumer Affairs
South Carolina Department of Disabilities and Special Needs
South Carolina Department of Juvenile Justice
South Carolina Department of Mental Health
South Carolina Department of Motor Vehicles
South Carolina Department of Natural Resources
South Carolina Department of Revenue
South Carolina Law Enforcement Division
South Carolina Vocational Rehabilitation Department
State Accident Fund

The Budget and Control Board granted the above agencies an exemption from the detailed transaction reporting requirements of Proviso 89.98 except for the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account. The exemptions continue into future year unless changes are made in the operation and

use of an agency's composite account. Additionally, the Budget and Control Board requested the State Auditor's Office to include a review of agency composite accounts when performing audits of state agencies.

Two additional agencies are petitioning the Budget and Control Board for an exemption from the reporting requirements of Proviso 89.98:

South Carolina Department of Social Services
Wil Lou Gray Opportunity School.

4. What is Board asked to do?

To consider the agency requests for exemption from the reporting requirements of Proviso 89.98.

5. What is recommendation of Board Office involved?

(a) Grant approval for the agency requests for exemption from the detailed reporting requirements of Proviso 89.98 except for the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Name and title of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account. The exemptions continue into future year unless changes are made in the operation and use of an agency's composite account.

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

6. Recommendation of other office (as required)?

Authorized Signature: _____

Office Name: _____

Supporting Documents:

List those attached:

-Proviso 89.98

-Summary of agency responses

-Letter from Lillian B. Kohler, State Director, SC Department of Social Services

-Letter from Pat G. Smith, Director, Wil Lou Gray Opportunity School

List those not attached but available:

FY 2012-13 APPROPRIATION ACT

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

When the State Auditor conducts or contracts for an audit of a state agency, accounts of the agency subject to this proviso must be included as part of the review.

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

**AGENCY COMPOSITE BANK ACCOUNTS
REPORTS RECEIVED**

Agency Number	Agency Name	Exemption Requested
D10	SC Law Enforcement Division	Yes
D17	Governor's Office of Executive Program and Policy	Yes
E20	Office of Attorney General	Yes
H71	Wil Lou Gray Opportunity School	Yes
H73	Vocational Rehabilitation Department	Yes
J16	Department of Disabilities and Special Needs	Yes
L04	Department of Social Services	Yes
L12	John de la Howe School	Yes
N12	Department of Juvenile Justice	Yes
P24	Department of Natural Resources	Yes
R12	State Accident Fund	Yes
R28	Department of Consumer Affairs	Yes
R40	Department of Motor Vehicles	Yes
R44	Department of Revenue	Yes
A01	The Senate	No
D20	Governor's Mansion	No
E08	Secretary of State	No
F03	Budget and Control Board	No
H75	School for the Deaf and the Blind	No
J02	Department of Health and Human Services	No
J04	Department of Health and Environmental Control	No
J12	State Museum	No
K05	Department of Public Safety	No
L04	Department of Social Services	No
P12	Forestry Commission	No
P24	Department of Natural Resources	No
P28	Department of Parks, Recreation and Tourism	No
P32	Department of Commerce	No
P34	SC Jobs-Economic Development Authority	No
U12	Department of Transportation	No

LD4

DSS

Serving Children and Families

LILLIAN B. KOLLER, J.D.
STATE DIRECTOR

NIKKI R. HALEY
GOVERNOR

August 24, 2012

RECEIVED

AUG 29 2012

Mr. Les Boles, Director
State Budget Division
1205 Pendleton Street, Suite 529
Columbia, South Carolina 29201

Budget & Control Board
STATE BUDGET DIVISION

Dear Mr. Boles:

The South Carolina Department of Social Services is requesting exemption from the detail transactional reporting requirements of Proviso 89.98, Bank Account Transparency and Accountability for the below listed client services composite bank accounts. All of the accounts listed below are with Wells Fargo, NA of P.O. Box 63020, San Francisco, California 94163. These Child Support accounts are for South Carolina's new Child Support Enforcement System, which is currently being tested, with no account activity at this time.

<u>Account Number</u>	<u>Account Title</u>	<u>Function</u>
	SCDSS SSA Trust Account	SSA and SSI funds for Foster Children
	Deposits-SC Child Support	General Child Support Deposits
	ACH Deposits-Child Support	Electronic deposits employer withholdings
	Return Deposits-Child Support	Returns from deposits, NSF's and etc.
	Return Disbursements-Ch. Support	Returns for ACH debits / cancelled checks
	Disbursements-Child Support	ACH / check payments to program payees

If you need additional justification, please contact William F. Bray, Jr. Chief of Fiscal and Governmental Affairs at 898-7225 or email William.BrayJr@dss.sc.gov.

Sincerely,



Lillian B. Koller, J.D.
State Director

LBK:blr

October 17, 2012

SC Department of Social Services Composite Bank Accounts Usage

Bank: Wells Fargo Bank, NA

Title: SCDSS SSA Trust Account

Account is used to receive monthly annuity payments from the Social Security Administration for foster children in DSS's custody. The majority of the funds are deposited by ACH records that contain personal demographical information by child: name, SSN and or date of birth. The funds are used by the agency to provide for the care and well-being of the child. Public disclosure of Foster Children's personal information is protected by court order.

Title: Deposits-SC Child Support

Account is to be used by DSS's new Child Support and Family Court System (CSFCS) State Disbursement Unit (SDU) contractor for over the counter and drop box deposits. The CSFCS system is scheduled to be operational for a March 2013 pilot roll out. The account will receipt Family Court ordered funds from payees for the purpose of satisfying court orders for child support, alimony and other obligations. Public disclosure of court ordered funds is not allowed.

Title: ACH Deposits-Child Support

Account to be used by the SDU for receipting ACH deposits of court ordered obligations that are garnished from employee wages and remitted to the designated collection entity. The ACH records will contain personal information for match up purposes. Public disclosure of court ordered funds is not allowed.

Title: Returns Deposits-Child Support

Account to be used by the SDU for the return of failed deposit items: NSF checks, invalid money orders, other proof failed items. The returned item will contain court ordered personal information. Public disclosure of court ordered funds is not allowed.

Title: Return Disbursements-Child Support

Account will handle the return of funds disbursed from the Disbursement Account number XXXXXXXXXXXX, see below. Returns would include closed direct deposit accounts, invalid demographic record on ACH payments or closed prepaid debit card accounts due to risky behavior by the payee and cancelled checks. The return account will contain court ordered personal information. Public disclosure of court ordered funds is not allowed.

Title: Disbursements-Child Support

Account will disburse all funds for the CSFCS System as mandated by the United States Health and Human Services Department as required by Section 454 (24) (B) of the Social Security Act (Act). Funds disbursed would be based on court ordered obligations with personal information. Public disclosure of court ordered funds is not allowed.

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Wil Low Gray Opportunity School

WEST CAMPUS ROAD • WEST COLUMBIA, SOUTH CAROLINA 29170 • (803) 896-6480 FAX (803) 896-6490

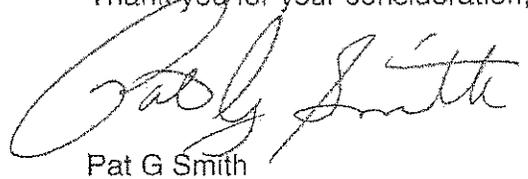
October 11, 2012

Mr. R. Les Boles
Director
SC Budget and Control Board
Office of the State Budget
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Dear Mr. Boles:

We are requesting an exemption from the detailed reporting of our composite bank account required by Proviso 89.98. Our composite bank account is used solely for student funds held by the school while they are enrolled in the program. Therefore, the detail transactions would have student, parent, and guardian names. We believe that releasing this information would be detrimental to confidentiality of our clients and families.

Thank you for your consideration,



Pat G Smith
Director

RECEIVED
OCT 12 2012
BUDGET
OFFICE OF STATE BUDGET



- 1. First School Of Its Kind
- 2. Classes That Fit Every Pupil
- 3. Serving "At Risk" Youth 16 to 18 Years of Age

- 4. Fully Accredited
- 5. Individual Development
- 6. A State Agency

AGENCY: Division of State Budget

SUBJECT: Report of FTE Positions Recommended for Deletion in Accordance with Proviso 80A.7

Proviso 80A.7 of the FY 2012-13 Appropriation Act authorizes the Budget and Control Board to delete FTE positions that have been vacant for more than one year. As of September 14, 2012, state agencies had 7,937.17 vacant positions and 569.20 have been vacant for more than one year. These numbers reflect adjustments made for positions previously filled and positions that are being actively recruited. The criteria used by the Board for the last five years is to allow agencies a 5% vacancy rate/10 position minimum before any positions would be deleted.

The following is a summary of FTE information as of September 14, 2012:

	<u>TOTAL</u>
FTE Positions Authorized	65,063.38
FTE Positions Currently Vacant	7,937.17
FTE Positions Vacant Over 1 Year	569.20
FTE Exemptions Allowing Agencies a 5% Vacancy Rate/10 Position Minimum.	102.67
Total Positions Recommended for Deletion	466.53

The attached Schedule A summarizes by agency the FTE positions that are recommended for deletion.

BOARD ACTION REQUESTED:

In accordance with Proviso 80A.7, it is recommended that the Board approve deleting the FTE positions which have remained vacant for more than one year as outlined in Schedule A of this agenda item.

ATTACHMENTS:

Agenda item worksheet; Proviso 80A.7; Schedule A

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

2013-02

Meeting Scheduled for: October 30, 2012

Blue Agenda

1. Submitted By:

(a) Agency: Division of State Budget

(b) Authorized Official Signature: _____

Les Jones

2. Subject:

Report of FTE Positions Recommended for Deletion in Accordance with Proviso 80A.7

3. Summary Background Information:

Proviso 80A.7 of the FY 2012-13 Appropriation Act authorizes the Budget and Control Board to delete FTE positions that have been vacant for more than one year. As of September 14, 2012, state agencies had 7,937.17 vacant positions and 569.20 have been vacant for more than one year. These numbers reflect adjustments made for positions previously filled and positions that are being actively recruited. The criteria used by the Board for the last five years is to allow agencies a 5% vacancy rate/10 position minimum before any positions would be deleted.

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FTE Positions Vacant Over 1 Year	569.20
FTE Exemptions Allowing Agencies a 5% Vacancy Rate/10 Position Minimum.	102.67
Total Positions Recommended for Deletion	466.53

The attached Schedule A summarizes by agency the FTE positions that are recommended for deletion.

4. What is the Board asked to do?

Recommend approval.

5. What is recommendation of Board Division involved?

In accordance with Proviso 80A.7, it is recommended that the Board approve deleting the FTE positions which have remained vacant for more than one year as outlined in Schedule A of this agenda item.

7. Supporting Documents:

(a) List Those Attached:

1. Proviso 80A.7
2. Schedule A

FY 2012-13 APPROPRIATION ACT

80A.7. (BCB: Vacant Positions) In the event that any permanent position in an agency remains vacant for more than twelve months the position may be deleted by the Budget and Control Board.

FTE VACANT POSITIONS MORE THAN ONE YEAR OLD
RECOMMENDED FOR DELETION WITH 5% VACANCY FACTOR
As of 9/14/12

NOTE: This spreadsheet calculates the number of vacant positions to be deleted. Each agency would be allowed to keep at least a 5% vacancy rate (based on the total number of authorized positions) or a minimum of ten vacant positions. Listed below are the number of vacant positions and the number of vacant positions more than one year old. If deleting all vacant positions over one year old would bring the total number of vacant positions below the 5% vacancy rate/10 position minimum, then only enough positions will be deleted to meet the 5% vacancy rate/10 position minimum. Otherwise, all vacant positions over one year old will be deleted.

AG. NO.	AGENCY NAME	TOTAL AUTHORIZED POSITIONS	TOTAL VACANT POSITIONS	VACANT FTES MORE THAN ONE YEAR OLD				Vacancy Rate At 5% Equals	Vacancy Rate After Deletion	# Vacant after Deleting 12 mo vacant	Total # of Vacant Positions to be Deleted
				TOTAL	STATE	FEDERAL	OTHER				
D05	GOVERNOR'S OFFICE-ECOS	27.00	13.00	10.00	10.00			1.35	48.15%	3.00	3.00
D10	GOVERNOR'S OFFICE-SLED	569.24	103.26	21.26	13.26	1.00	7.00	28.46	18.14%	82.00	21.26
D17	GOVERNOR'S OFFICE-OEPP	223.63	36.00	23.00	18.45	1.00	3.55	11.18	16.10%	13.00	23.00
D20	GOVERNOR'S OFFICE-MANSIONS & GROUNDS	14.00	10.00	9.00	9.00			0.70	71.43%	1.00	0.00
D25	INSPECTOR GENERAL'S OFFICE	4.00	0.00	0.00				0.20	0.00%		0.00
E04	LIEUTENANT GOVERNOR'S OFFICE	47.00	13.00	0.00	0.00	0.00		2.35	27.66%	13.00	0.00
E08	SECRETARY OF STATE'S OFFICE	29.00	2.00	0.00				1.45	6.90%	2.00	0.00
E12	COMPTROLLER GENERAL'S OFFICE	41.00	12.00	2.00	2.00			2.05	29.27%	10.00	2.00
E16	STATE TREASURER'S OFFICE	70.00	12.75	2.00	1.00	1.00	1.00	3.50	18.21%	10.75	0.00
E19	RETIREMENT SYSTEM INVESTMENT COMMISSION	35.00	1.00	0.00				1.75	2.86%	1.00	0.00
E20	ATTORNEY GENERAL'S OFFICE	179.25	8.00	0.00				8.96	4.46%	8.00	0.00
E23	COMMISSION ON INDIGENT DEFENSE	67.00	5.00	4.00	3.00	1.00		3.35	7.46%	1.00	0.00
E24	ADJUTANT GENERAL'S OFFICE	134.50	16.50	3.00	0.25	2.75		6.73	12.27%	13.50	3.00
E28	ELECTION COMMISSION	19.50	1.00	1.00				0.98	5.13%	0.00	0.00
F03	BUDGET & CONTROL BOARD	1162.18	226.18	36.01	5.05	0.00	30.96	58.11	19.46%	190.17	36.01
F27	B&C BOARD - STATE AUDITOR	59.00	1.00	1.00				2.95	1.69%	0.00	0.00
H03	HIGHER EDUCATION COMMISSION	41.00	10.00	6.00	3.85	2.15		2.05	24.39%	4.00	0.00
H06	HIGHER EDUCATION TUITION GRANTS COMM	5.00	1.00	1.00				0.25	20.00%	0.00	0.00
H09	THE CITADEL	632.50	34.94	0.00	0.00			31.63	5.52%	34.94	0.00
H12	CLEMSON UNIVERSITY (INCL. PSA)	3753.33	423.06	30.01	14.68	1.00	14.33	187.67	11.27%	393.05	30.01
H15	UNIVERSITY OF CHARLESTON	1330.18	96.30	0.00				66.51	7.24%	96.30	0.00
H17	COASTAL CAROLINA UNIVERSITY	1111.08	161.19	0.00				55.55	14.51%	161.19	0.00
H18	FRANCIS MARION UNIVERSITY	465.36	25.32	0.00				23.27	5.44%	25.32	0.00
H21	LANDER UNIVERSITY	370.91	17.22	0.00				18.55	4.64%	17.22	0.00
H24	SOUTH CAROLINA STATE UNIVERSITY (INCL. PSA)	624.88	88.03	11.65	4.00		7.65	31.24	14.09%	76.38	0.00
H27	UNIVERSITY OF SOUTH CAROLINA (ALL CAMPUSES)	6181.23	635.47	0.00				309.06	10.28%	635.47	0.00
H47	WINTHROP UNIVERSITY	796.03	38.07	0.00				39.80	4.78%	38.07	0.00
H51	MEDICAL UNIVERSITY OF SOUTH CAROLINA (& AHEC)	3063.49	59.44	2.00	1.00		1.00	153.17	1.94%	57.44	0.00
H59	STATE BOARD FOR TECH. & COMP. ED.	62.00	13.00	3.00	3.00			3.10	20.97%	10.00	3.00
H6A	TRIDENT TECHNICAL COLLEGE	662.46	18.00	0.00				33.12	2.72%	18.00	0.00
H6B	NORTHEASTERN TECHNICAL COLLEGE	89.31	8.00	0.75	0.75			4.47	8.96%	7.25	0.00
H6C	FLO-DARLINGTON TECHNICAL COLLEGE	214.00	13.00	0.00				10.70	6.07%	13.00	0.00
H6D	GREENVILLE TECHNICAL COLLEGE	635.14	28.00	2.50	2.50			31.76	4.41%	25.50	0.00
H6E	HORRY-GEORGETOWN TECHNICAL COLLEGE	280.13	8.00	1.00			1.00	14.01	2.86%	7.00	0.00

FTE VACANT POSITIONS MORE THAN ONE YEAR OLD
RECOMMENDED FOR DELETION WITH 5% VACANCY FACTOR
As of 9/14/12

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AG. NO.	AGENCY NAME	TOTAL AUTHORIZED POSITIONS	TOTAL VACANT POSITIONS	VACANT FTES MORE THAN ONE YEAR OLD				Vacancy Rate At 5% Equals	Vacancy Rate	Vacancy Rate After Deletion	# Vacant after Deleting 12 mo vacant	Total # of Vacant Positions to be Deleted
				TOTAL	STATE	FEDERAL	OTHER					
H6F	MIDLANDS TECHNICAL COLLEGE	544.84	29.00	0.00	0.00			27.24	5.32%	29.00	29.00	0.00
H6G	ORANGEBURG-CALHOUN TECHNICAL COLLEGE	170.06	10.00	0.00				8.50	5.88%	10.00	10.00	0.00
H6H	PIEDMONT TECHNICAL COLLEGE	254.63	12.00	0.00				12.73	4.71%	12.00	12.00	0.00
H6J	SPARTANBURG TECHNICAL COLLEGE	278.73	22.00	0.00			0.00	13.94	7.89%	22.00	22.00	0.00
H6K	CENTRAL CAROLINA TECHNICAL COLLEGE	197.81	8.00	0.00				9.89	4.04%	8.00	8.00	0.00
H6L	TRI-COUNTY TECHNICAL COLLEGE	304.57	15.00	0.00				15.23	4.92%	15.00	15.00	0.00
H6M	YORK TECHNICAL COLLEGE	276.01	14.00	1.00	0.50		0.50	13.80	5.07%	13.00	13.00	0.00
H6N	AIKEN TECHNICAL COLLEGE	142.87	9.25	0.00				7.14	6.47%	9.25	9.25	0.00
H6Q	DENMARK TECHNICAL COLLEGE	125.03	14.00	0.00	0.00	0.00	0.00	6.25	11.20%	14.00	14.00	0.00
H6R	TECHNICAL COLLEGE OF THE LOW COUNTRY	139.66	8.00	1.50	1.50			6.98	5.73%	6.50	6.50	0.00
H6S	WILLIAMSBURG TECHNICAL COLLEGE	80.14	134.55	16.50	9.00	7.50		4.01	167.89%	118.05	16.50	16.50
H63	DEPARTMENT OF EDUCATION	1094.30	153.36	13.83	0.83	4.00	9.00	54.72	14.01%	139.53	13.83	13.83
H67	EDUCATIONAL TELEVISION COMMISSION	173.20	42.00	19.00	0.00		19.00	8.66	24.25%	23.00	19.00	19.00
H71	WILLOU GRAY OPPORTUNITY SCHOOL	95.24	10.29	4.29	2.55	1.38	0.36	4.76	10.80%	6.00	6.00	0.00
H73	VOCATIONAL REHABILITATION	1254.27	201.56	0.00	0.00	0.00		62.71	16.07%	201.56	0.00	0.00
H75	SCHOOL FOR THE DEAF AND THE BLIND	234.03	45.31	15.58	2.62	0.24	12.72	11.70	19.36%	29.73	15.58	15.58
H79	DEPT. OF ARCHIVES AND HISTORY	41.00	11.00	7.00	7.00			2.05	26.83%	4.00	1.00	1.00
H87	STATE LIBRARY	47.00	8.00	6.00	4.00	2.00		2.35	17.02%	2.00	0.00	0.00
H91	ARTS COMMISSION	23.50	6.13	5.13	5.13			1.18	26.09%	1.00	0.00	0.00
H95	MUSEUM COMMISSION	35.00	13.00	0.00	0.00		0.00	1.75	37.14%	13.00	0.00	0.00
J02	DEPT. OF HEALTH & HUMAN SVCS.	1060.00	160.00	0.00	0.00	0.00	0.00	53.00	15.09%	160.00	0.00	0.00
J04	DEPT. OF HEALTH & ENV. CONTROL	3739.03	443.12	93.00	0.90	43.07	49.03	186.95	11.85%	350.12	93.00	93.00
J12	DEPT. OF MENTAL HEALTH	4636.66	868.41	6.75	4.75	1.00	1.00	231.83	18.73%	861.66	6.75	6.75
J16	DEPT. OF DISABILITIES & SPECIAL NEEDS	2220.40	234.25	29.90	26.90		3.00	111.02	10.55%	205.25	29.00	29.00
J20	DEPT. OF ALCOHOL & OTHER DRUG ABUSE SVCS.	33.81	1.00	1.00		0.50	0.50	1.69	2.96%	0.00	0.00	0.00
K05	DEPT. OF PUBLIC SAFETY	1464.00	164.00	2.00	2.00		0.00	73.20	11.20%	162.00	2.00	2.00
L04	DEPT. OF SOCIAL SVCS.	3465.99	492.77	14.00	3.08	10.81	0.11	173.30	14.22%	478.77	14.00	14.00
L12	JOHN DE LA HOWE SCHOOL	107.41	36.32	0.50	0.50			5.37	33.81%	35.82	0.00	0.00
L24	COMMISSION FOR THE BLIND	107.85	10.75	4.75	1.00	3.75		5.39	9.97%	6.00	0.00	0.00
L32	STATE HOUSING FINANCE & DEV. AUTHORITY	133.00	16.00	0.00		0.00	0.00	6.65	12.03%	16.00	0.00	0.00
L36	COMMISSION ON HUMAN AFFAIRS	32.00	12.00	0.00	0.00	0.00	0.00	1.60	37.50%	12.00	0.00	0.00
L46	COMMISSION ON MINORITY AFFAIRS	10.00	4.00	3.00	3.00			0.50	40.00%	1.00	0.00	0.00
N04	DEPT. OF CORRECTIONS	6212.99	815.00	0.00	0.00			310.65	13.12%	815.00	0.00	0.00
N08	DEPT. OF PROBATION, PAROLE & PARDON	730.00	139.25	30.00	17.00		13.00	36.50	19.08%	109.25	30.00	30.00

Schedule A

FTE VACANT POSITIONS MORE THAN ONE YEAR OLD
RECOMMENDED FOR DELETION WITH 5% VACANCY FACTOR
As of 9/14/12

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				TOTAL	STATE	FEDERAL	OTHER				
N12	DEPT. OF JUVENILE JUSTICE	1497.11	148.18	2.00	1.00	0.00	1.00	74.86	9.90%	146.18	2.00
N20	LAW ENFORCEMENT TRAINING COUNCIL	124.25	8.00	1.00			1.00	6.21	6.44%	7.00	0.00
P12	FORESTRY COMMISSION	313.30	29.75	1.75	0.00		1.75	15.67	9.50%	28.00	1.00
P16	DEPT. OF AGRICULTURE	136.00	21.00	0.00	0.00		0.00	6.80	15.44%	21.00	0.00
P24	DEPT. OF NATURAL RESOURCES	702.20	117.00	0.00				35.11	16.66%	117.00	0.00
P26	SEA GRANT CONSORTIUM	14.00	6.00	4.00	2.60	1.40	18.00	0.70	42.86%	2.00	0.00
P28	DEPT. OF PARKS, RECREATION & TOURISM	408.42	58.00	32.00	14.00		3.00	20.42	14.20%	26.00	32.00
P32	DEPT. OF COMMERCE	84.10	21.00	3.00				4.21	24.97%	18.00	3.00
P36	PATRIOTS POINT DEVELOPMENT AUTHORITY	78.00	6.00	0.00				3.90	7.69%	6.00	0.00
P40	SC CONSERVATION BANK	2.00	0.00	0.00				0.10	0.00%	0.00	0.00
R04	PUBLIC SERVICE COMMISSION	38.00	2.00	1.00			1.00	1.90	5.26%	1.00	0.00
R06	OFFICE OF REGULATORY STAFF	74.00	8.00	5.00			5.00	3.70	10.81%	3.00	0.00
R08	WORKER'S COMPENSATION COMMISSION	64.00	11.00	0.00				3.20	17.19%	11.00	0.00
R12	STATE ACCIDENT FUND	81.00	19.00	0.00				4.05	23.46%	19.00	0.00
R14	PATIENTS' COMPENSATION FUND	5.00	0.00	0.00				0.25	0.00%	0.00	0.00
R16	SECOND INJURY FUND	23.00	5.00	5.00			5.00	1.15	21.74%	0.00	0.00
R20	DEPT. OF INSURANCE	94.00	10.00	4.00	2.00		2.00	4.70	10.64%	6.00	0.00
R23	BOARD OF FINANCIAL INSTITUTIONS	45.00	8.00	5.00			5.00	2.25	17.78%	3.00	0.00
R28	DEPT. OF CONSUMER AFFAIRS	33.00	2.00	1.00			0.00	1.65	6.06%	1.00	0.00
R36	DEPT. OF LABOR, LICENSING & REGULATION	415.91	68.94	24.94	0.00	0.00	24.94	20.80	16.58%	44.00	24.94
R40	DEPT. OF MOTOR VEHICLES	1319.00	153.75	27.00			27.00	65.95	11.66%	126.75	27.00
R44	DEPT. OF REVENUE	791.50	92.50	0.00	0.00		0.00	39.58	11.69%	92.50	0.00
R52	ETHICS COMMISSION	10.00	0.50	0.50			0.50	0.50	5.00%	0.00	0.00
R60	DEPARTMENT OF EMPLOYMENT & WORKFORCE	1037.27	129.00	3.00		3.00		51.86	12.44%	126.00	3.00
S60	PROCUREMENT REVIEW PANEL	2.00	0.00	0.00			0.00	0.10	0.00%	0.00	0.00
U12	DEPT. OF TRANSPORTATION	5191.96	705.50	0.00			0.00	259.60	13.59%	705.50	0.00
U15	INFRASTRUCTURE BANK BOARD	1.00	0.00	0.00			0.00	0.05	0.00%	0.00	0.00
U30	AERONAUTICS COMMISSION	14.00	5.00	5.00	3.30		1.70	0.70	35.71%	0.00	0.00
	TOTAL	65,063.38	7,937.17	569.20	206.05	90.55	272.60	3,253.17	12.20%	7,367.97	466.53

AGENCY: Division of General Services

SUBJECT: Easements

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

- (a) County Location: Charleston
From: Budget and Control Board
To: South Carolina Electric and Gas Company
Consideration: \$3,352
Description/Purpose: To grant an easement to include four easement areas totaling 14.26 acres for the construction, installation, operation and maintenance of a subaqueous electric transmission line beneath the Hamlin Sound, Hamlin Creek, Gray Bay and the Intracoastal Waterway. The easement is part of a project to improve the electrical system reliability and to accommodate load growth in the Mount Pleasant and the Isle of Palms areas. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Charleston
From: Budget and Control Board
To: South Carolina Electric and Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.12 acre easement for the relocation, installation, operation and maintenance of a natural gas pipeline beneath the Ashley River due to the widening of Bacons Bridge Road. The easement is part of a project to increase the capacity of the roadway, while also improving its efficiency. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (c) County Location: Greenville and Spartanburg
From: Budget and Control Board
To: Piedmont Natural Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.16 acre easement for the installation, operation and maintenance of a natural gas transmission pipeline beneath the Enoree River. The easement is part of a project to construct a secondary transmission line serving the Greenville area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

AGENCY: Division of General Services

SUBJECT: Easements

- (d) County Location: Greenville
From: Budget and Control Board
To: Renewable Water Resources
Consideration: \$700
Description/Purpose: To grant a 0.07 acre easement for the construction, installation, operation and maintenance of an aerial crossing of a gravity sewer line over the Enoree River. The easement is part of a project to perform utility infrastructure improvements and replace the aging Greentree Pump Station. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (e) County Location: Richland
From: Budget and Control Board
To: Dixie Pipeline Company, LLC
Consideration: \$3,185
Description/Purpose: To grant a 0.13 acre easement for the installation, operation and maintenance of a cathodic protection system for the prevention and control of corrosion on the adjacent natural gas pipeline located on property under the control of the Department of Juvenile Justice on Shivers Road. Consideration is \$500 plus the Richland County assessed value.
- (f) County Location: Richland
From: Budget and Control Board
To: City of Columbia
Consideration: \$1
Description/Purpose: To grant a 0.66 acre easement and a 0.05 easement for the relocation, construction, operation and maintenance of water mains, sanitary sewer mains and storm drainage lines, together with the right of ingress and egress, on property of the South Carolina State Museum. The easement will address an encroachment issue with the Museum's building expansion which lies over the City's existing utility lines.

BOARD ACTION REQUESTED:

Approve the referenced easements.

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

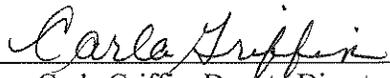
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: EASEMENTS

3. Summary Background Information:

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Description/Purpose: To grant a 0.16 acre easement for the installation, operation and maintenance of a natural gas transmission pipeline beneath the Enoree River. The easement is part of a project to construct a secondary transmission line serving the Greenville area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (d) County Location: Greenville
 From: Budget and Control Board
 To: Renewable Water Resources
 Consideration: \$700
 Description/Purpose: To grant a 0.07 acre easement for the construction, installation, operation and maintenance of an aerial crossing of a gravity sewer line over the Enoree River. The easement is part of a project to perform utility infrastructure improvements and replace the aging Greentree Pump Station. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (e) County Location: Richland
 From: Budget and Control Board
 To: Dixie Pipeline Company, LLC
 Consideration: \$3,185
 Description/Purpose: To grant a 0.13 acre easement for the installation, operation and maintenance of a cathodic protection system for the prevention and control of corrosion on the adjacent natural gas pipeline located on property under the control of the Department of Juvenile Justice on Shivers Road. Consideration is \$500 plus the Richland County assessed value.
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4. **What is the Board asked to do?** Approve the referenced easements.

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

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

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

AGENCY: Division of General Services

SUBJECT: Petition to Request Annexation of the Colonial Dorchester State Historic Site into the Town of Summerville

The Town of Summerville is requesting annexation of the Colonial Dorchester State Historic Site into the Town of Summerville. The Town will realize increased revenue from hospitality and accommodations taxes collected on properties within its municipal limits. The South Carolina Department of Parks, Recreation and Tourism supports the Town's plans to annex the property. The Colonial Dorchester State Historic Site is approximately 325 acres. The property is located at 300 State Park Road, off Dorchester Road in unincorporated Dorchester County. Benefits to be gained by PRT from the annexation include public services associated with Town properties and allocation of funds from local hospitality and accommodations taxes to promote and improve the site and its facilities. A public hearing was conducted by the Town of Summerville on September 17, 2012, 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 Colonial Dorchester State Historic Site into the Town of Summerville.

ATTACHMENTS:

Agenda item worksheet; Letter from Town of Summerville dated August 17, 2012; Letter from Department of Parks, Recreation & Tourism dated September 10, 2012; Letter from Representative Christopher J. Murphy dated August 15, 2012 ; Letter from Senator Paul G. Campbell, Jr. dated August 29, 2012; Map; Code Section 5-3-140

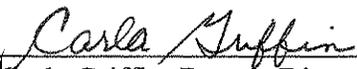
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 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 the Colonial Dorchester State Historic Site into the Town of Summerville
-

3. Summary Background Information:

The Town of Summerville is requesting annexation of the Colonial Dorchester State Historic Site into the Town of Summerville. The Town will realize increased revenue from hospitality and accommodations taxes collected on properties within its municipal limits. The South Carolina Department of Parks, Recreation and Tourism supports the Town's plans to annex the property. The Colonial Dorchester State Historic Site is approximately 325 acres. The property is located at 300 State Park Road, off Dorchester Road in unincorporated Dorchester County. Benefits to be gained by PRT from the annexation include public services associated with Town properties and allocation of funds from local hospitality and accommodations taxes to promote and improve the site and its facilities. A public hearing was conducted by the Town of Summerville on September 17, 2012, 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 Colonial Dorchester State Historic Site into the Town of Summerville.
-

- 5. What is recommendation of Board Division involved?** Approval of the petition to request annexation of the Colonial Dorchester State Historic Site into the Town of Summerville.
-

6. List of Supporting Documents:

- (a) Letter from Town of Summerville dated August 17, 2012
- (b) Letter from Department of Parks, Recreation & Tourism dated September 10, 2012
- (c) Letter from Representative Christopher J. Murphy dated August 15, 2012
- (d) Letter from Senator Paul G. Campbell, Jr. dated August 29, 2012
- (e) Map
- (f) Code Section 5-3-140

William C. Collins, Mayor

Town Clerk and Treasurer

Lisa Wallace

Council Members:

Walter Bailey

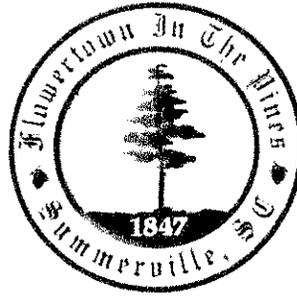
Aaron Brown

Kima Garten-Schmidt

William McIntosh

Bob Jackson

Terry Jenkins



Town Attorney

G. W. Parker

Town of Summerville

August 17, 2012

Carla Griffin, Deputy Director
SC Budget & Control Board
Division of General and Real Property Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Annexation of Colonial Dorchester State Historic Site

Dear Ms. Griffin:

The Town of Summerville would like to annex into the municipal limits of the Town the three properties known as the Colonial Dorchester State Historic Site located in unincorporated Dorchester County (Summerville, SC). The Town is certain that the Accommodations and or Hospitality taxes that are collected within the municipal limits can be and will be used to promote this state treasure which will increase visitor counts and potential funding for the continued research and preservation of this special area.

Enclosed in this request package are a couple of letters from local delegation members supporting this request as well as a letter from the South Carolina Parks, Recreation and Tourism Department also supporting this request. The Town's Planning Commission is holding an initial public hearing on Monday, September 17, 2012 at 4:00 to solicit any public comment regarding this potential action and that agenda and associated minutes will be forwarded to you to complete this package. Also included are the recorded deeds and plats for these properties as found in the Dorchester County RMC office in St. George, South Carolina.

With annexation, the Town will provide those public services associated with Town properties and the Town understands that the Board is requesting a waiver by the Town, in perpetuity, of any right to levy, collect or charge, directly or indirectly, any franchise, storm water drainage or other fee or cost upon the State for services provided to the State or its agencies or the subject property for as long as the property is owned by the State of South Carolina.

I am excited about this prospect and look forward to the Board's consideration of this request. Please contact me with any questions or concerns regarding this information at 843.851.4209.

With regards,

William C. Collins
Mayor

200 S. Main Street, Summerville, SC 29483-6000 · 843.871.6000. Fx: 843.871.6954

www.summerville.sc.us

South Carolina

Department of Parks, Recreation & Tourism

Nikki R. Haley
Governor

Duane N. Parrish
Director

September 10, 2012

Carla Griffin, Deputy Director
SC Budget & Control Board
Division of General and Real Property Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: Annexation of Colonial Dorchester State Historic Site

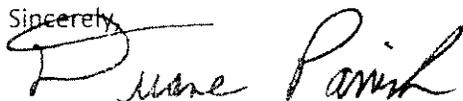
Dear Ms. Griffin:

As Director of the South Carolina Department of Parks, Recreation & Tourism, the state agency responsible for the preservation, protection and promotion of Colonial Dorchester State Historic Site, I am writing in support of the Town of Summerville's plan to annex this historic site. The Historic Site and the Town of Summerville have experienced a strong, supportive relationship for many years. In fact, Summerville had its beginnings at this 17th Century fort and pre-Revolution village. It is my belief that this historic facility will benefit from annexation. Once annexed, Summerville will be able to spend some of its accommodations and hospitality taxes promoting and improving the site and its facilities.

Consideration is also being given by the Town to supporting the re-enactment of the Revolutionary War battle that was fought there. The promotion of such an event should increase tourism at the site as well as in Summerville. The annexation should be mutually beneficial to Colonial Dorchester Historic Site and the Town of Summerville. I ask you to support this effort.

Thank you for your favorable consideration of this matter. Please contact me with any questions or concerns you may have.

Sincerely,



Duane Parrish
Director of South Carolina Department
of Parks, Recreation & Tourism

cc: Mayor Bill Collins





South Carolina House of Representatives

P. O. BOX 11867

Columbia 29211

CHRISMURPHY@SCHOUSE.GOV

CHRISTOPHER J. MURPHY
REPRESENTATIVE

532D BLATT BUILDING
COLUMBIA, SC 29201
(803) 212-6925

COMMITTEE
AGRICULTURE, NATURAL RESOURCES
& ENVIRONMENTAL AFFAIRS

DISTRICT 98
CHARLESTON-DORCHESTER
COUNTIES

LOCAL OFFICE
136 WEST RICHARDSON AVENUE
SUMMERVILLE, SC 29483
(843) 832-1120

August 15, 2012

Carla Griffin, Deputy Director
SC Budget & Control Board
Division of General and Real Property Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Annexation of Colonial Dorchester State Historic Site

Dear Ms. Griffin:

As a member of the Dorchester County Legislative Delegation, I am writing in support of the Town of Summerville's plan to annex Colonial Dorchester State Historic Site. This historic facility is a state asset that I feel will benefit from annexation. Summerville had its beginnings at this 17th century fort and pre-Revolution village. Once annexed, the Town will be able to spend some of its Accommodations/Hospitality taxes promoting and improving this facility.

Summerville Mayor Bill Collins has plans for supporting the re-enactment of the Revolutionary War battle that was fought there. With promotion, this re-enactment should bring a lot of tourists to Summerville.

I believe annexation will be mutually beneficial to Colonial Dorchester as well as the Town of Summerville and ask you to support this effort.

Thank you for the job that you do for our state and its citizens. Please do not hesitate to call me with questions.

Sincerely,

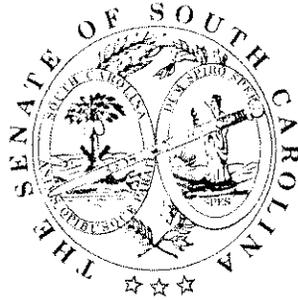
A handwritten signature in black ink, appearing to read "CJM", written over a horizontal line.

Christopher J. Murphy
South Carolina House of Representatives
District 98

CJM/paf

SENATOR PAUL G. CAMPBELL, JR.
SENATORIAL DISTRICT 44
BERKELEY COUNTY

COMMITTEES:
AGRICULTURE & NATURAL RESOURCES
FISH, GAME & FORESTRY
JUDICIARY
GENERAL
CORRECTION & PENOLOGY



COLUMBIA OFFICE:
POST OFFICE BOX 142
COLUMBIA, SOUTH CAROLINA 29202
PHONE: (803) 212-6016
FAX: (803) 212-6299
EMAIL: PAULCAMPBELL@SCSENATE.ORG

DISTRICT OFFICE:
150 LOGANBERRY CIRCLE
GOOSE CREEK, SOUTH CAROLINA 29445
PHONE: (843) 569-0089 (HOME)

August 29, 2012

Carla Griffin, Deputy Director
SC Budget & Control Board
Division of General Services, Real Property Services
Wade Hampton Building, 1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Ms. Griffin,

I am a member of the Dorchester County legislative delegation. As such I write in support of the Town of Summerville's plan to annex Colonial Dorchester State Historic Site (Park). This historic facility is a state asset that I feel will be enhanced by this annexation. Summerville had its genesis at this site in the 17th century.

Once it becomes a part of the town, Summerville can spend some accommodations/hospitality taxes to promote and improve that facility. Summerville Mayor Bill Collins has plans for supporting the re-enactment of the Revolutionary War battle that was fought there. This event alone should be a significant boost to tourism in Summerville.

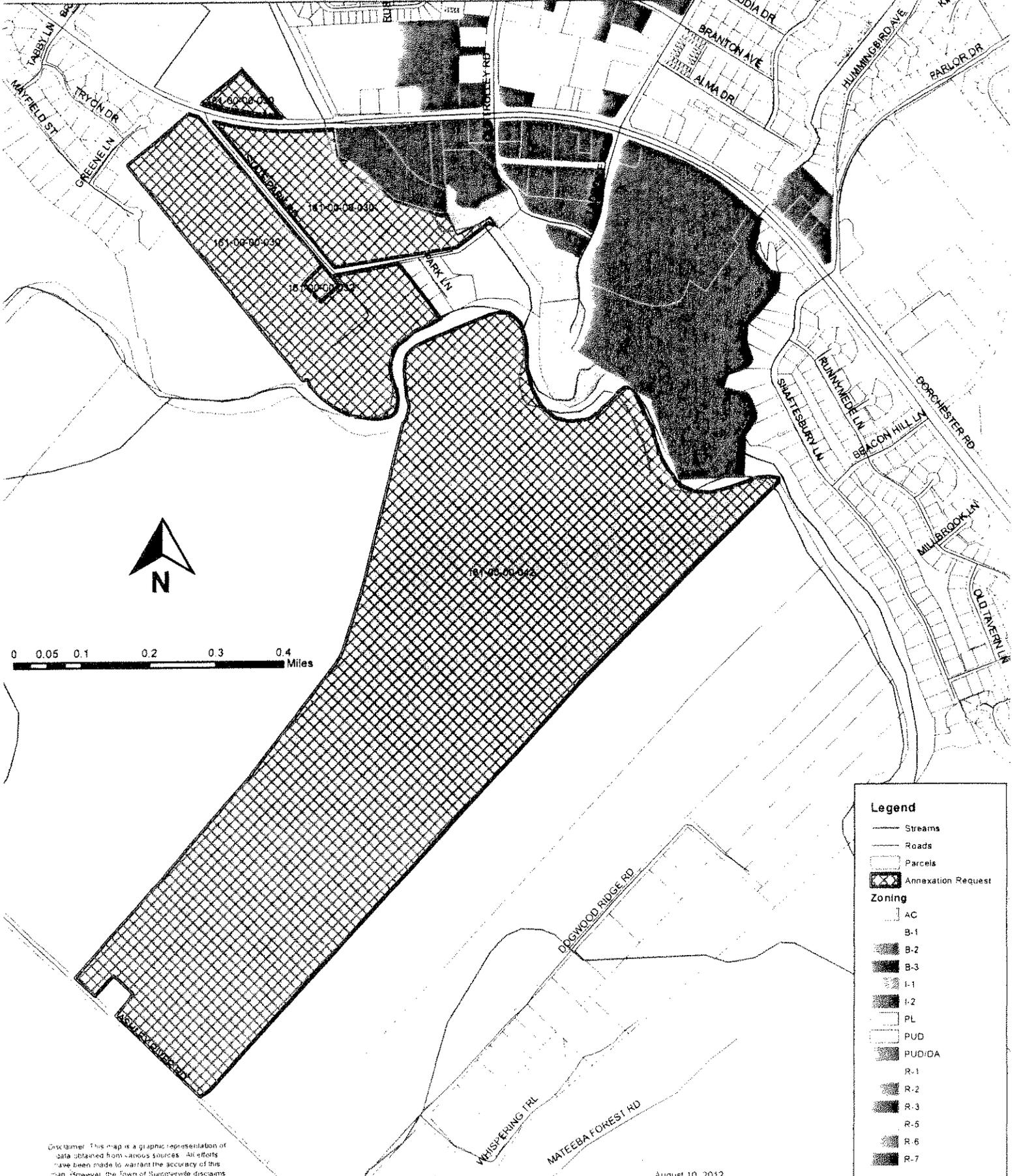
I am very familiar with the park as my wife and I lived adjacent to Colonial Dorchester for more than 20 years. We continue to be active members of Dorchester Presbyterian Church which is across the road from the entrance to this state park. I believe annexation will be mutually beneficial to the Park as well as the Town of Summerville and ask you to support this effort.

Sincerely yours,

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

Sen. Paul G. Campbell, Jr.
District 44

Annexation of 161-00-00-030, 032, & 042 Colonial Dorchester State Historic Site 300 State Park Road



Legend

- Streams
- Roads
- Parcels
- Annexation Request

Zoning

- AC
- B-1
- B-2
- B-3
- I-1
- I-2
- PL
- PUD
- PUD/OA
- R-1
- R-2
- R-3
- R-5
- R-6
- R-7

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map. However, the Town of Sunnyside disclaims

SOUTH CAROLINA CODE OF LAWS

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 General Services

SUBJECT: Real Property Conveyance

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

(a) Agency:	Department of Transportation
Acreage:	1.07± acres
Location:	On U.S. Highway 25, North Augusta
County:	Aiken
Purpose:	To dispose of surplus property.
Appraised Value:	\$54,000 as of 7/31/12
Price/Transferred To:	Not less than appraised value/To be determined
Disposition of Proceeds:	To be retained by Department of Transportation pursuant to Proviso 80A.27.

BOARD ACTION REQUESTED:

Approve the property conveyance as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

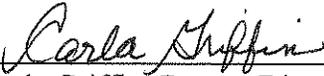
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 30, 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: **Department of Transportation**
 - Acreage: 1.07± acres
 - Location: On U.S. Highway 25, North Augusta
 - County: Aiken
 - Purpose: To dispose of surplus property.
 - Appraised Value: \$54,000 as of 7/31/12
 - Price/Transferred To: Not less than appraised value/To be determined
 - Disposition of Proceeds: To be retained by Department of Transportation pursuant to Proviso 80A.27.
-

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. 2012 S.C. Act No. 288, Part 1B, §80A.27
- 3. Letter of August 30, 2012 from Department of Transportation
- 4. Map

SOUTH CAROLINA CODE OF LAWS

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

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

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

South Carolina General Assembly

119th Session, 2012-2013

H. 4813

General Appropriations Bill for fiscal year 2012-2013

As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 80A - F03-BUDGET AND CONTROL BOARD

80A.27. (BCB: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds 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 Mental Health shall be authorized to retain the net proceeds it receives for sale of the property sold in accordance with, and identified in Exhibit A of the Sale and Purchase Agreement dated December 16, 2010 between the Department of Mental Health and Hughes Development Corporation for the sale of 165.79± acres on the Bull Street Campus, as approved by the Budget and Control Board on June 14, 2011.

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, the Department of Mental Health 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.



South Carolina
Department of Transportation

Secretary of Transportation
Robert J. St. Onge, Jr.
(803) 737-1312 Fax (803) 737-2038

August 30, 2012

Ms. Carla Griffin
Deputy Director – General Services
SC Budget and Control Board
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RECEIVED
2012 SEP 10 AM 9:49
DIVISION OF
GENERAL SERVICES

RE: 1.07 Acre surplus parcel located on US Route 25, Aiken County, MSC 108

Dear Ms. Griffin:

As a result of the South Carolina Department of Transportation (SCDOT) consolidating its maintenance operations, a 1.07-acre parcel has been declared surplus. The property is located in Aiken County adjacent to the remainder of the old MSC site that was declared surplus and sold to the Belvedere Fire District in 1999. SCDOT has received an appraisal on the property with a value of \$54,000. The Belvedere Fire District is interested in purchasing this property to assemble with their adjoining parcel. The parcel is a flag-shaped lot with limited road frontage and would most benefit the adjoining landowner. We propose offering the property first to the Belvedere Fire District for the appraised value, and if a purchase price is not able to be negotiated then offering it to the general public by bid sale.

We are enclosing a copy of the appraisal and request that you forward it through normal procedures for approval. If the appraisal and this proposal are acceptable, it is requested that this item be presented to the South Carolina Budget and Control Board at the next scheduled meeting for approval.

Please advise upon receiving word that all approvals have been obtained.

Yours very truly,


Robert J. St. Onge, Jr.
Secretary of Transportation

RJS:kec
Enclosure
File: PC/KCF



AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification

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

- a. Department of Public Safety (for a period of three years): supplies and services, \$300,000* per commitment; consultant services, 100,000* per commitment; information technology, \$100,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per change order.

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

The audit confirms the Department of Public Safety's Procurement Office has the internal controls and expertise to ensure compliance with the requirements of the South Carolina Consolidated Procurement Code and ensuing regulations for the certification limits requested.

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 agency:

- a. Department of Public Safety (for a period of three years): supplies and services, \$300,000* per commitment; consultant services, 100,000* per commitment; information technology, \$100,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per change order.

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

ATTACHMENTS:

Agenda item worksheets and attachments

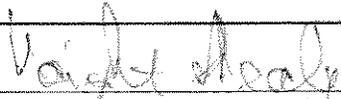
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: October 30, 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 Department of Public Safety

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 Department of Public Safety 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	*\$200,000 Per Commitment	*\$300,000 Per Commitment
II. Information Technology	*\$100,000 Per Commitment	*\$100,000 Per Commitment
III. Consultant Services	*\$100,000 Per Commitment	*\$100,000 Per Commitment
IV. Construction Contract Change Order	\$ 25,000 Per Change Order	\$ 25,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 5,000 Per Change Order	\$ 5,000 Per Change Order

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

The audit confirms the Department of Public Safety's Procurement Office has the internal controls and expertise to ensure compliance with the requirements of the South Carolina Consolidated Procurement Code and ensuing regulations for the certification limits requested.

4. What is Board asked to do?

Grant procurement certification for the Department of Public Safety 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: 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: South Carolina Energy Office

SUBJECT: Barnwell County Economic Development Fund – Project Funding Request

Grantee: Barnwell County Economic Development Corporation

Grant Request: \$475,000

Purpose/Description: Barnwell County Economic Development Corporation (BCEDC) is requesting funds for sewer improvements to the SC Tissue Plant site, as approved by the Barnwell County Council. This amount is in addition to the \$167,085 approved by the Board on September 20, 2011 which will be used for sewer engineering costs. The SC Tissue Plant is a \$140M project announced in November 2010 and is expected to create over 200 jobs over a three year period. The project is located on a 40 acre tract of land in the Barnwell County Airport Industrial Park with construction expected to begin fourth quarter calendar year 2012, as required by Rural Infrastructure Grant, and completed by first quarter 2014.

Project Impact: Completion of this project will provide a site to house SC Tissue which is expected to create 200 jobs over the next three years.

Cost of Project: \$ 1,433,000

SCEO recommendation: We recommend disbursement from the Barnwell Economic Development Fund in the amount of \$475,000. The Applicant (\$167,085 from BEDF approved on 9/20/11), Rural Infrastructure Grant (\$770,000) and SCANA (\$21,000) will provide the remainder of the funding needed for the project.

BOARD ACTION REQUESTED:

Approve the request to release funds in the amount of \$475,000 from the Barnwell County Economic Development Fund for sewer infrastructure improvements to the South Carolina Tissue Plant Site in Barnwell County.

ATTACHMENTS:

Agenda item worksheet; Barnwell County Economic Development Fund application, budget and proposed project costs attached

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Agenda: Blue

1. Submitted By:

(a) Agency: *B&C Bd. – SC Energy Office*

(b) Authorized Official Signature: 

2. Subject:

Barnwell County Economic Development Fund – project funding request

3. Summary and Background Information:

Grantee: *Barnwell County Economic Development Corporation*

Grant Request: *\$475,000.00*

Purpose/Description: *Barnwell County Economic Development Corporation*

(BCEDC) is requesting funds for sewer improvements to the SC Tissue Plant site, as approved by the Barnwell County Council. This amount is in addition to the \$167,085 approved by the Board on September 20, 2011 which will be used for sewer engineering costs. The SC Tissue Plant is a \$140M project announced in November 2010 and is expected to create over 200 jobs over a three year period. The project is located on a 40 acre tract of land in the Barnwell County Airport Industrial Park with construction expected to begin fourth quarter calendar year 2012, as required by Rural Infrastructure Grant, and completed by first quarter 2014.

Project Impact: Completion of this project will provide a site to house SC Tissue which is expected to create 200 jobs over the next three years.

Cost of Project: \$ 1,433,000

SCEO recommendation: We recommend disbursement from the Barnwell Economic Development Fund in the amount of \$475,000.

The Applicant (\$167,085 from BEDF approved on 9.20.11), Rural Infrastructure Grant (\$770,000) and SCANA (\$21,000) will provide the remainder of the funding needed for the project.

4. What is Board asked to do?

Approve request in the amount of \$475,000.

5. What is recommendation of Board Division involved?

Approve request in the amount of \$475,000.

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

(a) Authorized Signature: _____

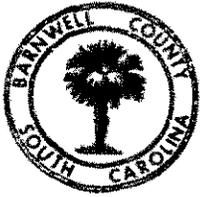
(b) Division/Agency Name: _____

7. Supporting Documents

(a) List Those Attached:

Barnwell County Economic Development Fund application, budget and proposed project costs attached.

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



Fax: (803) 541-1104

Barnwell County Administration
County Administration Building
57 Wall St., Room 126
Barnwell, SC 29812
Phone: (803) 541-1000

Pickens Williams, Jr.
County Administrator
Kim A. Futrell
Admin. Assistant/
Clerk to Council

August 30, 2012

Marcia Adams, Executive Director
SC Budget & Control Board
1200 Senate Street, 6th Floor
Wade Hampton Building
Columbia, SC 29201

Dear Ms. Adams:

I will appreciate the release of \$475,000 from the Barnwell County Economic Development Fund as requested by the attached application. The money will be used for sewer infrastructure improvements for the SC Tissue plant site. Barnwell County Council approved this request at their August 29th meeting and will appreciate your having it added to the Budget & Control Board's agenda as soon as possible.

I will appreciate your letting me know the date of the meeting since we would like to have representatives there to answer questions if any arise.

Sincerely,

A handwritten signature in cursive script that reads "Pickens Williams, Jr." with a stylized flourish at the end.

Pickens Williams, Jr.
Barnwell County Administrator

PWJ/kaf

c: Barnwell County Council
Marty Martin, Executive Director-Barnwell County EDC
Wendy Gibson, Barnwell County Treasurer

Barnwell County Economic Development Fund Application

Date Submitted: August 21, 2012

Section 1

Project Name: SC Tissue
Applicant: Barnwell County Economic Development Corporation
Contact Person: Marshall L. Martin, Jr.
Title: Executive Director
Address: 367 Fuldner Road, P.O. Box 898, Barnwell, SC 29812
Telephone: 803-259-1263
Fax: 803-259-0030
Type of Project: wastewater infrastructure improvements

Scope: Project Tissue is a \$140MM project announced in November 2010, which will create 200 jobs over a three year period. The project will be located on a 40 acre tract in the Barnwell County Airport Industrial Park with construction expected to begin fourth quarter 2012 and completed by first quarter 2014.

Section 2

Financial Participation

Applicant:	\$ 167,000	11%
State Government:	\$ 770,000 (Rural Infrastructure Grant)	54%
Other Private Sources:	\$ 21,000 (SCANA)	2%
Barnwell County Economic Dev. Fund:	\$ 475,000	33%
Total Project Budget:	\$1,433,000	100%

The information provided in this application is true and correct to the best of the applicant's knowledge. If awarded, the undersigned agrees to follow all appropriate procurement, contracting and fiscal accountability procedures in the administration of the funds.

The information provided in this application is true and correct to the best of the applicant's knowledge. If awarded, the undersigned agrees to follow all appropriate procurement, contracting and fiscal accountability procedures in the administration of the funds.

Authorized Signature:

Vernon F. Grady
Vernon F. Grady, Chairman
Barnwell County Economic Development Corporation

8/21/12
Date

This application was completed by:
Marshall E. Martin, Jr.
Marshall E. Martin, Jr.

Phone: 803-259-1263 Fax: 803-259-0030

Telephone/Fax

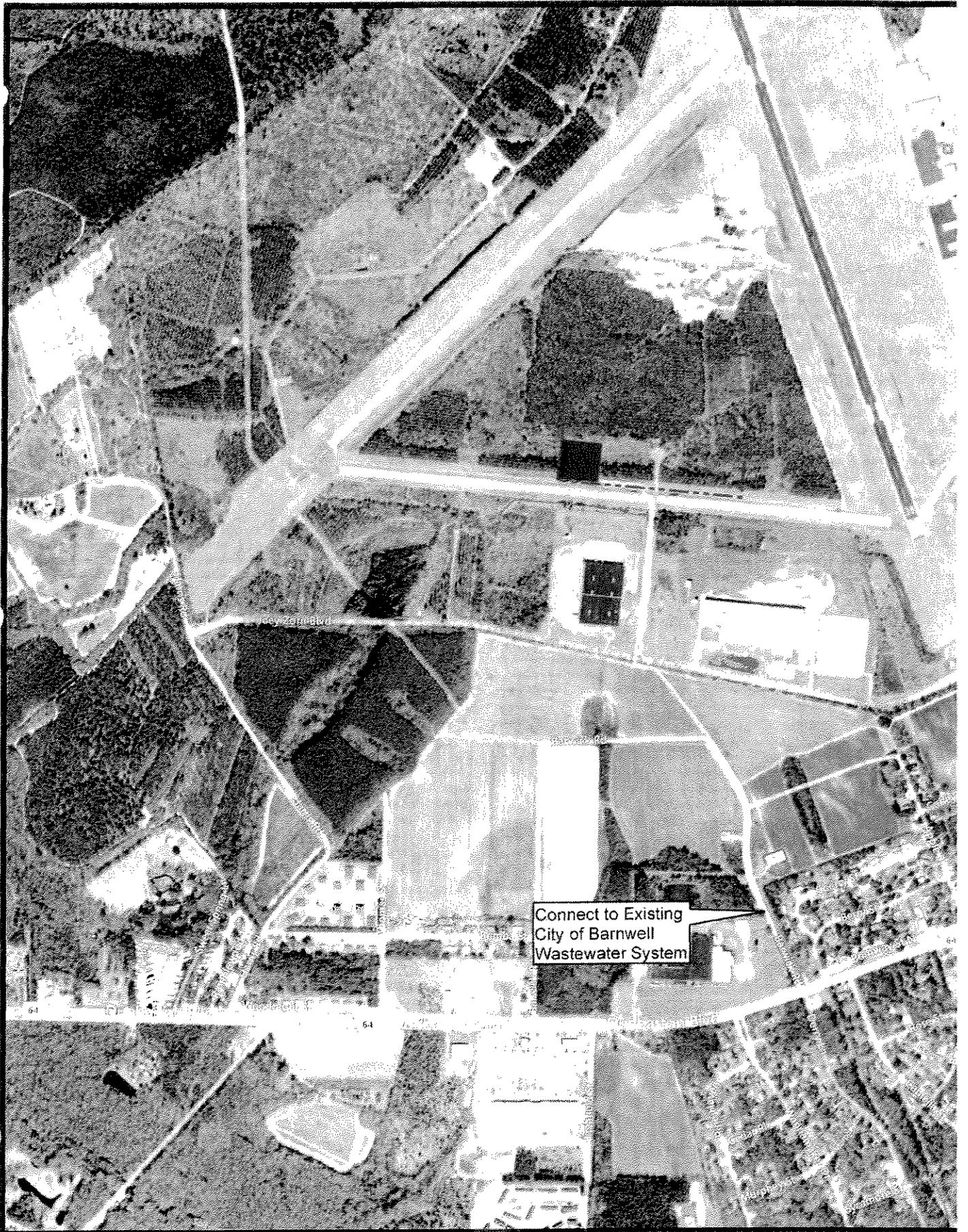
This application was approved for funding by the Barnwell County Council at its ^{August 29th} ~~September 11~~, 2012 meeting.

Travis Black
Travis Black, Chairman

8/29/12
Date

City of Barnwell
Sewer Improvements to serve Project Pissue
Preliminary Cost Estimate

Description	Unit	Quantity	Unit Price		Extended Price
			Materials	Labor	
New 16 - INCH FORCE MAIN					
1) 12" DIP Force Main	LF	4000	\$78.00	\$15.00	\$372,000.00
2) 12" RJ DIP Force Main	LF	1000	\$88.00	\$20.00	\$108,000.00
3) Air Release Valve Manhole	EA	2	\$6,200.00	\$800.00	\$14,000.00
4) Miscellaneous Fittings	LS	1	\$25,000.00	\$5,000.00	\$30,000.00
5) 16" RJ Plug Valve & Box	EA	2	\$15,000.00	\$1,000.00	\$32,000.00
6) Connection to Existing 6" & 10" Force Mains	LS	1	\$12,000.00	\$18,000.00	\$30,000.00
7) Remove & Replace Pavement (roadways)	LF	200	\$25.00	\$55.00	\$16,000.00
8) Erosion Control	LS	1	\$3,000.00	\$15,000.00	\$18,000.00
SUBTOTAL NEW 16 - INCH FORCE MAIN			\$487,400.00	\$132,600.00	\$620,000.00
NEW PUMP STATION					
1) Grading/Excavating/Site Work	LS	1	\$5,000.00	\$35,000.00	\$40,000.00
2) Erosion and Sediment Control	LS	1	\$100.00	\$400.00	\$500.00
3) Chain Link Fencing	LF	300	\$14.00	\$6.00	\$6,000.00
4) Swing Gates	LS	1	\$2,000.00	\$400.00	\$2,400.00
5) Yard Piping	LS	1	\$6,000.00	\$1,500.00	\$7,500.00
7) Precast Wetwell	LS	1	\$60,000.00	\$30,000.00	\$90,000.00
8) Pumps, Motors, PCP, Level Controls	LS	1	\$225,000.00	\$75,000.00	\$300,000.00
14) Epoxy Lining	LS	1	\$25,000.00	\$8,000.00	\$33,000.00
16) Electrical	LS	1	\$50,000.00	\$20,000.00	\$70,000.00
SUBTOTAL NEW PUMP STATION			\$377,300.00	\$172,100.00	\$549,400.00
TOTAL ESTIMATE MATERIAL COST					\$864,700.00
TOTAL ESTIMATED LABOR COST					\$304,700.00
15 % CONTINGENCY ON LABOR + MATERIALS					\$116,940.00
TOTAL ENGINEERING FEE					\$167,000.00
TOTAL ESTIMATE PROJECT COST					\$1,453,340.00



Connect to Existing
City of Barnwell
Wastewater System

Subject: Pictures of tissue plant location
Date: 7/19/2012 5:23 PM
From: [Redacted]
To: [Redacted]
View
Pictures often end in .png or .jpg



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 \$25,000,000 Economic Development Refunding Revenue Bonds (\$25,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: CHS Development Company
Employment Impact: maintaining approximately 86 jobs
Project Description: refinance \$32,985,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (CHS Development Company Project), Series 2003 incurred to finance the renovation and expansion of the Old Charleston High School located on land owned by the Medical University of South Carolina Foundation in Charleston County, South Carolina
Note: *private sale*
Bond Counsel: William M. Musser, McNair Law Firm, P. A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$5,200,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: CULSF ONE, LLC
Employment Impact: maintaining approximately 76 jobs; creating approximately 2 new full-time jobs
Project Description: paying the acquisition price of certain improved real property in Greenville, South Carolina by the borrower, to be leased to Clemson University for its Masters of Business Administration and certain other professional graduate business programs
Note: *private sale*
Bond Counsel: Robert S. Galloway, III, Haynsworth Sinkler Boyd, P. A.
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$16,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: New Horizon Family Health Services, Inc.
Employment Impact: maintain 150 jobs and add 24 in 12 months and 48 in 24 months
Project Description: construct multi-story building for exam rooms, lab and pharmacy and necessary furnishings and equipment for a new health center in

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

Greenville County
Note: *private sale*
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

- d. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$277,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: St. Francis Hospital, Inc. and Bon Secours Health System, Inc.
Employment Impact: maintaining employment for approximately 3,685 employees in Greenville County and adjacent areas
Project Description: to (i) defray the cost of acquiring by purchase certain building improvements and renovation, machinery, equipment and other assets for the hospital facilities of St. Francis and the borrower located in Greenville; (ii) refund all or a portion of the outstanding principal amount of the bonds, Series 2002A (Bon Secours Health System, Inc.) (the "Series 2002A bonds"); (iii) refund all or a portion of the outstanding principal amount of the Authority's Economic Development Revenue Refunding Bonds, Series 2008D (Bon Secours Health System, Inc.) (the "Series 2008D bonds" and, together with the Series 2002A Bonds, the "Prior Bonds"; (iv) pay a portion of the interest on the Bonds, if deemed necessary or desirable by BSHSI; and (vi) pay certain costs incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

Note: *private negotiated sale*
Bond Counsel: Amy Cobb Curran, Jones Day

- e. Issuing Authority: Medical University Hospital Authority
Amount of Issue: N/E \$450,000,000 Hospital Facilities Revenue Obligations (\$436,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Medical University Hospital Authority
Employment Impact: maintaining of approximately 6100 employees
Project Description: providing financing for (i) refinancing the outstanding amount of an original issue of \$422,060,000 Medical University Hospital Authority FHA Insured Mortgage Hospital Facilities and Refunding Revenue Bonds, Series 2004, (ii) refinancing the outstanding amount of an original issue of \$61,000,000 South

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

Carolina Jobs-Economic Development Revenue Bonds (MUFC Central Energy Plant Project) Series 2004, (iii) defraying all or a portion of the costs of capital improvements to the Ashley River Tower and other health care and related facilities of the Authority; and (iv) defraying the costs associated with issuance of the obligations.

Bond Counsel: Charlton deSaussure, Jr., 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 \$25,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REFUNDING REVENUE BONDS (CHS DEVELOPMENT COMPANY PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Refunding Revenue Bonds (CHS Development Company Project), Series 2012, in the aggregate principal amount of not exceeding \$25,000,000 (the "Bonds") through private sale as may be determined by the Authority to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold through a private sale, acceptable to the Authority.

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

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

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

Section 3. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for
*\$20,860,000
South Carolina Jobs-Economic Development Authority
Economic Development Refunding Revenue Bonds
(CHS Development Company Project)
Series 2012
(Medical University of South Carolina Lease)

Proposal Date: October 22, 2012

Outstanding Bonds proposed to be refinanced:

Proceeds from the purchase of the Series 2012 Bond will be used to (i) deposit to an irrevocable Escrow Fund an amount sufficient to defease on January 1, 2013, Economic Development Revenue Bonds, Series 2003 ("Prior Bonds") maturing January 1, 2014 through January 1, 2025, and (ii) paying costs of issuance in connection with the proposed issuance of the Series 2012 Bond.

<i>Principal</i>	<i>Coupon Rate</i>	<i>Maturity Date</i>	<i>Call Price</i>	<i>Call Date</i>	<i>Amount Called</i>	<i>CUSIP #</i>
\$1,490,000	4.000%	1/1/2014	100.000	01/01/2013	\$1,490,000	837031 MPS
1,550,000	5.000	1/1/2015	100.000	01/01/2013	1,550,000	837031 MQ3
1,625,000	4.250	1/1/2016	100.000	01/01/2013	1,625,000	837031 MR1
1,695,000	4.375	1/1/2017	100.000	01/01/2013	1,695,000	837031 MS9
1,770,000	4.500	1/1/2018	100.000	01/01/2013	1,770,000	837031 MT7
1,850,000	4.500	1/1/2019	100.000	01/01/2013	1,850,000	837031 MU4
1,930,000	4.625	1/1/2020	100.000	01/01/2013	1,930,000	837031 MV2
1,520,000	* 4.700	1/1/2021	100.000	01/01/2013	1,520,000	837031 MW0
500,000	* 5.000	1/1/2021	100.000	01/01/2013	500,000	837031 MX8
620,000	* 4.800	1/1/2022	100.000	01/01/2013	620,000	837031 MY6
1,500,000	* 5.000	1/1/2022	100.000	01/01/2013	1,500,000	837031 MZ3
2,225,000	5.000	1/1/2023	100.000	01/01/2013	2,225,000	837031 NA7
4,785,000	** 4.875	1/1/2025	100.000	01/01/2013	2,450,000	837031 NB5
\$ 23,060,000					\$ 23,060,000	

* Denotes Split Coupon Maturity

** Denotes Term Bond Scheduled Maturity

Refinancing Summary/Statistics

Average Interest Rate of Bonds to be Refinanced:	4.76%
Projected Average Interest Rate of Refinancing Bonds:	2.28%
True Interest Cost of Refinancing Bonds:	2.30%
Projected Net Present Value Savings (Net of Costs):	\$ 3,293,263
Projected Net Present Value Savings as a % of Bonds Refinanced:	14.281%

Estimated Costs

Underwriting	25,000
Legal Fees -Bond Counsel, Bank Counsel, Borrower Counsel, JEDA Counsel	110,000
Rating Agency Fees	-
Advisory Fees	50,000
Accounting and Verification	2,500
Bond Trustee/Registrar	2,500
Escrow Agent	1,500
Credit Enhancement/Bond Insurance	-
Publication, Printing, contingencies and all other expenses	8,500
Estimated Total	200,000

Estimated Costs as Percentage of Refunding Bonds:	0.096%
Estimated Costs as Percentage of Refinancing Savings:	6.07%

*Preliminary, Subject to Change

Prepared By: Mountainside Capital Advisors LLC
Gregory F. Fawcett, II
Registered Municipal Financial Advisor
Date: 10/22/2012

a.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$5,200,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CULSF ONE, LLC PROJECT) SERIES 2013, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (CULSF ONE, LLC Project) Series 2013, in the aggregate principal amount of not exceeding \$5,200,000 (the "Bonds"); and

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

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

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

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

Section 3. This Resolution shall take effect immediately.



A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$16,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (NEW HORIZON FAMILY HEALTH SERVICES, INC. PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (New Horizon Family Health Services, Inc. Project) Series 2012, in the aggregate principal amount of not exceeding \$16,000,000 (the "**Bonds**"), through private sale which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement acceptable to the Authority;

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

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

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

Section 3. This Resolution shall take effect immediately.

BUDGET AND CONTROL BOARD RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$277,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2012 (BON SECOURS HEALTH SYSTEM, INC.), PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), filed a petition (the "Petition") requesting approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds, Series 2012 (Bon Secours Health System, Inc.), in the aggregate principal amount of not exceeding \$277,000,000 (the "Bonds") for the benefit of St. Francis Hospital, Inc., a South Carolina nonprofit corporation ("St. Francis"), and Bon Secours Health System, Inc., a Maryland nonstock nonprofit membership corporation (the "Borrower"), through a private negotiated sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of the Bond Trust Indenture between the Authority and Wells Fargo Bank, N.A., as bond trustee, and the Loan Agreement by and between the Borrower or St. Francis and the Authority, and are payable solely from the revenues of the Borrower, St. Francis and certain related corporations received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a private negotiated sale be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for

Bon Secours Health System, Inc.

PRELIMINARY – SUBJECT TO CHANGE

October 23rd, 2012

Outstanding bonds proposed to be refinanced	Series 2002A SC Jobs Economic Development Authority, \$225.2 million, due Nov. 15, 2014 to Nov. 15 2030, fixed rates of 5.50% to 6.00%
Average interest rate of bonds refinanced	5.64%
Projected average interest rate of refinancing bonds	4.98%
True interest cost of refinancing bonds	3.88%
Projected net present value savings (net of costs)	\$31.0 million
Projected net present value savings as a percentage of the bonds refinanced	14.1%

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)

Underwriting	Estimated at 1.00% of par amount
Legal fees – bond, disclosure and general counsel	Estimated at 0.60% of par amount
Rating agency fees	Estimated at 0.05% of par amount
Advisory fees	Estimated at 0.15% of par amount
Bond trustee/registrar	Estimated at 0.05% of par amount
Accounting and verification	Estimated at 0.05% of par amount
Credit enhancement/bond insurance	Estimated at 0.05% of par amount
Publication, printing, contingencies and all other expenses	Estimated at 0.05% of par amount
Total	Not to exceed 2.00% of par amount

Prepared by Suzanne Beitel, Executive Director, J.P. Morgan Securities LLC

Date October 23, 2012

WHEREAS, the Board of Trustees has previously made provision, pursuant to a Lease Agreement dated as of December 1, 2004 (the "Lease Agreement") to lease land upon which to locate an approximately 52,000 square foot central energy plant and certain other improvements, renovations and furnishings, fixtures and equipment (the "Central Energy Plant") to provide steam and chilled water for the use and benefit of the New Hospital; and

WHEREAS, the lessee under the Lease Agreement is MUFC Central Energy Plant, LLC ("MUFC Central Energy Plant, LLC"), a single member limited liability company organized on October 6, 2004, whose sole member is Medical University Facilities Corporation ("MUFC"), a public-benefit, nonprofit corporation organized in September, 1991, and an organization described in Section 501(c)(3) of the Internal Revenue Code and, for accounting purposes, a blended component unit of the Authority; and

WHEREAS, pursuant to its Articles of Incorporation, the stated purpose of MUFC is to be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of The Medical University of South Carolina and the Authority; and

WHEREAS, the Board of Trustees authorized the Lease Agreement through the means of a resolution adopted October 8, 2004; and

WHEREAS, the South Carolina Jobs-Economic Development Authority has previously made provision for revenue bonds to be issued by through the means of a resolution adopted by the Board of Directors on October 6, 2004 (the "JEDA Bond Resolution" and the bonds issued pursuant thereto are referred to as the "Series 2004 JEDA Bonds"); and

WHEREAS, the Board of Directors of MUFC, through the means of a resolution adopted August 12, 2004, authorized the organization of MUFC Central Energy Plant, LLC and further authorized certain officers "to take all actions as may be necessary or desirable, in connection with the issuance of the Series 2004 JEDA Bonds"; and

WHEREAS, pursuant to the JEDA Bond Resolution, in December of 2004, the South Carolina Jobs-Economic Development Authority issued the Series 2004 JEDA Bonds in the principal amount of \$61,000,000 of which principal amount there remains outstanding \$49,430,000; and

WHEREAS, the Series 2004 JEDA Bonds were amended effective February 1, 2008 to reduce the interest rate thereon; and

WHEREAS, the Board of Trustees has determined that the Central Energy Plant constitutes Medical University health care and related facilities as described in the Act inasmuch as it is essential to the operation of the New Hospital; and

WHEREAS, in its meeting on August 10, 2012, the Board of Trustees determined that significant savings in interest expense may be achieved by refinancing the Series 2004 Bonds; and

WHEREAS, the Board of Trustees has further determined that it is in the best interest of the Authority to refund the Series 2004 JEDA Bonds through the issuance of Authority obligations and for the Authority to assume all rights in the facilities financed with the proceeds of the Series 2004 JEDA Bonds; and

WHEREAS, the Board of Trustees further determined that additional capital improvements to the Ashley River Tower and other health care and related facilities of the Authority (the "2012 Project") should be financed in connection with the refinancing of the Series 2004 JEDA Bonds; and

WHEREAS, pursuant to Section 59-123-60(E)(3)(c) and (d) of the Act and Section 44-7-1590 (A) of the Hospital Revenue Bond Act, the Board of Trustees has authorized and caused to be filed with the State Budget and Control Board a petition attached hereto as Exhibit A (the "Petition"); and

WHEREAS, in order to effect the refinancing of the Series 2004 Bonds and the Series 2004 JEDA Bonds (the "Refunding") as well as the financing of capital improvements to the 2012 Project, the Board of Trustees has determined, as described in the Petition, that the Authority should enter into such documents and agreements as shall be required to effect the Refunding and the 2012 Project; and

WHEREAS, the proceeds obtained by the Authority by virtue of entering into such documents and agreements will be applied to the Refunding and the 2012 Project; and

WHEREAS, the Authority under and pursuant to the provisions of the Hospital Revenue Bond Act and the Act has petitioned the State Budget and Control Board for its approval of the issuance by the Authority pursuant to the Hospital Revenue Bond Act and the Act of obligations issued in one or more series for an aggregate amount of not exceeding \$450,000,000 (the "Obligations") and for a term not to exceed the statutory limit of 40 years set forth at Section 44-7-1450 of the Act, which sum, together with existing funds held for the Series 2004 Bonds and the Series 2004 JEDA Bonds, will be used to (i) refinance the Series 2004 Bonds, (ii) refinance the Series 2004 JEDA Bonds, (iii) defray all or a portion of the costs of the 2012 Project, and (iv) defray the costs associated with issuance of the Obligations.

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 State Budget and Control Board that the Petition attached hereto as Exhibit A contains all matters required by law to be set forth therein, and that in consequence thereof the jurisdiction of this State Budget and Control Board has been properly invoked under and pursuant to Section 44-7-1590 of the Hospital Revenue Bond Act.

Section 2. The proposal of the Authority to issue the Obligations as described herein is hereby approved.

Section 3. Approval is hereby given for (i) the issuance of not exceeding \$450,000,000 in Obligations for the purposes described herein and as set forth in the Petition, such Obligations to be in such principal amounts, be dated, mature, bear interest, and be subject to redemption in such manner as the Office of State Treasurer shall approve; provided, however, the term of the Obligations shall not exceed 40 years; and (ii) the taking by the Office of State Treasurer of such further action and the granting of approval by the Office of State Treasurer of such further action by the Authority as shall not be inconsistent with the foregoing provisions of this Resolution and as may be necessary in connection with the delivery of the Obligations.

Section 4. There shall be published a notice of approval as required by Section 44-7-1590(B) in substantially the form attached hereto as Exhibit B.

Section 5. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for
The Medical University Hospital Authority
Not Exceeding \$450 million in FHA/GNMA Mortgage Backed Securities
Refinancing of Existing FHA Section 242 Loan
Refinancing of Central Energy Plant Debt (as part of new FHA Section 241 loan)
Financing of Capital Improvements (as part of new FHA Section 241 loan)

October 30, 2012

Outstanding bonds proposed to be refinanced Approximately \$414 million principal value of the Authority's Series 2004 and 2008 Bonds maturing from 2013 through 2034. The final maturity of the modified FHA loan and new FHA loan will not extend beyond the current respective debt maturities.

Current fixed rate	4.80% - 5.76%
Projected FHA mortgage rate	2.90% - 3.75%
Projected gross savings	\$73.8 million
Projected net present value savings (net of costs)	\$59.2 million
Projected net present value savings as a percentage of the 2004 and 2008 Bonds refinanced	14.3%

Estimated costs (costs as a percentage of refinancing debt, costs as a percentage of refinancing npv savings)

GNMA Lender	\$250,000 (0.06%, 0.42%)
FHA Lender	545,000 (0.13%, 0.92%)
Legal fees – FHA/GNMA lender counsel/bond counsel	450,000 (0.11%, 0.76%)
Rating agency fees	100,000 (0.02%, 0.17%)
Financial/Reinvestment/Swap Advisory fees	575,000 (0.14%, 0.97%)
Bond trustee/registrar	0 (0.00%, 0.00%)
Accounting and verification	5,000 (0.00%, 0.01%)
Credit enhancement/bond insurance	506,698 (0.12%, 0.86%)
Publication, printing, title, contingencies and all other expenses	250,000 (0.06%, 0.42%)
Total	\$ 2,681,698 (0.65%, 4.53%)

Office of State Treasurer
October 30, 2012

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF October 30, 2012

ITEM NUMBER 1

AGENCY: South Carolina Retirement System Investment Commission

SUBJECT: Briefing on Investment Earnings for FY 2011-2012

The South Carolina Retirement System Investment Commission will provide a briefing on the investment earnings for FY 2011-2012, investment results to date for the current fiscal year, projected investment earnings for the remainder of the current fiscal year and for the following fiscal year, and general changes in the investment strategy the Commission is pursuing or considering to address what appears to be diminishing returns.

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Eckstrom 10/1/12 letter; Williams 10/10/12 letter; RSIC Report to Budget and Control Board



State of South Carolina
Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgoffice@cg.sc.gov

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

JAMES M. HOLLY
CHIEF OF STAFF

October 1, 2012

The Honorable Reynolds Williams
Chairman
SC Retirement System Investment Commission
1201 Main Street, Suite 1510
Columbia, SC 29201

Dear Chairman Williams:

I would like to request that the Commission's Chief Investment Officer make a presentation at the October 30 meeting of the Budget & Control Board. I would ask for the presentation to address the reasons for the lower than normal investment earnings for fiscal year 2011-2012, investment results to date for the current fiscal year, projected investment earnings for the remainder of the current fiscal year and for the following fiscal year, and general changes in investment strategy the Commission is pursuing or considering to address what appears to be diminishing returns.

By copy of this letter, I am requesting that the presentation be added as an item on the agenda of the October 30 meeting of the Budget & Control Board.

Thank you for your service and assistance.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Richard Eckstrom".

Richard Eckstrom

cc: The Honorable Nikki Haley
The Honorable Curtis Loftis
The Honorable Hugh Leatherman
The Honorable Brian White
Mr. Jim Powers
Ms. Marcia Adams
Mr. Delbert Singleton

REYNOLDS WILLIAMS, J.D., CFP
CHAIRMAN

EDWARD N. GIOBBE
VICE CHAIRMAN

WILLIAM M. BLUME, JR., CPA
COMMISSIONER

ALLEN R. GILLESPIE, CFA
COMMISSIONER



SOUTH CAROLINA RETIREMENT SYSTEM

INVESTMENT COMMISSION

1201 MAIN STREET | SUITE 1510 | COLUMBIA, SC | 29201

CURTIS M. LOFTIS, JR.
COMMISSIONER

JAMES R. POWERS
COMMISSIONER

S. TRAVIS PRITCHETT, D.B.A.
COMMISSIONER

HERSHEL HARPER, JR., CFA
CHIEF INVESTMENT OFFICER

October 10, 2012

The Honorable Richard Eckstrom
SC Comptroller General
1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Dear General Eckstrom,

Thank you for your letter from October 1, 2012. I apologize for the delayed response. I have spoken with our Chief Investment Officer, Hershel Harper, regarding your requests. He will be in attendance at the Budget and Control Board meeting on October 30th and will be prepared to present on the topics listed in your letter. We look forward to seeing you there and please let us know if anything is needed in the meantime.

Sincerely,

Reynolds Williams

Chairman

RW/lk

Cc: The Honorable Nikki Haley
The Honorable Curtis Loftis
The Honorable Hugh Leatherman
The Honorable Brian White
Ms. Marcia Adams
Mr. Delbert Singleton
Mr. Jim Powers

PHONE 803.737.6885 | FAX 803.737.7070

RSIC Report to Budget and Control Board

Hershel Harper
Chief Investment Officer

October 30, 2012

Net of Fee Returns as of 6/30/2012

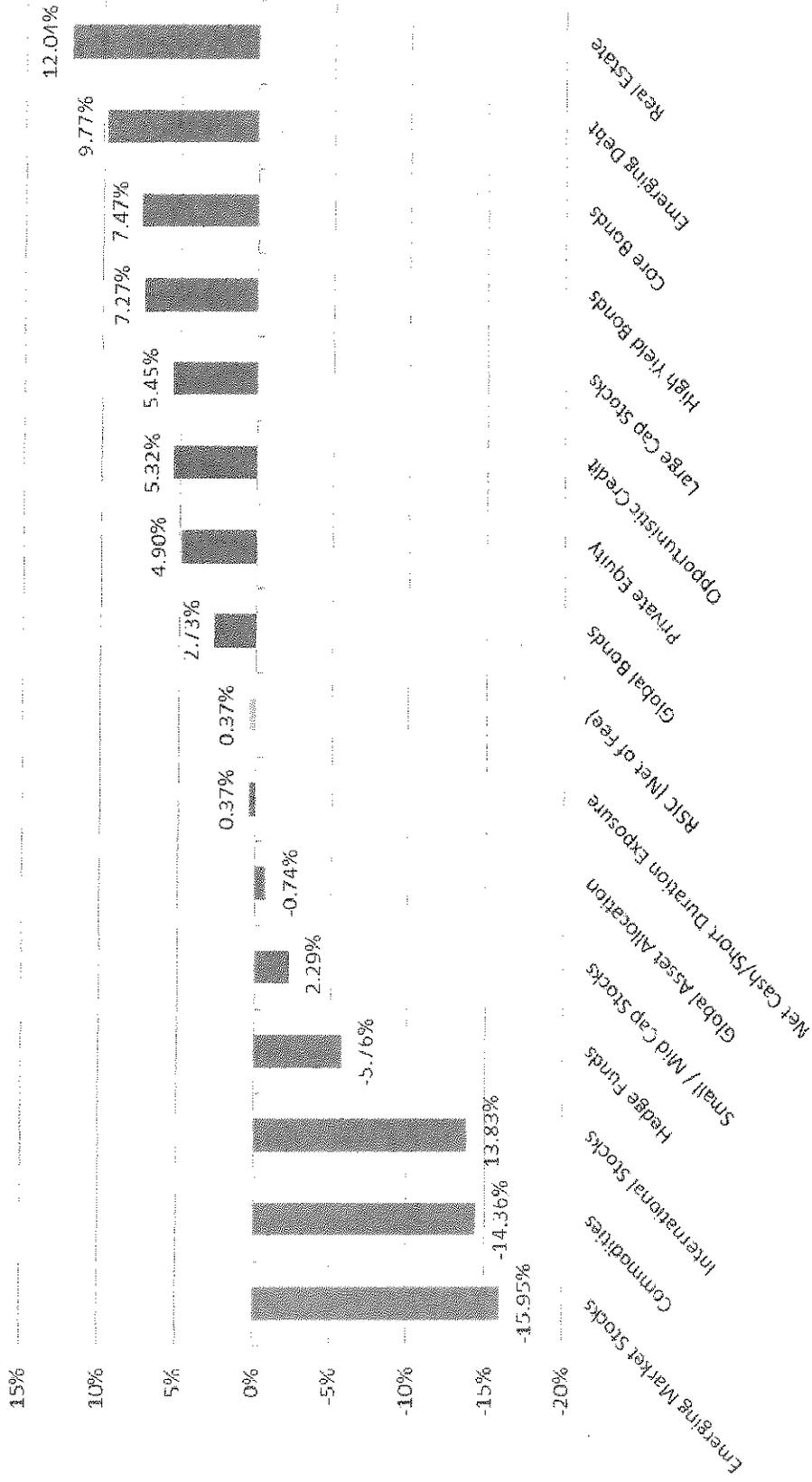
- Outperformed the policy benchmark for CYTD, 3 and 5 years
- Third consecutive year of positive performance

	Plan Returns	Policy Returns	Difference
Calendar YTD (January 2012 to June 2012)	4.84%	4.38%	0.46%
One Year (FY-2012)	0.37%	0.57%	-0.20%
Three Years	10.74%	9.20%	1.54%
Five Years	1.26%	0.66%	0.60%

Source: Bank of New York and NEPC.

Diversification is Important

- Portfolio is designed to protect the trust in a volatile market, with long-term returns in mind



FYTD 2012-2013 Returns

- Monthly returns for the current fiscal year (2013)

	Plan Returns	Policy Returns	Difference
July 2013	1.23%	1.37%	-0.14%
August 2013	1.25%	0.39%	0.86%
September 2013*	1.59%	1.76%	-0.17%
Fiscal Year to Date*	4.13%	3.56%	0.57%

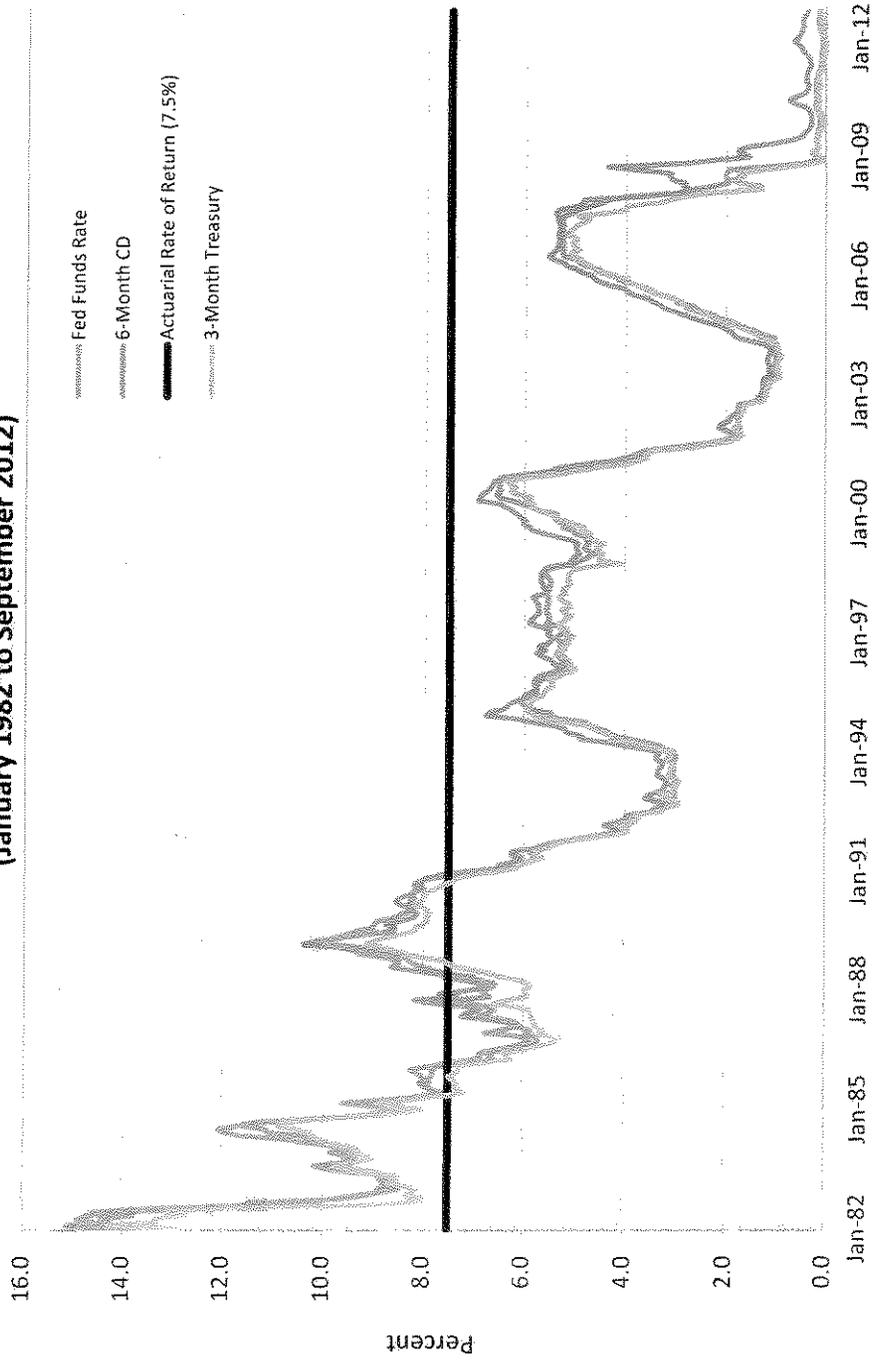
Source: Bank of New York, Bloomberg, and RSIC Staff.

*Estimated.

Expected Returns and Risk

Level of Interest Rates

(January 1982 to September 2012)



Source: Board of Governors of the Federal Reserve System/FRED

5 to 7 Year Forecasted Returns and Risk

	FY 2012-2013 Target Allocation	Conservative No Alts	Aggressive No Alts	Low Alts
Return (%)	7.9	5.7	6.8	7.3
Risk (%)	11.7	10.0	12.8	11.6

Notes: Calculations provided by NEPC, LLC.

Investment Strategy

Our focus is to achieve the highest return with a prudent level of risk

Portfolio changes for FY 2012-2013

- For FY 2012-2013, lowered allocation to PE/RE by 4%
- Increased allocation to fixed income
- Added allocation to floating rate assets

Upcoming

- Transition to new consultant, Hewitt Ennis Knupp
- Implement outcome of asset-liability study
- Maintain liquidity to meet net benefit payments (\$1 billion annually)
- Recast asset allocation and return/risk expectations

Appendix

Strategies to Underlying Index (Page 3)

Strategy Name to Underlying Index

Emerging Markets Equity = MSCI Emerging Markets Index (net)

Commodities = DJUSBS Commodity Index

International Stocks = MSCI EAFE Index (net)

Hedge Funds = HFRX Global Hedge Fund Index

Small/Mid Cap Stocks = Russell 2500 Index

Global Asset Allocation = 50% MSCI World Index and 50% S&P/Citi World Govt Bond Index

Cash/Short Duration = 90-day Treasury Bills and Merrill Lynch U.S. Treasuries 0-3 Year Index

Global Bonds = Barclays Capital Global Aggregate Index

Private Equity = 80% Russell 3000 Index and 20% MSCI EAFE Index +300 bps, 3-month lagged

Opportunistic Credit = $\frac{1}{3}$ Barclays Capital High Yield and $\frac{1}{3}$ S&P/LSTA Leveraged Loan Index and $\frac{1}{3}$ Barclays Capital MBS Index

Large Cap Stocks = S&P 500 Index

High Yield Bonds = Barclays Capital High Yield Index

Core Bonds = Barclays Capital U.S. Aggregate Index

Emerging Markets Debt = 50% JPM EMBI Global Index and 50% JPM GBI-EM Global Index

Real Estate = NCREIF Index



AGENCY: Public Employee Benefits Authority

SUBJECT: Approval of PEBA Policy Determinations

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the South Carolina Retirement System ("SCRS") and the South Carolina Police Officers' Retirement System ("PORS"), prior to July 1, 2015, the rates for employee and employer contributions to those plans are preliminarily set by a statutory schedule. However, if the actuarial valuation shows that those scheduled rates are insufficient to maintain a thirty-year amortization period for the plans, the PEBA Board of Directors is required to increase the scheduled employee and employer contribution rates in equal amounts to maintain an amortization period not exceeding thirty years. See Sections 9-1-1085(A), (C), 9-11-225(A), (C) (as added by Act 278 of 2012).

For the Retirement System for Judges and Solicitors ("JSRS") and the Retirement System for Members of the General Assembly ("GARS"), the employee contribution rates are fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to those plans based upon the actuarial valuations of the plans. See Sections 9-8-140, 9-9-130. For the National Guard Retirement System ("NGRS"), which does not require employee contributions, the PEBA Board is required to certify the amount of the appropriation required from the State to maintain the plan on a sound actuarial basis as determined by the annual actuarial valuation of the plan. See Section 9-10-60(D).

At the first regular meeting of the PEBA Board of Directors on September 26, 2012, the PEBA Board accepted as information valuations prepared by the plans' actuary, Gabriel Roeder Smith ("GRS"), for SCRS, PORS, JSRS, GARS, and NGRS as of July 1, 2011, and adopted the contribution rates recommended therein. Under these valuations, the SCRS contribution rates scheduled in Section 9-1-1085 for July 1, 2013, were found to be sufficient to maintain an amortization period not exceeding thirty years for the plan, but the PORS employee and employer contribution rates were required to be increased under Section 9-11-225(C) from the scheduled rates of 7.5% for employees and 12.5% for employers to 7.84% for employees and 12.84% for employers for July 1, 2013, to maintain a thirty-year amortization period for the plan. In addition, under the valuations, the State contribution to GARS for the fiscal year beginning July 1, 2013, was determined to be \$4.063 million, and the State contribution to NGRS for the fiscal year beginning July 1, 2013, was determined to be \$4.539 million. Finally, pursuant to the valuations, the employer contribution rate for JSRS effective July 1, 2013, was required to

AGENCY: Public Employee Benefits Authority

SUBJECT: Approval of PEBA Policy Determinations

increase from 45.09% to 47.39%. In an action separate, the PEBA Board determined that the increase in the JSRS employer contribution rate should be phased in in equal installments over a two-year period, with a rate of 46.24% effective July 1, 2013, and a rate of 47.39% effective July 1, 2014.

BOARD ACTION REQUESTED:

Pursuant to Section 9-4-45(A) (as added by Act 278 of 2012), policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Adjustments in employer and employee contributions are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B).

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the fiscal year beginning July 1, 2013, based upon the actuarial valuations of the systems as of July 1, 2011:

1. Increase PORS employee contribution rate to 7.84% and the PORS employer contribution rate to 12.84%.
2. Increase GARS employer contribution to \$4.063 million.
3. Increase NGRS employer contribution to \$4.539 million.
4. Increase JSRS employer contribution rate to 47.39%.
5. Phase in JSRS employer contribution rate increase in equal amounts over a two-year period, with a rate of 46.24% effective July 1, 2013, and a rate of 47.39% effective July 1, 2014.

Further, although no adjustment was required in the employee and employer contribution rates set out in statute for SCRS, the actuarial valuation for SCRS as of July 1, 2011, is also attached for the Budget and Control Board's as information.

ATTACHMENTS:

Agenda item worksheet; Relevant Portion of Minutes from the September 26, 2012 PEBA Board Meeting; SCRS, PORS, GARS, JSRS, and NGRS Actuarial Valuations as of July 1, 2011; Letters from Gabriel Roeder Smith of August 27, 2012, October 11, 2012, and October 26, 2012; Sections 9-1-1085, 9-8-140, 9-9-130, 9-10-60, and 9-11-225 of the South Carolina Code of Laws

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

For meeting scheduled for:

October 30, 2012

Blue Agenda
X Regular Session
Executive Session

1. Submitted by:

(a) **Agency:** Public Employee Benefit Authority ("PEBA")

(b) **Authorized Official Signature:**



William M. Blume, Jr, CPA, Director

2. Subject: Approval of PEBA Policy Determinations

3. Summary Background Information:

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the South Carolina Retirement System ("SCRS") and the South Carolina Police Officers' Retirement System ("PORS"), prior to July 1, 2015, the rates for employee and employer contributions to those plans are preliminarily set by a statutory schedule. However, if the actuarial valuation shows that those scheduled rates are insufficient to maintain a thirty-year amortization period for the plans, the PEBA Board of Directors is required to increase the scheduled employee and employer contribution rates in equal amounts to maintain an amortization period not exceeding thirty years. See Sections 9-1-1085(A), (C), 9-11-225(A), (C) (as added by Act 278 of 2012).

For the Retirement System for Judges and Solicitors ("JSRS") and the Retirement System for Members of the General Assembly ("GARS"), the employee contribution rates are fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to those plans based upon the actuarial valuations of the plans. See Sections 9-8-140, 9-9-130. For the National Guard Retirement System ("NGRS"), which does not require employee contributions, the PEBA Board is required to certify the amount of the appropriation required from the State to maintain the plan on a sound actuarial basis as determined by the annual actuarial valuation of the plan. See Section 9-10-60(D).

At the first regular meeting of the PEBA Board of Directors on September 26, 2012, the PEBA Board accepted as information valuations prepared by the plans' actuary, Gabriel Roeder Smith ("GRS"), for SCRS, PORS, JSRS, GARS, and NGRS as of July 1, 2011, and adopted the contribution rates recommended therein. Under these valuations, the SCRS contribution rates scheduled in Section 9-1-1085 for July 1, 2013, were found to be sufficient to maintain an amortization period not exceeding thirty years for the plan, but the PORS employee and employer contribution rates were required to be increased under Section 9-11-225(C) from the scheduled rates of 7.5% for employees and 12.5% for employers to 7.84% for employees and 12.84% for employers for July 1, 2013, to maintain a thirty-year amortization period for the plan. In addition, under the valuations, the State contribution to GARS for the fiscal year beginning July 1, 2013, was determined to be \$4.063 million, and the State contribution to NGRS for the fiscal year beginning July 1, 2013, was determined to be \$4.539 million. Finally, pursuant to the valuations, the employer contribution rate for JSRS effective July 1, 2013, was required to increase from 45.09% to 47.39%. In a separate action, the PEBA Board determined

that the increase in the JSRS employer contribution rate should be phased in in equal installments over a two-year period, with a rate of 46.24% effective July 1, 2013, and a rate of 47.39% effective July 1, 2014.

4. What is Board asked to do?

Pursuant to Section 9-4-45(A) (as added by Act 278 of 2012), policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Adjustments in employer and employee contribution rates are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B).

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the fiscal year beginning July 1, 2013, based upon the actuarial valuations of the systems as of July 1, 2011:

1. Increase PORS employee contribution rate from 7.5% to 7.84% and the PORS employer contribution rate from 12.5% to 12.84%.
2. Increase GARS employer contribution from \$2.831 million to \$4.063 million.
3. Increase NGRS employer contribution from \$3.9 million to \$4.539 million.
4. Increase JSRS employer contribution rate from 45.09% to 47.39%.
5. Phase in JSRS employer contribution rate increase in equal amounts over a two-year period, with a rate of 46.24% effective July 1, 2013, and a rate of 47.39% effective July 1, 2014.

Further, although no adjustment was required in the employee and employer contribution rates set out in statute for SCRS, the actuarial valuation for SCRS as of July 1, 2011, is also attached for the Budget and Control Board's information.

5. What is recommendation of the Board division involved? N/A.

6. Recommendation of other office (as required)? N/A.

Office Name _____ Authorized Signature _____

7. Supporting Documents:

List those attached:

- Minutes from the September 26, 2012 PEBA Board Meeting.
- SCRS, PORS, GARS, JSRS, and NGRS Actuarial Valuations as of July 1, 2011.
- Letters from Gabriel Roeder Smith of August 27, 2012, October 11, 2012, and October 16, 2012
- Sections 9-1-1085, 9-8-140, 9-9-130, 9-10-60, and 9-11-225 of the South Carolina Code of Laws

List those not attached but available:

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY

PEBA

William M. Blume, Jr., CPA
Executive Director

Approved as Amended

**South Carolina Public Employee Benefit Authority
Meeting Minutes**

Wednesday, September 26, 2012

2nd Floor Conference Room
202 Arbor Lake Drive
Columbia, South Carolina 29223

Board Members Present:

Mr. Art Bjontegard, Chairman (in person)
Ms. Peggy Boykin (in person)
Mr. Frank Fusco (in person)
Ms. Cynthia Hartley (in person)
Ms. Stacy Kubu (in person)
Sheriff Leon Lott (in person)
Mr. Steve Matthews (in person)
Mr. Joe "Rocky" Pearce (in person)
Mr. Audie Penn (in person)
Mr. John Sowards (in person)
Mr. David Tigges (in person)

Others present for all or a portion of the meeting:

Bill Blume, David Avant, Robbie Bell, Geneva McIntosh, Stephen Van Camp, Justin Werner, Lisa Phipps from the South Carolina Public Employee Benefit Authority (PEBA); Joe Newton and Danny White from Gabriel, Roeder, Smith & Company, Paul Patrick from Ways and Means, Kara Brurok from Ways and Means, Daniel Brannon from the State Treasurer's Office, Cindy Konduros from Stewart Konduros & Associates consulting, Jeff Moore from Sheriffs of SC, Jarrod Bruder from SCLEOA, Wayne Bell from the State Retirees Association, Rob Tester, Wayne Pruitt from the State Retirees Association, Sara Corbett from the South Carolina Retirement Systems Investment Commission, Warren Harley from the Municipal Association of South Carolina, Greg King from the Palmetto Teachers Association, Brian Gaines from the South Carolina Budget and Control Board (BCB), Rachel Fulmer from the State Budget Office, Adam Beam from the State Newspaper, Shelvie Belser from BlueCross BlueShield of South Carolina, Joanie Lawson from South Carolina Education Association, Carlton Washington from the South Carolina State Employees Association, Robert Croom from the S.C. Association of Counties, Angie Willis from Senate Finance Committee, Deanne Gray from Senate Minority Leaders Office

I. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

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Executive Director

Chairman Bjontegard called the meeting to order at 10:10 a.m. Ms. Brownlee confirmed completion of oaths of office and statements of economic interest by the board members and meeting notice compliance with the Freedom of Information Act.

II. INTRODUCTION OF BOARD MEMBERS AND STAFF

Chairman Bjontegard gave the invocation and asked the board members to provide some unique information, not included in the biographical information provided in the meeting notebooks. Each member shared something meaningful with the group. At the chairman's request, the visitors introduced themselves, and then Mr. Blume introduced himself and the PEBA staff in attendance.

III. REQUEST FOR APPROVAL OF PEBA RETIREMENT BENEFITS ACTUARIAL VALUATION AND EMPLOYEE/EMPLOYER INCREASE IN COSTS

Chairman Bjontegard asked for, and received, unanimous consent to use the Interim Board Meeting Procedures, so the Board may conduct necessary business at its first meeting. Chairman Bjontegard then asked Mr. Blume to proceed with the business at hand. Mr. Blume explained the latest actuarial valuations of the five retirement plans managed by PEBA, and he provided background information on the change in actuarial assumptions and the need to stay within a 30-year amortization period for funding future annuity obligations. To meet this amortization, which is a government accounting standard, contribution rates would be adjusted. Mr. Blume explained each of the increases needed for each of the retirement plans, based on revised actuarial information, and summarized the items requiring Board action:

1. Accept the GRS actuarial valuations for Fiscal Year 2013-14 for the South Carolina Retirement System (SCRS), Police Officers Retirement System (PORS), General Assembly Retirement System (GARS), Judges and Solicitors Retirement System (JSRS) and the National Guard Retirement System (NGRS)
2. Approve the needed increase in PORS contribution rates to 7.84 percent for employees and to 12.84 percent for employers, effective July 1, 2013 (increase of approximately \$8 million per year)
3. Approve the needed \$4.063 GARS employer contribution increase, effective July 1, 2013 (funded by the General Assembly)
4. Approve the needed increase in the JSRS employer contribution rate to 47.33 percent July 1, 2013 (increase of approximately \$400,000 per year; the employee contribution rate is set by statute).
5. Approve the needed NGRS employer contribution increase to \$4.539 million, effective July 1, 2013 (funded by the General Assembly; the employee contribution rate is set by statute)

There were questions and discussions of the information and the action items. The need for changing actuarial assumptions was explained by Mr. Blume and Mr. Newton. Changes in mortality rates, increases in pay, and experience-rating data all necessitated the change in assumptions. He also explained that if the amortization period is not held within 30 years, it adversely affects the state's credit rating. If the PEBA Board accepts the valuations and approves the increases, the BCB will then vote whether to approve the PEBA Board's decision. Mr. Blume further explained that the timing for this is tied to the budget process in

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progress. Mr. Tigges expressed concern for taking action at this first meeting without more familiarity with the information and process. Once the SCRS and PORS contribution rates are increased, they cannot be decreased until the plans are 90 percent funded.

Ms. Boykin asked whether any attempt was made to phase in the contribution rate for the JSRS. Mr. Blume responded that there was no opportunity or discussion to phase it in, noting a parallel study and experience study investigation by GRS occurred during the legislative process. Significant differences in the experience, led to the changes and timing. It was asked whether the JSRS increase could be phased in, such as over two years. It was also noted that the increase should not exceed the recommended 30-year amortization, although not required by statute. Mr. Newton noted the funding policies and accounting standards will be changing in the near future. Upon question by Mr. Fusco, it was confirmed that the SCRS contribution rate increase would result in a 25-year amortization.

Mr. Blume reviewed several presentation slides, noting a \$13.4 billion unfunded liability as of July 1, 2010. Adding unamortized losses to this shows the magnitude of the situation. There were both demographic as well as economic losses that are trending in the wrong direction. This is what prompted the parallel study. Mr. Newton noted the assumption change in the cost-of-living adjustment, unrecognized asset losses and the smoothing concept to adjust for market volatility and to avoid having to react to adjust to short-period market swings, such as for contribution rates. He confirmed using a five-year smoothing period vs. ten. He reviewed the main adjustments in assumptions, based on their findings:

- Decrease the inflation assumption from 3.00 percent to 2.75 percent
- Decrease the investment return rate from 8.00 percent to 7.50 percent
- Improve the mortality assumption
- Modify the asset smoothing method (this, combined with the amortization period is the funding policy)

Mr. Newton confirmed all investment expectations are lower than they were a few years ago. Most funds are split 60/40, risky vs. non-risky assets. Mr. Blume added that the demographic information for the plans is pretty accurate, while the inflation and investment assumptions are both the most critical and hardest to pinpoint. Some of the South Carolina Retirement Systems' investments, such as hedge funds, are difficult to classify as to risk.

Mr. White continued the presentation, explaining the legislative changes and their impact on the retirement plans. He reviewed a chart that shows the changes for both SCRS and PORS plans, including contribution rate increases, benefit adjustments, the TERI program ending, earnings limitation for retirees, service purchase costs, disability retirement criteria, vesting, average final compensation calculation, retirement eligibility, and no longer being able to include unused leave in retirement benefit calculations.

Mr. Newton then reviewed the information on the valuation results for SCRS and PORS, explaining the unfunded actuarial accrued liability (UAAL), noting the funding ratios and how they have declined the past ten years. Part of the employer contributions are applied toward the UAAL; employee contributions go toward actual benefits, not toward the UAAL, since they may withdraw their contributions. Mr. White noted the investment return assumption for Fiscal Year 2012-13 is projected at 0.6 percent. Upon question by Mr. Sowards, Mr. Newton confirmed \$6-6.6 billion in deferred investment losses. Based on smoothing, the data will be

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readjusted in 2015 to determine the actual investment performance, whether the assumptions held and their impact on the amortization period.

Mr. White reviewed the valuation results for GARS, JSRS and NGRs, noting their funding requirements are based on dollars vs. contribution percentages. Mr. Newton gave the closing comments.

Chairman Bjontegard asked for a motion. Mr. Sowards moved that the PEBA Board accept the actuarial valuations of July 1, 2011, for SCRS, PORS, GARS, JSRS and NGRS. The motion was seconded by Ms. Hartley for further discussion. Mr. Fusco asked for point of clarification that additional motions would be forthcoming, and Chairman Bjontegard confirmed this. Mr. Sowards asked for discussion. He echoed understanding of Mr. Tigges' earlier concern and asked Mr. Tigges whether he was comfortable with moving forward. Mr. Tigges asked for legal clarification; this is a substantive vote that we are obligated to increase the contribution rate. Mr. Van Camp confirmed that, by accepting the valuation and amortization period, the statutory increases for SCRS and PORS would apply. Chairman Bjontegard asked for further discussion, there being none, the vote was called, and the motion passed unanimously.

Mr. Sowards then read the motion that the PEBA Board approve:

1. The contribution rate increases in the actuarial report, as required, effective July 1, 2013, for PORS to 7.84 percent for employees and to 12.84 percent for employers to maintain a 30-year amortization period, according to Act 278, splitting the contribution rate equally between the employer and the employee.
2. The increase GARS employer contribution in the actuarial report, as required, to \$4.1 million from \$2.8 million
3. The increase JSRS employer contribution in the actuarial report, as required, effective July 1, 2013, to 47.33 percent from 45.09 percent
4. The increase NGRS contribution in the actuarial report, as required, to \$4.5 million from \$3.9 million.

Ms. Hartley seconded the motion for discussion. Mr. Fusco asked about the phase in for the JSRS; if the motion passes as is, whether the BCB could modify the PEBA Board's decision to phase it in. Mr. Van Camp confirmed that Board "approval" as stated in the Act, would imply an approval or rejection authority, not to modify or alter a PEBA Board decision. Upon question from Mr. Sowards and point of clarification from Ms. Boykin regarding budget concerns for the JSRS, given this increase, Mr. Blume confirmed the General Assembly did not have the JSRS contribution increase information when they phased in the SCRS and PORS rate increases. Mr. Sowards offered to amend his motion with respect to the JSRS plan to permit the BCB to consider phasing in that contribution. Ms. Hartley seconded. There was additional discussion and concerns expressed regarding the budget process and where funds would come from to cover the increase. Mr. Matthews suggested separating the 3rd part of the second motion made by Mr. Sowards into two parts: one to approve the amount of increase and another to phase it in. Upon request by Chairman Bjontegard, Mr. Sowards withdrew his proposed amendment to the second motion and restated his original motion. It was noted that phasing in the JSRS contribution rate increase would extend the amortization period beyond 30 years, although there is no statutory requirement to stay within a 30 year amortization period for JSRS. Chairman Bjontegard called for a vote on the

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motion carried unanimously. Mr. Sowards then made a motion that the BCB consider phasing the JSRS increase over a period of time to be determined. The motion was seconded for discussion. Mr. Penn asked over what time period and by what amounts would the increase occur. Mr. Van Camp confirmed a more specific decision would need to be presented to the BCB. Mr. Sowards then withdrew his motion.

IV. QUESTIONS

There being no additional questions at this time, the Board broke for lunch at 12:30 p.m. [Sheriff Lott excused himself from the meeting at this point due to another commitment.] and reconvened at 12:50 p.m.

Based on data just presented by GRS, Mr. Matthews presented a summary of two motions: one to reopen and reconsider what was just passed. Under reconsideration, the first motion would be to amend the JSRS contribution increase. The second motion would be to recommend the increase be phased in over two years. This would accomplish both goals of phasing in the increase while keeping the amortization period within 30 years: Motion was made to reopen the previously passed motion. Ms. Boykin seconded for discussion. There was no discussion, and the motion carried unanimously. Mr. Matthews proposed an amendment to Mr. Sowards' motion that the increase in the JSRS contribution rate increase be changed from the originally proposed 47.33 percent to 47.39 percent. Mr. Sowards accepted the amendment. Ms. Hartley seconded, and the Board voted unanimously to amend Mr. Sowards' motion. The original motion, as amended, was seconded by Ms. Hartley and carried unanimously. Mr. Matthews made a new motion that the PEBA Board recommend to the BCB to implement the recommended JSRS contribution increase in two equal installments over two fiscal years, effective July 1, 2013: 46.24 percent the first year, then to 47.39 the second year. The motion was seconded by Mr. Penn, and the motion carried unanimously. [Mr. Matthews excused himself from the meeting due to another commitment.]

V. CONFIRMATION OF NEXT MEETINGS

Chairman Bjontegard asked for a set meeting date. He asked for shorter meetings and to meet Tuesdays, Wednesdays or Thursdays, preferably toward the end of the month. Upon discussion, the next meeting was scheduled for Tuesday, October 16, 10 a.m. – 1:00 p.m.

VI. INTRODUCTION TO THE PEBA BOARD STRUCTURE

Mr. Van Camp presented a high-level overview of the laws affecting PEBA and its new Board. He noted that, aside from Act 278 which created PEBA and the PEBA Board, Title 9 of the S.C. Code of Laws governs much of the retirement benefits; Title 1 governs much of the insurance benefits. Mr. Van Camp continued his explanation of the PEBA Board structure, detailing the composition of the Board; qualifications needed to be a member; length of terms; and minimum meeting requirements. He explained the Board's duties as they related to the retirement and insurance plans. He stated that policy determinations made by the PEBA Board are subject to approval by the State Budget and Control Board who serves as co-trustee of the retirement and insurance plans.

Mr. Van Camp noted that members of the PEBA Board are public officials and are subject to the same rules and standards as other elected officials. He discussed the Freedom of

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Information Act (FOIA) and how it applies to the Board and provided a list of other laws that Board members should be mindful of as they conduct the Board's business. He concluded that the Board has the power to set its own governance policies and procedures. There was additional discussion.

Justin Werner gave an overview of the Fiduciary Duties and Liability of the Board. He explained the basic fiduciary duties as trustees of the retirement and insurance plans. He stated that the three principle duties that govern fiduciary responsibilities are the duty of loyalty, duty of prudence and the duty to comply with plan terms and applicable law. He then provided an explanation for each principle duty. Mr. Werner then discussed how each trustee must personally perform their fiduciary duties. He concluded by reviewing fiduciary liability insurance coverage and the potential liability that can result from breach of trust.

There were a few questions and brief discussion following the presentation.

VII. PEBA RETIREMENT BENEFITS OVERVIEW

David Avant gave a retirement benefits overview. He briefly described the plans administered by PEBA. He provided various statistical data for all the plans, including total membership, number of participating employers, average benefit amount and total benefits paid. Mr. Avant explained the Teachers and Employees Retention Incentive (TERI) program; how benefits are calculated and how employee and employer rates are set. He also detailed the provisions of Act 278. There was brief discussion. Mr. Avant concluded by advising the Board that, after December 31, 2013, they will also be trustees over the South Carolina Deferred Compensation program.

VIII. PEBA INSURANCE BENEFITS OVERVIEW

Robbie Bell gave an insurance benefits overview. He outlined some specifics about what drives the decision-making process regarding insurance benefits, including federal laws, the Public Service Act of 1944 and the various applicable regulations and statutes. He outlined the types of participating employers and discussed the eligibility requirements for subscribers and dependents.

Mr. Bell briefly reviewed the employee benefits provided by PEBA: several health plans, two dental plans, vision insurance programs, four life insurance products, two long term disability programs, a long term care program and four pretax MoneyPlu\$ programs under a cafeteria plan. The MoneyPlu\$ programs are only available to active employees. He explained that the State Health Plan is self-insured (self-funded) and explained the difference between self-insured and fully insured. Mr. Bell then reviewed the program changes for January 1, 2013. He also explained how insurance premiums are established and how contributions are set.

Mr. Bell commented on a 50-state survey, conducted every year to compare the State Health Plan's design and the total employee and employer composite premiums not only to national averages, but also to regional averages. He reviewed and discussed some of the data from the last survey with the Board.

He talked briefly about the local subdivision groups which are permitted by statute to enter into the plan and withdraw under statutory guidelines with minimum four-year participation.

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He explained how these groups are experience rated and how their premiums are calculated.

IX. APPOINTMENT OF HEALTH CARE POLICY COMMITTEE AND DISCUSSION OF OTHER COMMITTEES AND COMMITTEE MEMBERSHIP

Chairman Bjontegard referred to the proposed committees, noting four: Finance, Administration, Audit and Compliance (FAAC); Health Care Policy; Retirement Policy; and Executive. He confirmed the four Board members who agreed to serve as chair. He asked the FAAC to determine whether bylaws are needed and to draft those bylaws or operating procedures. He also asked that a Vice Chair be selected and that the structure of the committees be determined. Committee chairs will determine when and how to meet. Chairman Bjontegard also introduced Susan Brownlee, the Board Liaison.

He stated that there may be a number of technical amendments needed to be made to Act 278 and asked the three committees to review the amendments and discuss whether and how to proceed. With respect to a media policy, upon discussion, the consensus of the Board was for Chairman Bjontegard to represent the Board in addressing media inquiries.

Chairman Bjontegard asked for input on how to make the meetings productive and asked for suggestions. All board members provided input, and it was agreed to include these suggestions in upcoming meetings. Chairman Bjontegard then asked Mr. Blume if he had any remarks. Mr. Blume confirmed that a lot of the Board's work will be done within the various committees. He also noted that the retirement benefits side of PEBA experienced a tough legislative year trying to get the reform legislation passed. While he thinks work on the retirement side is not complete, the next legislative session will probably be devoted to health care issues. Mr. Penn asked about electronic files being distributed to the committees so the information can be available electronically. Mr. Blume confirmed development of electronic file sharing was in progress. There was brief discussion regarding various electronic data-sharing programs.

There being no further comments, the meeting was adjourned at 4:10 p.m.

Staff Note: In compliance with S.C. Ann. §30-4-80, public notice of and the agenda for this meeting were posted to the PEBA websites, to parties who requested notice, and were posted at the entrance, in the lobbies, and near the 2nd Floor Conference Room at 202 Arbor Lake Drive, Columbia, SC, on September 24, 2012.

SUMMARY OF 2011 VALUATION RESULTS

South Carolina Retirement System (SCRS)

Executive Summary

(Dollar amounts expressed in thousands)

Valuation Date:	July 1, 2011	July 1, 2010
Membership		
• Number of		
- Active Members	187,611	190,239
- TERI Members	5,254	5,164
- Retirees and Beneficiaries	110,296	106,230
- Inactive Members	158,086	156,871
- Total	461,247	458,504
• Projected payroll of active members	\$7,687,558	\$7,769,820
• Projected payroll for all members, including members in ORP, TERI, and working retirees	\$9,379,634	\$9,641,717
Contribution Rates		
• Employer contribution rate ¹	12.23%	10.60%
• Member	6.50%	6.50%
Assets		
• Market value	\$22,395,029	\$19,681,137
• Actuarial value	25,604,823	25,400,331
• Return on market value	18.6%	14.6%
• Return on actuarial value	4.3%	3.3%
• Ratio of actuarial to market value of assets	114.3%	129.1%
• External cash flow %	-4.1%	-3.9%
Actuarial Information		
• Normal cost %	10.68%	10.01%
• Actuarial accrued liability (AAL)	\$40,015,772	\$38,774,029
• Unfunded actuarial accrued liability (UAAL)	14,410,949	13,373,698
• Funded ratio	64.0%	65.5%
• Funding period (years)	30	30
Reconciliation of UAAL		
• Beginning of Year UAAL	\$13,373,698	\$11,967,253
- Interest on UAAL	999,625	957,380
- Amortization payment with interest	(618,048)	(662,414)
- Assumption/method changes ²	(45,359)	0
- Asset experience	802,448	1,212,929
- COLA	154,945	0
- Salary experience	(477,773)	(344,630)
- Other liability experience	221,413	168,477
- Incidental death benefit	0	74,703
• End of Year UAAL	\$14,410,949	\$13,373,698

¹ The contribution rate determined by the July 1, 2011 actuarial valuation is subject to approval and adoption by Budget and Control Board before becoming effective for the fiscal year beginning July 1, 2013.

² Includes the change in liability due to the change in automatic COLA provisions.

Police Officers Retirement System (PORS)

Executive Summary

(Dollar amounts expressed in thousands)

Valuation Date:	July 1, 2011	July 1, 2010
Membership		
• Number of		
- Active members	26,650	26,568
- Retirees and beneficiaries	13,358	12,566
- Inactive members	11,980	11,899
- Total	51,988	51,033
• Projected payroll of active members	\$1,087,587	\$1,076,467
• Projected payroll for all active members, including working retirees	\$1,173,772	\$1,158,390
Contribution Rates		
• Employer contribution rate	12.30%	12.30%
• Member	6.50%	6.50%
Assets		
• Market value	\$3,317,533	\$2,851,474
• Actuarial value	3,728,241	3,612,700
• Return on market value	18.3%	14.3%
• Return on actuarial value	4.6%	3.2%
• Ratio - actuarial value to market value	112.4%	126.7%
• External cash flow %	-1.6%	-1.5%
Actuarial Information		
• Normal cost %	13.39%	13.74%
• Actuarial accrued liability (AAL)	\$4,824,941	\$4,850,457
• Unfunded actuarial accrued liability (UAAL)	1,096,700	1,237,757
• Funded ratio	77.3%	74.5%
• Funding period (years)	22.2	30.0
Reconciliation of UAAL		
• Beginning of Year UAAL	\$1,237,757	\$1,081,891
- Interest on UAAL	71,369	86,551
- Amortization payment with interest	(64,459)	(52,536)
- Assumption/method changes ¹	(286,171)	0
- Asset experience	102,677	167,396
- COLA	40,124	0
- Salary experience	(41,879)	(80,056)
- Other liability experience	37,282	34,524
- Incidental death benefit	0	(13)
• End of Year UAAL	\$1,096,700	\$1,237,757

¹ Includes the change in liability due to the change in automatic COLA provisions.

Retirement System for Members of the General Assembly of the State of South Carolina (GARS)

Executive Summary

(Dollar amounts expressed in thousands)

Valuation Date:	July 1, 2011	July 1, 2010
Membership		
• Number of		
- Active positions	170	170
- Special contributors	26	26
- Retirees and beneficiaries	353	346
- Inactive members	40	36
- Total	589	578
• Projected payroll	\$3,854	\$3,854
Contribution Requirement		
• Member contribution rate	10.00%	10.00%
• Employer contribution requirement ¹	\$4,063	\$2,831
Assets		
• Market value	\$34,669	\$32,770
• Actuarial value	41,484	43,712
• Return on market value	17.6%	15.4%
• Return on actuarial value	3.5%	2.6%
• Ratio - actuarial value to market value	119.7%	133.4%
• External cash flow %	-11.1%	-10.4%
Actuarial Information		
• Normal cost %	21.67%	17.73%
• Actuarial accrued liability (AAL)	\$74,604	\$68,671
• Unfunded actuarial accrued liability (UAAL)	33,120	24,959
• Funded ratio	55.6%	63.7%
• Funding period from the valuation date	16 years	17 years
Reconciliation of UAAL		
• Beginning of Year UAAL	\$24,959	\$22,600
- Interest on UAAL	2,296	1,808
- Amortization payment with interest	(2,241)	(2,263)
- Assumption change	5,715	0
- Asset experience	1,704	2,373
- Liability experience	687	441
- Legislative changes	0	0
• End of Year UAAL	\$33,120	\$24,959

¹ The contribution requirement determined by the July 1, 2011 actuarial valuation is subject to approval and adoption by the Budget and Control Board before becoming effective for the fiscal year beginning July 1, 2013.

Retirement System for Judges and Solicitors (JSRS)

Executive Summary

(Dollar amounts expressed in thousands)

Valuation Date:	July 1, 2011	July 1, 2010
Membership <ul style="list-style-type: none"> • Number of <ul style="list-style-type: none"> - Active members¹ 144 - Retirees and beneficiaries 184 - DROP and Retired-in-Place members 14 - Inactive members 4 - Total 332 • Projected payroll of active members \$18,661 		
Contribution Rates <ul style="list-style-type: none"> • Employer contribution rate² 47.33% • Member 10.00% 		
Assets <ul style="list-style-type: none"> • Market value \$127,152 • Actuarial value 144,927 • Return on market value 18.3% • Return on actuarial value 4.3% • Ratio of actuarial to market value of assets 114.0% • External cash flow % -3.4% 		
Actuarial Information <ul style="list-style-type: none"> • Normal cost % 27.90% • Actuarial accrued liability (AAL) \$243,514 • Unfunded actuarial accrued liability (UAAL) 98,587 • Funded ratio 59.5% • Funding period (years) 30 		
Reconciliation of UAAL <ul style="list-style-type: none"> • Beginning of Year UAAL \$72,952 - Interest on UAAL 7,277 - Amortization payment with interest (5,271) - Assumption/method changes 24,079 - Asset experience 4,444 - COLA (5,121) - Salary experience (2,141) - Other liability experience 2,368 - Legislative Changes 0 • End of Year UAAL \$98,587 		

¹ Active member counts include unfilled positions and counts for members in DROP or Retired-in-Place.

² The contribution rate determined by the July 1, 2011 actuarial valuation is subject to approval and adoption by Budget and Control Board before becoming effective for the fiscal year beginning July 1, 2013.

South Carolina National Guard Retirement System (NGRS)

Executive Summary

(Dollar amounts expressed in thousands)

Valuation Date:	July 1, 2011	July 1, 2010
Membership		
• Number of		
- Active Members	12,271	12,445
- Retirees and Beneficiaries	4,252	3,951
- Inactive Members	2,458	2,683
- Total	18,981	19,079
GASB No. 25 Annual Required Contribution		
• Member	\$0	\$0
• Employer contribution ¹	\$4,539	\$3,937
Assets		
• Market value	\$17,466	\$15,053
• Actuarial value	20,138	19,458
• Return on market value	14.9%	14.4%
• Return on actuarial value	4.5%	2.4%
• Ratio - actuarial value to market value	115.3%	129.3%
• External cash flow %	-0.7%	3.1%
Actuarial Information		
• Normal cost	\$703	\$524
• Actuarial accrued liability (AAL)	60,388	54,153
• Unfunded actuarial accrued liability (UAAL)	40,250	34,695
• Funded ratio	33.3%	35.9%
• Amortization period (blended)	21	22
Reconciliation of UAAL		
• Beginning of Year UAAL	\$34,695	\$34,821
- Interest on UAAL	3,010	2,785
- Amortization payment with interest	(3,670)	(3,576)
- Assumption/method changes	5,441	0
- Asset experience	668	1,062
- Other liability experience	106	(397)
- Legislative changes	0	0
• End of Year UAAL	\$40,250	\$34,695

¹ The contribution amount determined by the actuarial valuation is effective for the following fiscal year.



August 27, 2012

South Carolina Public Employee Benefit Authority
South Carolina Retirement System
P.O. Box 11960
Columbia, SC 29211-1960

Dear Members of the Authority:

Re: Certification of the Employer Contribution Rates for Fiscal Year 2014 that reflect H. 4967 as Enacted

H. 4967 as amended was enacted on June 26, 2012. Prior to the enactment of the legislation, the results of the July 1, 2011 actuarial valuation would determine the actuarial and financial information that is disclosed in the Retirement System's accounting information under the Governmental Accounting Standards, as well as the identify the employer contribution requirements that would be adopted by the South Carolina Budget and Control Board and become effective for Fiscal Year 2014 (i.e. effective July 1, 2013). The enactment of the pension reform bill changes the results disclosed in the 2011 actuarial valuation. Therefore, the information below documents the FY 2014 employer contribution rates for the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) that reflects the legislative changes. The Retirement System will also use this updated liability and cost information for disclosure and financial reporting under the Governmental Accounting Standards Board Statement No. 25 (GASB 25).

FY 2014 Contribution Rates

Sections 9-1-1085 and 9-11-225 of South Carolina Code establish the policy for determining the employer and member contribution rates for SCRS and PORS respectively. Under these statutes, the scheduled contribution rate as of July 1, 2013 for the employer is 10.60% for SCRS and 12.50% for PORS. The member contribution rate will be 7.50%. However, if these scheduled contribution rates are insufficient to maintain a 30-year amortization period, both the member and employer contribution rates will increase to an amount sufficient to satisfy the 30-year amortization period requirement. Based on the actuarial valuation as of July 1, 2011 that recognizes the changes enacted by the pension reform bill, the following table documents the member and employer contribution rates for fiscal year 2014.

Table 1. - Contribution Rates in Effect for Fiscal Year 2014

System	SCRS	PORS
Members	7.50%	7.84%
Employers	10.60%	12.84%
Funding Period	25 years	30 years

The scheduled employer and member contribution rates in the Code are sufficient to satisfy the 30-year funding period requirement for SCRS. However, the scheduled employer and members contribution rates for PORS would result in a 38-year amortization period, thus are not sufficient and must be increased by an additional 0.34% to decrease the amortization period to 30 years.

Funding Liabilities and Assets

The following is a table with a summary of the key funded status measures as of July 1, 2011. Also attached is an exhibit providing additional financial information for each of the retirement system.

Table 2. – Summary of Key Funded Status Measurements as of July 1, 2011

System	SCRS	PORS
Actuarial Value of Assets (AVA)	\$25,604,823	\$3,728,318
Actuarial Accrued Liability (AAL)	38,011,610	5,122,501
Unfunded Actuarial Accrued Liability (UAAL)	12,406,787	1,394,183
Funded Ratio	67.4%	72.8%
Annual Covered Payroll	\$7,687,558	\$1,087,587
UAAL as a % of Payroll	161.4%	128.2%

\$ in thousands

Basis of Calculations

The calculations and analysis disclosed in this letter are based on the member and financial data provided by the System used to perform the actuarial valuation as of July 1, 2011. Except where noted otherwise, the actuarial assumptions and methods are based on those recommended in our Experience Study Report dated September 2011 and adopted by the Budget and Control Board in November 2011.

For purposes of this analysis, we adjusted the rate of retirement assumption for members impacted by the proposed legislation. It was assumed the change in the disability eligibility provisions would result in a 20% reduction in the number of members who receive a disability allowance. Those members who would not meet the qualification requirements are assumed to continue employment.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. The actuarial assumptions and method used in this report comply with the parameters for disclosure that appear in GASB 25.

General Comments

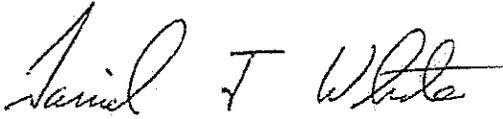
The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can, and almost certainly will, differ as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rate, and funding periods. The actuarial calculations are intended to provide information for rational decision making.

All of our work conforms with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. We certify that the

William M. Blume Jr., CPA
August 27, 2012
Page 3

undersigned are members of the American Academy of Actuaries and that we meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. In addition, both of the undersigned are experienced in performing valuations for large public retirement systems. If you have any questions, or require any additional or clarifying information, please do not hesitate to contact either of us.

Sincerely,



Daniel J. White, FSA, MAAA, EA
Senior Consultant



Joseph P. Newton, FSA, MAAA, EA
Senior Consultant

Enclosure

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October 11, 2012

South Carolina Public Employee Benefit Authority
South Carolina Retirement System
P.O. Box 11960
Columbia, SC 29211-1960

Re: Employer Contribution Rate for Fiscal Year 2014 – Retirement System for Judges and Solicitors of the State of South Carolina

Dear Members of the Board:

On September 26, 2012, the South Carolina Public Employee Benefit Authority (Authority), accepted the actuarial valuation of the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS) as of July 1, 2011 and approved a motion to phase-in the increase in the contribution rate over a two-year period.

The purpose of this letter is to document the equivalent contribution rates under this two-year phase-in approach. The table below provides the recommended contribution rate that immediately recognizes the increase in the employer contribution rate as well as the equivalent rates under a phase-in approach. The member contribution rate for the members in JSRS is defined in South Carolina State Code and remains unchanged at 10.00% of pay under both schedules.

	Employer Contribution Rate for the Fiscal Year Beginning		
	July 1, 2012	July 1, 2013	July 1, 2014
1. Immediate recognition of the employer contribution rate increase	45.09%	47.33%	47.33%
2. Two-year phase-in to the employer contribution rate increase	45.09%	46.24%	47.39%

Comments

The actuarial valuation as of July 1, 2012 will determine the contribution requirement for the fiscal year beginning July 1, 2014 (FY 2015). Since there is a two-year lag between the actuarial valuation and the date the contributions set by the valuation become effective, and the actuarial valuation utilizes an asset smoothing method, the contribution rates shown herein do not reflect the all investment losses that the plan has experienced. Therefore, contribution rates for FY 2015 and later will almost certainly increase from the amounts documented above as these investment losses are realized.

Specifically, as of July 1, 2011, JSRS has \$17.8 million in deferred investment losses that will be recognized over the next several years and the plan experienced an additional investment loss for FY 2012. Absent favorable plan experience or changes in benefit provisions, we expect the employer contribution rate for the fiscal year ending June 30, 2015 to increase to 49.1% of pay and future contribution requirements to gradually increase to 55.9% of pay by the fiscal year ending June 30, 2019 when those investment losses become fully recognized in the calculation of the 30-year contribution requirement.

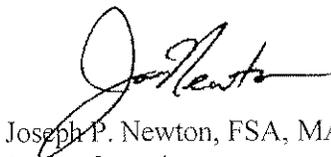
If you have any questions, or require any additional or clarifying information, please do not hesitate to contact either of us.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Daniel J. White, FSA, MAAA, EA
Senior Consultant



Joseph P. Newton, FSA, MAAA, EA
Senior Consultant

Enclosure

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October 16, 2012

South Carolina Public Employee Benefit Authority
South Carolina Retirement System
P.O. Box 11960
Columbia, SC 29211-1960

Re: Fiscal Year 2014 Recommended Employer Appropriation for the General Assembly Retirement System

Dear Members of the Authority:

The results of the July 1, 2011 actuarial valuation for the Retirement System for the Members of the General Assembly of the State of South Carolina (GARS) determines the actuarial and financial information that is disclosed under the Governmental Accounting Standards as well as the identify the employer contribution requirement for Fiscal Year 2014 (i.e. fiscal year beginning July 1, 2013).

Act 278 was enacted on June 26, 2012, which included modifications to GARS that will become effective January 1, 2013. Specifically, this legislature (1) closed GARS to new members by requiring individuals who are first elected in the General Assembly at or after the general election of 2012 to participate in SCRS, and (2) increase the member contribution rate from 10% to 11% of earnable compensation (a \$224 increase in the member's annual contribution).

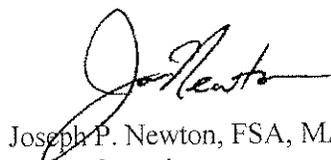
Changes enacted after the valuation date and before the effective date of the contribution requirements may be reflected if determined appropriate based on facts and circumstances and the actuary's judgment¹. Since the changes enacted by Act 278 did not change the actuarial accrued liability as of the valuation date, and the change in the member contribution rate would decrease the FY 2014 employer appropriation by less than \$32k (less than a 1.00% of the total employer appropriation), we recommend the State to continue to budget the contribution requirement documented in the July 1, 2011 actuarial valuation documented in the report dated June 11, 2012.

Please do not hesitate to contact either of us if you have any questions.

Sincerely,



Daniel J. White, FSA, MAAA, EA
Senior Consultant



Joseph P. Newton, FSA, MAAA, EA
Senior Consultant

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¹ Paragraph 31 of the Guide to Implementation of GAS Statements #25, #26, and #27

SECTION 9-1-1085.

(A) As provided in Sections 9-1-1020 and 9-1-1050, the employer and employee contribution rates for the system beginning in Fiscal Year 2012-2013, expressed as a percentage of earnable compensation, are as follows:

Fiscal Year	Employer Contribution	Employee Contribution
2012-2013	10.60	7.00
2013-2014	10.60	7.50
2014-2015 and after	10.90	8.00

The employer contribution rate set out in this schedule includes contributions for participation in the incidental death benefit plan provided in Sections 9-1-1770 and 9-1-1775. The employer contribution rate for employers that do not participate in the incidental death benefit plan must be adjusted accordingly.

(B) After June 30, 2015, the board may increase the percentage rate in employer and employee contributions for the system on the basis of the actuarial valuation, but any such increase may not result in a differential between the employee and employer contribution rate for the system that exceeds 2.9 percent of earnable compensation. An increase in the contribution rate adopted by the board pursuant to this section may not provide for an increase in an amount of more than one-half of one percent of earnable compensation in any one year.

(C) If the scheduled employer and employee contributions provided in subsection (A), or the rates last adopted by the board pursuant to subsection (B), are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of the system, then the board shall increase the contribution rate as provided in subsection (A) or as last adopted by the board in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one-half percent of earnable compensation provided pursuant to subsection (B), but the differential in the employer and employee contribution rates provided in subsection (A) or subsection (B), as applicable, of this section must be maintained at the rate provided in the schedule for the applicable fiscal year.

(D)(1) After June 30, 2015, if the most recent annual actuarial valuation of the system shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 percent differential between employer and employee contribution rates provided pursuant to subsection (B) of this section.

(2) If contribution rates are decreased pursuant to item (1) of this subsection and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates as provided pursuant to subsection (B) of this section until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than ninety percent.

SECTION 9-8-140. Contributions of State to System.

The contributions of the State to the System shall be determined by the Board each year on the basis of annual actuarial valuations of the System. Each year the Board shall certify to the State the amount of its contribution due the System. The State's contributions shall be appropriated annually from the general fund to the System and shall include such sums as are found necessary in order to create reserves in the System sufficient to cover the cost of the allowances currently accruing under this chapter, to include a contribution each year toward the cost of prior service credits and to cover any administrative expenses which the Board may incur in the operation of the System.

The employer contribution shall be remitted to the System within thirty days after the beginning of each fiscal year.

SECTION 9-9-130. Contributions of State to Retirement System for members of General Assembly.

The contributions of the State to the System shall be determined by the Board each year on the basis of annual actuarial valuations of the System.

Each year the Board shall certify to the State the amount of its contribution due the System. The State's contributions shall be appropriated annually from the general fund to the System, and shall include such sums as are found necessary in order to create reserves in the System sufficient (i) to cover the cost of the allowances currently accruing under this chapter, (ii) to include a contribution, each year, toward the cost of prior service credits, and (iii) to cover any administrative expenses which the Board may incur in the operation of the System.

SECTION 9-10-60. Eligibility; appropriation and use of funds.

(A) Notwithstanding any other provision of this chapter, a person who becomes a member of the National Guard of South Carolina after June 30, 1993, is ineligible to receive the pension authorized by this chapter.

(B) Persons with a break in service remain eligible for pension benefits under this chapter if the person was a member of the National Guard of South Carolina before July 1, 1993.

(C) RESERVED

(D) The General Assembly annually shall appropriate sums sufficient to establish and maintain the National Guard Retirement System on a sound actuarial basis as determined by the board.

(E) Assets and funds of the National Guard Retirement System must be used to pay obligations to persons entitled to receive benefits under this chapter and may not be diverted or used for any other purpose.

SECTION 9-11-225.

(A) As provided in Sections 9-11-210 and 9-11-220, the employer and employee contribution rates for the system beginning in Fiscal Year 2012-2013, expressed as a percentage of earnable compensation, are as follows:

Fiscal Year	Employer Contribution	Employee Contribution
2012-2013	12.30	7.00
2013-2014	12.50	7.50
2014-2015 and after	13.00	8.00

The employer contribution rate set out in this schedule includes contributions for participation in the incidental death benefit plan provided in Sections 9-11-120 and 9-11-125 and for participation in the accidental death benefit program provided in Section 9-11-140. The employer contribution rate for employers that do not participate in these programs must be adjusted accordingly.

(B) After June 30, 2015, the board may increase the percentage rate in employer and employee contributions for the system on the basis of the actuarial valuation, but any such increase may not result in a differential between the employee and employer contribution rate for that system that exceeds 5.00 percent of earnable compensation. An increase in the contribution rate adopted by the board pursuant to this section may not provide for an increase in an amount of more than one-half of one percent of earnable compensation in any one year.

(C) If the scheduled employer and employee contributions provided in subsection (A), or the rates last adopted by the board pursuant to subsection (B), are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of the system, then the board shall increase the contribution rate as provided in subsection (A) or as last adopted by the board in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one-half percent of earnable compensation provided pursuant to subsection (B), but the differential in the employer and employee contribution rates provided in subsection (A) or subsection (B), as applicable, of this section must be maintained at the rate provided in the schedule for the applicable fiscal year.

(D)(1) After June 30, 2015, if the most recent annual actuarial valuation of the system shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the

funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 5.0 percent differential between employer and employee contribution rates provided pursuant to subsection (B) of this section.

(2) If contribution rates are decreased pursuant to item (1) of this subsection and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates as provided pursuant to subsection (B) of this section until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than ninety percent.

AGENCY: Division of State Budget

SUBJECT: Department of Agriculture Request for Approval to Expend Funds Pursuant to Proviso 34.6

In Proviso 34.6 of the FY 2012-13 Appropriations Act, the General Assembly provided for the accrued interest from the sale of the State Farmers Market to be expended for relocating and reestablishing the State Farmers Market, after approval by the Joint Bond Review Committee and Budget and Control Board. The Department of Agriculture requests approval to expend approximately \$760,000 in accrued interest to reestablish the State Farmers Market in the approximate amounts and for the following purposes:

\$250,000 for signage
\$150,000 for equipment
\$360,000 for marketing

In Section 90.20 of the FY 2012-13 Appropriations Act, the General Assembly appropriated \$900,000 for the purposes stated above, the monies for which were not available because of a shortfall in projected unobligated revenue from FY 2011-12. Utilizing the accrued interest pursuant to Proviso 34.6 will enable the Department to purchase necessary maintenance equipment for the market and enhance the year-round success of this market through informational signage and advertising to alert the public to events and opportunities to purchase produce and foodstuffs from South Carolina farmers.

BOARD ACTION REQUESTED:

Approve the Department of Agriculture's request to expend approximately \$760,000 in accrued interest from the sale of the State Farmers Market for signage, equipment, and marketing, pursuant to Proviso 34.6.

ATTACHMENTS:

Agenda item worksheet; Letter from Commissioner of Agriculture; Projected Breakdown of Expenditures; Proviso 34.6 in the FY 12-13 Appropriations Act

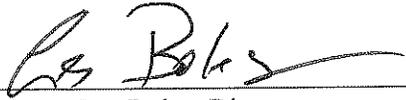
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Regular Agenda

1. Submitted By:

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


Les Boles, Director

2. Subject: Department of Agriculture Request for Approval to Expend Funds Pursuant to Proviso 34.6

3. Summary Background Information:

In Proviso 34.6 of the FY 2012-13 Appropriations Act, the General Assembly provided for the accrued interest from the sale of the State Farmers Market to be expended for relocating and reestablishing the State Farmers Market, after approval by the Joint Bond Review Committee and Budget and Control Board. The Department of Agriculture requests approval to expend approximately \$760,000 in accrued interest to reestablish the State Farmers Market in the approximate amounts and for the following purposes:

\$250,000 for signage
\$150,000 for equipment
\$360,000 for marketing.

In Section 90.20 of the FY 2012-13 Appropriations Act, the General Assembly appropriated \$900,000 for the purposes stated above, the monies for which were not available because of a shortfall in projected unobligated revenue from FY 2011-12. Utilizing the accrued interest pursuant to Proviso 34.6 will enable the Department to purchase necessary maintenance equipment for the market and enhance the year-round success of this market through informational signage and advertising to alert the public to events and opportunities to purchase produce and foodstuffs from South Carolina farmers.

4. What is Board asked to do?

Approve the Department of Agriculture's request to expend approximately \$760,000 in accrued interest from the sale of the State Farmers Market for signage, equipment and marketing, pursuant to Proviso 34.6.

5. What is the recommendation of the State Budget Division?

Approve the Department of Agriculture's request to expend approximately \$760,000 in accrued interest from the sale of the State Farmers Market for signage, equipment and marketing, pursuant to Proviso 34.6.

6. List of Supporting Documents:

- 1. Letter from Commissioner of Agriculture
- 2. Projected Breakdown of Expenditures
- 3. Proviso 34.6 in the FY 12-13 Appropriations Act



Hugh E. Weathers
Commissioner

State of South Carolina
Department of Agriculture

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P.O. Box 11280
Columbia, S.C. 29211

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October 12, 2012

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

Re: Expenditure of Revenues Pursuant to Proviso 34.6

Dear Ms. Routh:

Pursuant to Proviso 34.6, FY 2012-2013 Appropriations Act, the SC Department of Agriculture requests Budget and Control Board and Joint Bond Review Committee approval to expend \$760,000 in accrued interest from the sale of the State Farmers Market to reestablish the new State Farmers Market. The funding will be utilized to purchase signage, maintenance equipment, marketing and advertising of the Market as is more fully set forth in the attached breakdown.

The General Assembly appropriated \$1,000,000 in one-time money for these purposes in its FY 2012-2013 budget, but those monies are not available to the department because of a shortfall in projected unobligated revenue from FY 2011-2012.

Utilizing the accrued interest pursuant to Proviso 34.6 will enable the Department to purchase necessary maintenance equipment for the market and enhance the year-round success of this market through informational signage and advertising for alerting the public to events and opportunities to purchase necessary produce and foodstuffs from our South Carolina Farmers Market.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink that reads "Hugh E. Weathers" with a long horizontal flourish extending to the right.

Hugh E. Weathers
Commissioner

BREAKDOWN OF PROPOSED EXPENDITURES

Signage (I-26/U.S. 321)	\$250,000*
Equipment	\$150,000
Marketing	\$360,000**

*Note: Cost of signage to inform traveling public of market location and events is estimated. Should estimate prove insufficient during design and procurement process, additional cost will be added from marketing allocation and brought for approval of JBRC/BCB pursuant to capital review process.

**Note: \$360,000 figure includes estimated additional interest that will accrue in restricted account between approval and actual expenditures of monies.

34.6 **AMEND** (Farmers Market Revenue) Requires revenues from the sale of the State Farmers Market to be deposited into a special account under the B&C Board; for the account to retain accrued interest; and directs that the funds can only to relocate State Farmers Market after JBRC and B&C Board approval.

WMC: AMEND proviso to delete the authorization for the accrued interest to remain in the account. Authorize the funds and accrued interest to be used to also reestablish the State Farmers Market with JBRC and B&C Board approval. Fiscal Impact: No impact on the General Fund. Requested by Department of Agriculture.

HOU: ADOPT proviso as amended.

SFC: ADOPT proviso as amended.

SEN: ADOPT proviso as amended.

CONF: SAME in both versions.

34.6. (AGRI: Farmers Market Revenue) The revenues associated with the sale of the State Farmers Market shall be deposited into a separate restricted special account under the authority of the Budget and Control Board. ~~Interest accrued on this account must remain in this account.~~ These funds and accrued interest may only be expended for relocating and reestablishing the State Farmers Market after approval by the Joint Bond Review Committee and the Budget and Control Board.

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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

- (1) Summary 1-2013: JBRC Item 1. State Board for Technical and Comprehensive Education
Project: 6055, York - Building C Classroom Addition
Funding Source: \$16,743 Other, College Capital Reserve Funds which are a portion of all revenues (auxiliary, tuition, unrestricted gifts, and miscellaneous sources) after expenses which are designated and set aside for capital projects.
Request: Establish project and budget for \$16,743 (Other, College Capital Reserve Funds) to begin design work to construct a small classroom addition to Building C at York Tech. The building currently has eight small classrooms on the front of the building that are seldom used because of their size. The work will include renovating approximately 5,248 square feet housing the small classrooms and adding approximately 4,608 square feet to create five larger classrooms seating 35-40 students and fulltime faculty offices. It will also include creating a new entrance to the building where the removal of a canopy several years ago, providing some structural support to the roof, resulted in bricks cracking and settling. The addition will provide for larger classrooms which are in short supply, alleviate a structural problem at the entrance, and give the building a better appearance.

- (2) Summary 1-2013: JBRC Item 2. State Board for Technical and Comprehensive Education
Project: 6056, York - Library Expansion and Learning Commons Construction
Funding Source: \$149,590 Other, College Capital Reserve Funds which are a portion of all revenues (auxiliary, tuition, unrestricted gifts, and miscellaneous sources) after expenses which are designated and set aside for capital projects.
Request: Establish project and budget for \$149,590 (Other, College Capital Reserve Funds) to begin design work to construct an addition to the library at York Tech. The addition will be approximately 36,917 square feet and will include library stacks expansion, a bookstore, private study and group collaboration areas, and a food service operation on the first floor and academic spaces for tutoring/coaching, the Writing Center, the Education Technology Center, faculty training rooms, classrooms, and a multi-media studio on the second floor. The addition will be added to the rear of the library, which will create a quadrangle of buildings around a green space and will become the main entrance of the college's signature building. The addition is needed to provide student collaboration space, support the college's student success initiatives, meet current library technology needs, provide food services and expanded bookstore areas, and consolidate the Center for Teaching and Learning in one location.

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- (3) Summary 1-2013: JBRC Item 3. State Board for Technical and Comprehensive Education
Project: 6057, Midlands - Beltline Library Building Replacement
Funding Source: \$162,000 Other, Local County funds which are funds the college receives from the service area counties for the operation of the college's physical plant.
Request: Establish project and budget for \$162,000 (Other, Local County funds) to begin design work to construct a replacement library on the Beltline campus of Midlands Tech. The replacement facility will be approximately 40,000 square feet and will include a state-of-the-art library, classrooms, faculty and staff offices, and a mail center. The existing 26,912 square foot library is too small, in poor condition, had insufficient study rooms and computer space, and does not meet today's technology. An accreditation report and faculty and student surveys have all indicated the existing library is insufficient for the current enrollment level. The college has no land available for expansion of the existing library on the Beltline campus.
- (4) Summary 1-2013: JBRC Item 4. Department of Motor Vehicles
Project: 9606, Rock Hill DMV Renovation
Funding Source: \$5,250 Other, DMV Miscellaneous Revenue funds which are revenues derived from all forms of motor vehicle registrations and licenses and drivers licenses, a portion of which is earmarked for capital projects needed by the agency.
Request: Establish project and budget for \$5,250 (Other, DMV Miscellaneous Revenue funds) to begin design work to renovate the 4,609 square foot Rock Hill DMV office for the Department of Motor Vehicles. The work will include constructing five new customer service counters and an enclosed testing room in the existing facility, renovating public restrooms for ADA compliance, replacing the flooring with slip resistant flooring, renovating data and telephone cabling, and abating asbestos. DMV shares the building with the Department of Public Safety's Highway Patrol, which is moving from the location, freeing up space for DMV to expand services into the DPS space. The Rock Hill office is one of the 15 busiest offices in the state and the current location has a high customer wait time due to the limited number of customer service counters.
- (5) Summary 1-2012: JBRC Item 7. Department of Transportation
Project: 9721, Upstate Salt Storage Facility Construction
Funding Source: \$22,600 Other, State Highway Funds which is derived from 10.34 cent per gallon of the gasoline user fee which must be turned over to the Department of Transportation for the purposes of that department.
Request: Establish project and budget for \$22,600 (Other, State Highway Funds) to begin design work to construct a new salt storage facility to serve the Upstate area for the Department of Transportation. The new storage facility, which will serve the counties that are the state's biggest salt users, will be approximately 17,722 square feet to hold 10,000 tons of salt, will be constructed of salt

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resistant materials, and will be located on right of way property in Spartanburg County. The new facility will allow for purchasing and storing salt during warm weather when costs are lowest, reduce transportation costs for salt having to come from Columbia, and provide enough salt storage for most South Carolina winters for the Upstate area.

- (6) Summary 1-2012: JBRC Item 8. Department of Transportation
Project: 9722, Cherokee Salt Shed Construction
Funding Source: \$4,500 Other, State Highway Funds which is derived from 10.34 cent per gallon of the gasoline user fee which must be turned over to the Department of Transportation for the purposes of that department.
Request: Establish project and budget for \$4,500 (Other, State Highway Funds) to begin design work to construct a salt storage shed at the Cherokee County Maintenance Complex for the Department of Transportation. The salt storage facility will be approximately 3,092 square feet and will be constructed of salt resistant building materials. Salt must be stored in a dry environment and enough should be stored for a three-day weather event. Currently, adequate salt storage is not available in Cherokee County.
- (7) Summary 2-2013: JBRC Item 1. Clemson University
Project: 9904, McAdams Hall Renovation
Funding Source: \$63,750 Other, Institutional Capital Project Funds which are excess debt service funds held by the State Treasurer's Office and required to be expended for capital projects.
Request: Establish project and budget for \$63,750 (Other, Institutional Capital Project Funds) to begin design work to renovate a portion of McAdams Hall at Clemson. The renovation to approximately 12,000 square feet of the 89,720 square foot facility will include modernizing and reconfiguring labs to meet research requirements, updating classrooms and office spaces to meet faculty and staff needs, and upgrading the HVAC, electrical and information technology systems that serve the space. McAdams Hall was built in 1950 as the Agricultural Engineering complex and these spaces have not been updated since the 1980's and are antiquated and inadequate. The renovations are needed for the School of Agriculture, Forest and Environmental Sciences' programs to provide stakeholders with cutting-edge technology for education, research and service. These programs have experienced significant increases in student numbers, extension programming, and demand for research in the area.

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- (8) Summary 2-2013: JBRC Item 2. Clemson University
Project: 9905, Greenville One Building Upfit
Funding Source: \$100,500 Other, Institutional Capital Project Funds which are excess debt service funds held by the State Treasurer's Office and required to be expended for capital projects.
Request: Establish project and budget for \$100,500 (Other, Institutional Capital Project Funds) to begin design work to upfit shell space on floors five through eight and a portion of the first floor in the Greenville One Building in downtown Greenville for Clemson. The shell space under construction will be purchased by the Clemson University Land Stewardship Foundation and leased long-term to Clemson to house MBA and other Masters in Business programs. The work by Clemson to upfit the shell space will include completing the mechanical, electrical and information technology systems and internal wall spacing on the floors and furnishing and equipping the space to meet its programmatic needs. Clemson made the decision in 2001 to develop a major presence by expanding targeted programming efforts in the Greenville community. This new location provides the ideal and modern infrastructure for advanced degree programs that rely heavily on the involvement of private industry partners and the local business community. Plans are to relocate and expand the MBA program that is currently housed in the Bowater Building in downtown Greenville.
- (9) Summary 2-2013: JBRC Item 3. Lander University
Project: 9534, Pedestrian Plaza and Vehicular Access Enhancement
Funding Source: \$34,500 Other, Renovation Reserve funds which come from a \$290 annual fee per fulltime student to be used to support Education and General (E&G) capital expenditures.
Request: Establish project and budget for \$34,500 (Other, Renovation Reserve funds) to begin design work to make site improvements to the Lander campus. The work will include redesigning the existing pedestrian student plaza between academic buildings, making it more ADA accessible, and developing a vehicular access to campus along the periphery of the most prominent campus buildings to facilitate traffic flow. Both improvements are consistent with the recently completed Campus Master Plan. The pedestrian plaza is a multi-tiered concrete and brickpaver area which has settled, resulting in cracking and uneven surfaces that contribute to safety concerns and tripping hazards. The work on the plaza will also allow Lander to consolidate underground utilities and provide new conduits for the fiber optic connectivity across campus.

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- (10) Summary 2-2013: JBRC Item 4. South Carolina State University
Project: 9648, 1890 Extension Annex Renovation
Funding Source: \$26,250 Federal funds which have been awarded to the institution by the US Department of Agriculture from the 1890 Extension program.
Request: Establish project and budget for \$26,250 (Federal funds) to begin design work to renovate the 1890 extension facility annex at SC State. The work on the 6,036 square foot facility will include reconfiguring space to create efficient offices, conference rooms, work rooms and support spaces, renovating the HVAC, electrical, and plumbing systems, and replacing windows and finishes. The renovation is needed because the annex is not adequate to meet the programmatic or business needs of the 1890 Extension program or to fulfill the land grant mission of providing research, teaching and service to the citizens of the state.
- (11) Summary 2-2013: JBRC Item. 5. South Carolina State University
Project: 9649, Camp Harry Daniels 1890 Extension Facility Construction
Funding Source: \$20,250 Federal funds which have been awarded to the institution by the US Department of Agriculture from the 1890 Extension program.
Request: Establish project and budget for \$20,250 (Federal funds) to begin design work to construct an 1890 extension facility at Camp Harry Daniels in Elloree for SC State. The work will include constructing an approximately 9,000 square foot facility that will include offices, a conference room, a food and nutrition lab, a computer lab, meeting and support spaces. Existing facilities at Camp Daniels are unsafe and dilapidated and there are no facilities conducive to providing extension programs. The facility is needed to fulfill the university's land grant mission of providing research, teaching and service to the citizens of the state.
- (12) Summary 2-2013: JBRC Item. 6. State Board for Technical and Comprehensive Education
Project: 6060, Horry-Georgetown - Grand Strand Culinary Arts Building Construction
Funding Source: \$195,000 Other, College funds which are excess of revenues over expenses, held to address capital needs and local matching requirements.
Request: Establish project and budget for \$195,000 (Other, College funds) to begin design work to construct a new culinary arts building on the Grand Strand Campus of Horry-Georgetown Tech. The approximately 38,000 square foot facility will include classrooms, labs, multiple working kitchens and dining rooms to provide a comprehensive and integrated learning experience for Culinary Arts students. The Culinary Arts program is housed in two buildings totaling 15,000 square feet which limits enrollment. The buildings are 25 and 50 years old and are not conducive for modern instructional techniques or for future expansion or renovation. The new facility will enable the college to more than double its enrollment in the Culinary Arts program, which has a 100% job placement rate, and to train more students to meet increasing labor demands for the food service industry.

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- (13) Summary 2-2013: JBRC Item 7. Budget and Control Board
Project: 9912, Rutledge Building Emergency Generator Installation
Funding Source: \$5,900 Other, Depreciation Reserve funds which are derived from the rent account which receives rent charged to agencies for rental of state buildings.
Request: Establish project and budget for \$5,900 (Other, Depreciation Reserve funds) to begin design work to install an emergency generator in the Rutledge Building that houses the Department of Education. The generator will supply backup power for the building's life safety systems, including the fire pump, egress lighting, elevators, and the fire protection and notification systems, and for the Department of Education's information technology operations. The building is 50 years old and would require an emergency generator if built today. Installation of the emergency generator will bring this part of the building up to current standards and will prevent elevator passengers from being stranded, which happened recently.
- (14) Summary 2-2013: JBRC Item 8. Budget and Control Board
Project: 9913, Data Center Generator and Chiller Installation
Funding Source: \$25,020 Other, Depreciation Reserve funds which are derived from the rent account which receives rent charged to agencies for rental of state buildings.
Request: Establish project and budget for \$25,020 (Other, Depreciation Reserve funds) to begin design work to install an emergency generator and a chiller in the Data Center Building for the Budget and Control Board. The state's Data Center was completed in 1999 and serves as the hub for many of the state's critical data and computer systems. A 2012 data center Tier evaluation study found the Board's Division of State Information Technology has outgrown the center and has exceeded the capacity of the electrical and mechanical systems. Immediate improvements recommended include installing a second generator to provide sufficient power to the center and a third chiller to properly cool the equipment running in the Data Center. The equipment is needed to support the data processing requirements of the Data Center's customers and to provide a level of redundancy recommended in the evaluation study.
- (15) Summary 2-2013: JBRC Item 9. Department of Disabilities and Special Needs
Project: 9863, Central Office Safety/Code/Energy Repairs
Funding Source: \$42,000 Excess Debt Service funds which are client fees invested and held by the State Treasurer's Office that exceed principal and interest due on outstanding obligations and can be used to fund improvements.
Request: Establish project and budget for \$42,000 (Excess Debt Service funds) to begin design work to make repairs to the Department of Disabilities and Special Needs' Central Office Building in Columbia. The work will include replacing the HVAC and fire alarm systems, installing energy efficient lighting, upgrading information technology systems and cabling, providing energy

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management controls, installing water conserving plumbing fixtures, replacing ceiling panels, floor coverings, and wall finishes, and sealing the exterior. Most building systems are original to the 23 year-old building and the 12 year-old roof is beyond its life expectancy. Repairs are needed to ensure safety for employees and the public, to comply with current codes, and to provide for energy efficiency.

Establish Construction Budget

- (16) Summary 1-2013: JBRC Item 5. College of Charleston
Project: 9648, Dixie Plantation Field Stations Construction
Funding Source: \$2,800,000 which includes \$1,800,000 Other, Capital Improvement Project funds which are revenues generated by a Capital Improvement Fee that are in excess of the current annual debt service related to bonds and \$1,000,000 Other, Private funds which are derived from a \$1 million grant from the Spaulding-Paolozzi Foundation received for this specific purpose.
Request: Increase budget to \$2,800,000 (add \$2,768,500 - \$1,768,500 Other, Capital Improvement Project Funds and \$1,000,000 Other, Private funds) to construct two field stations at the Dixie Plantation for the College of Charleston. The project was established in September 2011 for pre-design work which is now complete. The work will include constructing two 3,500 square foot field stations which will each include a large classroom/lab for teaching, restrooms, secure storage, utility space, a large screened area for teaching, and a wildlife observation platform to support environmental science research and instruction. Dixie Plantation, located on the Stono River, currently has no educational or research facilities. The proposed field stations will provide necessary space for students and faculty to better utilize the 881-acre ecological gem. Energy savings and conservation measures will include the installation of energy efficient HVAC and lighting systems, thermal insulation, low flow plumbing fixtures and other measures. The agency reports the total projected cost of this project is \$2.8 million and additional annual operating costs of \$34,600 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March 2013 and for completion of construction is October 2013. (See Attachment 1 for additional annual operating costs.)
- (17) Summary 1-2013: JBRC Item 6. Coastal Carolina University
Project: 9587, Tennis Complex Construction
Funding Source: \$2,000,000 Other, Renovation Reserve/Plant Expansion funds which derive from a \$150 per semester student allocation that is used for campus infrastructure projects, additions and renovations to existing buildings,

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construction of new facilities and major repairs.

Request: Increase budget to \$2,000,000 (add \$1,970,000 Other, Renovation Reserve/Plant Expansion funds) to construct a new tennis complex at Coastal Carolina. The project was established in August 2011 for pre-design work which is now complete. The complex will include 12 tennis courts, spectator bleachers, scoreboards, lighting, a public address system and a 2,949 square foot building with coaches' offices, men's and women's locker rooms, restrooms, meeting space and storage. The University currently has six courts available for tennis team use and two courts available for student use. The student courts will be demolished to renovate the baseball stadium and the six team courts are insufficient, have one small equipment area, and have none of the features planned for the new building. Energy savings and conservation measures will include the installation of water-saving plumbing fixtures, energy efficient lighting, and low volatile organic compound paint and carpet. The agency reports the total projected cost of this project is \$2 million and additional annual operating costs of \$27,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is February 2013 and for completion of construction is August 2013. (See Attachment 2 for additional annual operating costs.)

(18) Summary 1-2013: JBRC Item 7. Coastal Carolina University

Project: 9592, Elvington Property - New Student Housing Construction

Funding Source: \$85,000,000 Revenue Bond funds which will be issued after approval of a bond resolution by the Budget and Control Board with debt service funded from housing revenues.

Request: Increase budget to \$85,000,000 (add \$84,530,000 Revenue Bond funds) to construct new student housing facilities with 1,270 beds at Coastal Carolina. The project was established in March 2012 for pre-design work which is now complete. The work will include constructing four new housing facilities, each with student suites, a lounge, a laundry, a multi-purpose room, resident director offices, a workroom and a recycling center. Building 1 will also include additional spaces to serve all four buildings. The university has space to accommodate planned occupancy of 3,192 students while, in Fall 2012, it will house 3,625 students by adding one additional student to each room's design capacity. The University's master plan calls for the additional 1,270 beds to alleviate the plus one housing, bring more upperclassmen back on campus, and allow the university to grow to 12,500 students by 2020. The facilities will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, materials and resources, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$5,886,688 over 30 years. The agency reports the total projected cost of this project is \$85 million and additional annual operating costs of \$1,152,500 will result in the three years following project completion. The

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agency also reports the projected date for execution of the construction contract is January 2013 and for completion of construction is July 2015. (See Attachment 3 for additional annual operating costs.)

- (19) Summary 1-2013: JBRC Item 8. Medical University of South Carolina
Project: 9821, Clinical Sciences Building 9th Floor Renovation
Funding Source: \$10,000,000 Other, College of Medicine Clinical Revenue funds which is clinical revenue generated from patient care provided by MUSC physicians.
Request: Increase budget to \$10,000,000 (add \$9,848,500 Other, College of Medicine Clinical Revenue funds) to renovate the ninth floor of the Clinical Sciences Building at MUSC. The project was established in March 2012 for pre-design work which is now complete. The work will include renovating the HVAC, electrical distribution, water heating, plumbing, lighting and fire alarm systems and reconfiguring the interior space to increase the number of offices from 36 to 40, tech stations from 20 to approximately 90, and the amount of lab bench space from 900 to 1,270 linear feet. The ninth floor has not been substantially renovated since its construction in 1975. The renovation will bring labs up to current standards and make more efficient and effective use of the space. Energy savings and conservation measures will include the installation of energy efficient HVAC and lighting systems, a lighting control system, and water-conserving plumbing fixtures. The agency reports the total projected cost of this project is \$10 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 May 2013 and for completion of construction is December 2015.
- (20) Summary 1-2013: JBRC Item 9. Medical University of South Carolina
Project: 9822, Walton Research Building Floors 2, 3, 6 and 7 Renovation
Funding Source: \$7,215,977 Other, College of Medicine Clinical Revenue funds which is clinical revenue generated from patient care provided by MUSC physicians.
Request: Increase budget to \$7,215,977 (add \$7,121,477 Other, College of Medicine Clinical Revenue funds) to renovate four floors in the Walton Research Building at MUSC. The project was established in March 2012 for pre-design work which is now complete. The work will include reconfiguring the floors into faculty offices and student study areas for the College of Medicine, upgrading the HVAC, fire protection, electrical distribution, plumbing and lighting systems, and improving egress in stairwells. These floors have not had any substantial renovation since construction in 1962. The building systems are deteriorating and have building code compliance issues. A recent feasibility study determined the best use of these floors is as office space. Energy savings and conservation measures will include the installation of energy efficient HVAC and lighting systems, a lighting control system, and water-conserving

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plumbing fixtures. The agency reports the total projected cost of this project is \$7,215,977 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is February 2014.

- (21) Summary 1-2013: JBRC Item 10. State Board for Technical and Comprehensive Education
- Project: 6052, Horry-Georgetown - Conway Buildings 100/200/1000 Energy Updates and Classroom Renovations
- Funding Source: \$6,000,000 which includes \$660,362 Capital Reserve Funds appropriated for deferred maintenance in FY 2010-11, \$1,500,000 Other, Educational Sales and Use Tax funds which are Horry County one cent sales tax funds, 6.5% of which is allocated to Horry-Georgetown Tech, and \$3,839,638 Other, College funds which are excess of college revenues over expenses held to address capital needs and local matching requirements.
- Request: Increase budget to \$6,000,000 (add \$5,910,000 - \$660,362 Capital Reserve Funds, \$1,410,000 Other, Educational Sales and Use Tax and \$3,839,638 Other, College funds) to make weatherization and energy performance upgrades to Buildings 100, 200 and 1000 at Horry-Georgetown Tech. The project was established in January 2012 for pre-design work which is now complete. The work will include replacing windows and glazing systems, repairing roofs, sealing joints and seams, replacing insulation, and recladding exterior walls. It will also include renovating affected classrooms and labs damaged by air and water infiltration. Air and water infiltration are occurring through exterior walls and windows due to the buildings' age and movement, resulting in poor air quality, energy inefficiency, and damage to the buildings' envelopes, walls and ceilings. Work on the buildings' entries will also address ADA standards. Energy savings and conservation measures will include the installation of energy efficient windows, insulated wall sheathings and panels, and insulated glazing. The agency reports the total projected cost of this project is \$6 million and annual operating cost savings of \$50,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March 2013 and for completion of construction is March 2014. (See Attachment 4 for annual operating cost savings.)

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- (22) Summary 1-2013: JBRC Item 11. Budget and Control Board
Project: 9641, B&CB Facilities Fire Alarm/Smoke Detector Code Compliance Upgrade Phases I - IV
Funding Source: \$5,984,932 which includes \$1,644,522 in Capital Improvement Bond funds authorized in 1999 for deferred maintenance, \$2,318,835 Appropriated State funds which were supplemental appropriations appropriated in FY 2006-07 for deferred maintenance, \$339,480 Federal funds transferred from the old Employment Security Commission for an earlier phase of the project, and \$1,682,095 Other, Depreciation Reserve funds which comes from rent of buildings to state agencies.
Request: Increase budget to \$5,984,932 (add \$2,172,351 Appropriated State funds) to fund phase IV of upgrades to fire alarm and smoke detector systems in Budget and Control Board buildings. The project was established in 1997 and increased several times to fund three phases of the fire alarm system upgrades and pre-design for phase IV, which is now complete. Phases I through III involved replacing systems in 18 of 34 buildings. Phase IV includes replacing the fire alarm and smoke detector systems in seven additional buildings, Dennis, Rutledge, Mills Jarrett, DSS North Towers, Five Points, Geology, and the Energy Facility. The existing fire alarm systems in the remaining 16 buildings range in age from 21 to 32 years old, require extensive maintenance, and replacement parts are increasingly difficult to obtain. A final phase of work to complete the upgrades is expected when additional funds become available. Energy savings and conservation measures are not applicable to this fire alarm project. The agency reports the total projected cost of four phases is \$5,984,932 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract for Phase IV is August 2013 and for completion of construction is August 2015.
- (23) Summary 1-2013: JBRC Item 12. Department of Motor Vehicles
Project: 9605, Statewide Miscellaneous Deferred Maintenance Repairs
Funding Source: \$650,000 Other, DMV Miscellaneous Revenue funds which are revenues derived from all forms of motor vehicle registrations and licenses and drivers licenses, a portion of which is earmarked for capital projects needed by the agency.
Request: Establish project and budget for \$650,000 (Other, DMV Miscellaneous Revenue funds) to make deferred maintenance repairs to DMV's field offices statewide. The repair work to be done under this project does not require any pre-design work and the amount of work to be done will be limited to the funding level of the project. The types of work will include asphalt paving, roof repairs, HVAC repairs, flooring repairs, data cabling, security system installations, and similar work. The agency's 67 field offices were constructed between 1965 and 2005. Many still have original equipment and systems which need repair to keep the

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buildings in good working condition for the public and employees and to protect the state's assets. A 2007 agency building assessment indicated the agency had more than \$2.7 million in deferred maintenance in facilities statewide, which has likely increased since that time. Energy savings and conservation measures are not applicable to this repair project. The agency reports the total projected cost of this project is \$650,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the first repair contract is October 2012 and for completion of construction is December 2015.

- (24) Summary 2-2013: JBRC Item 10. Clemson University
Project: 9895, Wastewater Treatment Plant Upgrade
Funding Source: \$4,800,000 Other, Institutional Capital Project Funds which are excess debt service funds held by the State Treasurer's Office and required to be expended for capital projects.
Request: Increase budget to \$4,800,000 (add \$4,704,770 Other, Institutional Capital Project Funds) to upgrade the wastewater treatment plant at Clemson. The project was established in September 2011 for pre-design work which is now complete. The work will include constructing an influent pump station and headwork, replacing the associated electrical system, upgrading emergency power, replacing primary clarifier equipment, and beginning control system automation upgrades. The wastewater treatment facility is more than 45 years old and needs improvements to keep pace with regulatory compliance requirements and to meet new regulatory standards for water quality. The improvements will also address deferred maintenance and reliability issues with the plant. Energy savings and conservation measures will include the installation of premium efficiency motors with variable speed drives and pump controls, high efficiency site equipment lighting, and water conserving processes with partial recycling and recirculation. The agency reports the total projected cost of this project is \$4.8 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 July 2013 and for completion of construction is August 2014.
- (25) Summary 2-2013: JBRC Item 11. Coastal Carolina University
Project: 9554, Atheneum Hall Renovations
Funding Source: \$3,000,000 Other, Renovation Reserve/Plant Expansion funds which come from a \$150 per fulltime student per semester fee which is used for renovations, repairs, additions to existing facilities, and acquisitions for plant expansion.

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SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$3,000,000 (add \$2,970,000 Other, Renovation Reserve/Plant Expansion funds) to address deferred maintenance and repurpose the use of Atheneum Hall at Coastal Carolina. The project was established in August 2008 for pre-design work which is now complete. Atheneum Hall, constructed in 1966, will be renovated to upgrade the mechanical, electrical and plumbing systems, replace interior finishes, and repurpose its use as the permanent alumni facility on campus. The 7,546 square foot renovation will include providing office space and dining and meeting facilities for alumni events. Alumni Affairs has resided in several temporary locations on campus that did not have adequate space or ease of access. The facility will be renovated to LEED Silver certification and will include sustainable sites, energy and atmosphere, materials and resources, indoor environmental quality, and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$169,230 over 30 years. The agency reports the total projected cost of this project is \$3 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 October 2013 and for completion of construction is October 2014.

(26) Summary 2-2013: JBRC Item 12. Coastal Carolina University

Project: 9590, Food Service Catering Kitchen/Dining Facility Construction

Funding Source: \$3,000,000 Other, Auxiliary Services funds which are food service auxiliary funds from food sales and from contributions for expansion and commissions from the food service vendor.

Request: Increase budget to \$3,000,000 (add \$2,955,000 Other, Auxiliary Services funds) to construct a new dining facility at Coastal Carolina. The project was established in December 2011 for pre-design work which is now complete. The 9,683 square foot dining facility will include seating for 130 students, faculty and staff and a catering kitchen and will be located in the academic hub of campus, adjacent to athletic facilities, in an area which currently has no dining availability. The move of the catering kitchen to the new facility will also free up space in Hicks Dining Hall for food preparation for residential students in that area. The number of meal plans purchased increased from 2,000 in 2009-10 to 3,300 in 2010-11 and 25 to 60 events per week are catered by university food service. Energy savings and conservation measures will include the installation of an energy efficient HVAC system, lighting and appliances, occupancy sensors, and water saving plumbing fixtures. The agency reports the total projected cost of this project is \$3 million and additional annual operating costs of \$35,750 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2013 and for completion of construction is December 2014. (See Attachment 5 for additional annual operating costs.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (27) Summary 2-2013: JBRC Item 13. Lander University
Project: 9532, Student Housing Construction
Funding Source: \$15,240,000 which includes \$15 million Institution Bond funds for which general housing room revenues will be used to repay the bonds and \$240,000 Other, Housing Reserve funds which come from general housing room revenues.
Request: Increase budget to \$15,240,000 (add \$15,000,000 Institution Bond funds) to construct new student housing at Lander. The project was established in March 2011 for pre-design work which is now complete. The 71,000 square foot facility will include 210 suite-style bedspaces, meeting, study and social rooms, a laundry, a 60-person instructional classroom, and support spaces. The facility will replace bedspaces at Brookside Housing which will be demolished when this new facility and the Chipley Hall Renovation are completed. Brookside was constructed in 1977, has numerous maintenance and security challenges, and does not meet current housing standards. A preliminary renovation study determined renovation was not justifiable. The facility will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, materials and resources, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$689,708 over 30 years. The agency reports the total projected cost of this project is \$15,240,000 and additional annual operating costs ranging from \$75,020 down to \$32,156 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2013 and for completion of construction is August 2015. (See Attachment 6 for additional annual operating costs.)
- (28) Summary 2-2013: JBRC Item 14. State Board for Technical and Comprehensive Education
Project: 6030, Midlands Tech - Airport Support Center Upfit
Funding Source: \$5,000,000 which includes \$2,889,571 Other, College funds which come from a \$75 per semester capital fee and \$2,110,429 Other, Local County funds which are funds contributed by Richland and Lexington Counties for facilities.
Request: Increase budget to \$5,000,000 (add \$4,962,500 - \$2,852,071 Other, College and \$2,110,429 Other, Local County funds) to upfit the Support Center on the Airport Campus of Midlands Tech to allow for expansion of Industrial Technology and Continuing Education programs. The project was established in June 2011 for pre-design work which is now complete. The work will include constructing classrooms and offices within the 34,600 square foot warehouse facility, installing new HVAC, electrical, lighting and data systems, and constructing two exterior enclosed stairwells and a mechanical room. The upfit will allow for similar Industrial Technology and Continuing Education courses to be consolidated into one location which maximizes the similarities, space and equipment needed for the programs and minimizes student travel. Fall

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

enrollment in Industrial Technology and Continuing Education related programs have increased 68% and 260% respectively since 2005. Energy savings and conservation measures will include the installation of energy efficient windows, lighting and HVAC systems, roofing insulation, and water conserving plumbing fixtures. The agency reports the total projected cost of this project is \$5 million and additional annual operating costs ranging from \$159,852 to \$172,895 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2013 and for completion of construction is October 2014. (See Attachment 7 for additional annual operating costs.)

- (29) Summary 2-2013: JBRC Item 15. Budget and Control Board
Project: 9890, Calhoun Building - Emergency Generator Installation
Funding Source: \$659,986 which includes \$232,672 Appropriated State funds from an appropriation in FY 06-07 for deferred maintenance totaling \$7.5 million and \$427,314 Other, Deferred Maintenance funds from an appropriation in FY 09-10 for deferred maintenance totaling \$1.8 million.
Request: Increase budget to \$659,986 (add \$650,986 - \$232,672 Appropriated State and \$418,314 Other, Deferred Maintenance funds) to install an emergency generator to provide backup power for the Calhoun Building. The project was established in October 2010 for pre-design work which is now complete. The work will include installing an emergency generator and transformers and providing power distribution to elevators, the fire pump, fire alarm and communication systems, data center equipment, and emergency lighting in the building. The Calhoun Building houses the SC Court of Appeals and critical administrative functions of the Judicial Department including computer systems which serve the court system statewide. No emergency backup power exists to support the computer systems, related supplemental cooling required by the computer systems, and life safety systems in the building. Energy savings and conservation measures are not applicable to this generator project. The agency reports the total projected cost of this project is \$659,986 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 April 2013 and for completion of construction is March 2014.
- (30) Summary 2-2013: JBRC Item 16. Department of Mental Health
Project: 9724, Bryan Hospital/Morris Village Energy Plant Chiller Replacements
Funding Source: \$1,925,000 Other, Operating Revenue funds which are Medicaid fee-for-service earned revenue funds resulting from DMH contracts with DHHS to provide Medicaid services.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$1,925,000 (add \$1,910,000 Other, Operating Revenue funds) to replace two chillers serving Bryan Hospital and Morris Village for the Department of Mental Health. The project was established in June 2012 for pre-design work which is now complete. The work will include replacing a 1,100 ton chiller and a 700 ton chiller with two 1,200 ton chillers and replacing associated pumps, piping and controls. The chillers are 37 and 24 years old respectively and are past their useful life expectancies. The larger chiller, disassembled for inspection recently, was found to have rotor problems and the smaller chiller cannot meet the cooling demand in the summer months. Replacements are needed to ensure Bryan and Morris Village have adequate cooling for patients and staff. Energy savings and conservation measures will include the installation of energy efficient chillers and variable speed pumps. The agency reports the total projected cost of this project is \$1,925,000 and annual operating cost savings of \$53,120 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is June 2013 and for completion of construction is December 2013. (See Attachment 8 for annual operating cost savings.)

- (31) Summary 2-2013: JBRC Item 17. Department of Parks, Recreation and Tourism
Project: 9724, Givhans Ferry State Park River Access Construction
Funding Source: \$300,000 which includes \$150,000 Federal funds from a National Park Service Land and Water Conservation Fund reimbursable grant and \$150,000 Other, Park Revenue which is revenue generated by the State Park Service through admissions, camping, retail sales and other revenues.
Request: Establish project and budget for \$300,000 (\$150,000 Federal and \$150,000 Other, Park Revenue funds) to stabilize the shoreline and construct river access at Givhans Ferry State Park for PRT. All pre-design work has been done in-house by PRT staff and no funds will be spent for outside design work, therefore, the project will be established for the construction budget. The work will include stabilizing the shoreline, constructing parking, walkways and steps, and constructing a canoe and kayak launch to the Edisto River. Heavy usage of the area has accelerated shoreline erosion and created safety hazards for park visitors and no structured canoe and kayak launch exists at this time. Energy savings and conservation measures are not applicable to this site development project. The agency reports the total projected cost of this project is \$300,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is February 2013 and for completion of construction is June 2013.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Increase Budget

- (32) Summary 1-2013: JBRC Item 13. Department of Natural Resources
Project: 9907, Lexington - Cohen Campbell Hatchery Renovations
Funding Source: \$976,101 Appropriated State funds which were appropriated for freshwater fish hatchery maintenance from FY 2006-07 supplemental appropriations, with the funds requested for this increase being transferred from the closeout of two other completed fish hatchery projects.
Request: Increase budget to \$976,101 (add \$215,267 Appropriated State funds) to meet the low bid for renovations to DNR's Cohen Campbell Fish Hatchery. The project was established in January 2008 with funds appropriated by the General Assembly for freshwater fish hatchery maintenance for this and other projects. While some work has been completed, the project was bid in June 2012 for building new dams and dikes, grading slopes and pond bottoms, and installing new pond risers, drain lines, catch basins and a new water supply network at the hatchery. All bids came in over budget. Additional funds are needed because the wetland permitting and mitigation costs and earth moving requirements were both higher than expected. The additional funds will be transferred from the closeout of two other hatchery maintenance projects funded in 2008, Walhalla and Cheraw/Springs Stevens Hatchery Renovations, which are now complete. Energy savings and conservation measures are not applicable to this hatchery project. The agency reports the total projected cost of this project is \$976,101 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 September 2012 and for completion of construction is April 2013.
- (33) Summary 2-2013: JBRC Item 18. Medical University of South Carolina
Project: 9808, Thurmond Gazes Building Envelope and Exhaust Systems Renovations
Funding Source: \$13,377,359 which includes a budget increase of \$6,377,359 Other, Lawsuit Settlement funds recovered from a lawsuit between MUSC and the original designer, general contractor and subcontractors on the building.
Request: Increase budget to \$13,377,359 (add \$6,377,359 Other, Lawsuit Settlement funds) to revise the scope to do additional building envelope and exhaust system renovations on the Thurmond Gazes Building at MUSC. The project was established for pre-design in October 2010 and the construction budget was established in March 2011. Since then, a forensic investigation of the building due to mold and mildew and a subsequent lawsuit resulted in the identification of additional building defects that need to be addressed and a lawsuit settlement of \$6.3 million. The work will now include replacing the building exhaust system, providing a separate exhaust chase on two floors, sealing floor to floor penetrations, replacing through wall flashing, recaulking and resealing windows, and related work. Mold and mildew have become serious problems on two floors and this project, combined with an approved air handler replacement

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

project, will correct indoor air quality issues in the building. Energy savings and conservation measures are not applicable to this waterproofing project. The agency reports the total projected cost of this project is \$13,377,359 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 2013 and for completion of construction is December 2014.

Revise Project Scope

- (34) Summary 1-2013: JBRC Item 14. Department of Mental Health
Project: 9703, Bryan Hospital C&A Renovation and Addition
Funding Source: \$806,000 Other, Operating Revenue funds which are Medicaid fee-for-service earned revenue funds resulting from DMH contracts with DHHS to provide Medicaid services.
Request: To revise the scope and change the project name of the previously approved Hall Institute C&A Renovation and Addition for the Department of Mental Health and to begin design work to renovate the Bryan Hospital instead. The project was established in September 2006 to construct a new Child and Adolescent (C&A) Hospital and revised in August 2009 to renovate a building at Hall Institute to provide for this need. The plan to renovate the 49 year-old Hall Institute, located on the Bull Street campus, is being changed due to excessive deferred maintenance, renovation and code upgrade costs and due to the availability of space at the Bryan Psychiatric Hospital campus. The Hall Institute C&A Hospital will be incorporated into vacant patient lodges at Bryan Hospital and will be re-licensed as part of Bryan. Some renovations to the vacant Bryan buildings will be required to accommodate the C&A patients and an addition will be required to house some of the Hall administrative and support operations. Pre-design for the Bryan project will be done using funds already approved for Hall Institute.

Establish Project for Preliminary Land Studies

- (35) Summary 1-2013: JBRC Item 15. Coastal Carolina University
Project: 9594, Student Housing Land Acquisition
Funding Source: \$20,000 Other, Institutional Capital Project Funds which are excess debt service funds derived from a \$525 per fulltime student per semester debt service fee.
Request: Establish project and budget for \$20,000 (Other, Institutional Capital Project Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Coastal Carolina is considering the purchase of approximately 19.51 acres of land adjacent to the main campus. The property will be used to construct a 1,270 bed student housing facility to meet the

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

University's strategic plan to grow to 12,500 students by 2020. The University can only accommodate 3,192 students on campus and plans to house 3,625 students in Fall 2012, using an expanded occupancy plan which doubles and triples rooms in a plus one configuration. The new facility will also allow upperclassmen the option to live on campus, which they do not have now.

(36) Summary 1-2013: JBRC Item 16. State Board for Technical and Comprehensive Education

Project: 6058, Midlands - Airport Property Purchase

Funding Source: \$20,000 Other, Local County funds which are funds the college receives from the service area counties for the operation of the college's physical plant.

Request: Establish project and budget for \$20,000 (Other, Local County funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Midlands Tech is considering the purchase of approximately 6.75 acres of land adjacent to the Airport campus. The property is owned by the Richland-Lexington Airport District and will provide for additional student parking. Additional parking is needed due to increasing student enrollment, which has increased 12% at the Airport campus since 2005.

(37) Summary 1-2012: JBRC Item 17. Department of Transportation

Project: 9723, Lexington County Maintenance Land Acquisition

Funding Source: \$20,000 Other, State Highway Funds which is derived from 10.34 cent per gallon of the gasoline user fee which must be turned over to the Department of Transportation for the purposes of that department.

Request: Establish project and budget for \$20,000 (Other, State Highway Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The Department of Transportation is considering the purchase of approximately 25 acres of land in Lexington to replace the Lexington County Maintenance Complex. The existing maintenance shop and equipment storage shed are 56 years old and the facility is located in a heavily developed area in the Town of Lexington. Large equipment must traverse a residential community or a heavy commercial area to access the facility. By moving the facility out of the heavily populated area, DOT will have better access to the roads and be able to consolidate the county facility and two county section sheds.

BOARD ACTION REQUESTED:

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

ATTACHMENTS:

Attachments

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

1. AGENCY Code 10 Name College of Charleston

2. PROJECT Project # 9648 Name Dixie Plantation Field Stations 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) FY2013-14	\$	\$	\$ 25,950.00	\$ 25,950.00 *
2) FY2014-15	\$	\$	\$ 34,600.00	\$ 34,600.00
3) FY2015-16	\$	\$	\$ 34,600.00	\$ 34,600.00

* Partial Year

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

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. Maintenance (includes exterior grounds)	\$32,500.00
2. Utilities	2,100.00
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$34,600.00

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

9. Submitted By: Stephen C. DeLuca 6/21/12
Signature of Authorized Official and Title Date

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

1. AGENCY
Code H17 Name Coastal Carolina University

2. PROJECT
Project # 9587 Name Tennis Complex 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	\$	\$	\$ 27,000	\$27,000
2) 2015	\$	\$	\$ 27,000	\$27,000
3) 2016	\$	\$	\$ 27,000	\$27,000

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.

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>\$24,000</u>
2. <u>Supplies</u>	<u>\$3,000</u>
3. _____	_____
4. _____	_____
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. _____

9. Submitted By: Stacie A. Bowie 5/22/12
Stacie A. Bowie, Vice President for Finance & Administration Date

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

1. AGENCY
Code H17 Name Coastal Carolina University
2. PROJECT
Project # 9592 Name Elvington Property - New Student Housing Construction

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

X 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) 2014/2015	\$	\$	\$ 432,177.00	\$ 432,177.00 *
2) 2015/2016	\$	\$	\$1,152,500.00	\$1,152,500.00
3) 2016/2017	\$	\$	\$1,152,500.00	\$1,152,500.00

*Partial Year

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

Housing Revenue

6. Will the additional costs be absorbed into your existing budget? YES NO

If no, how will additional funds be provided?

Additional funds will be provided through new housing revenue generated by new beds.

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>\$177,177.00</u>
2. <u>Supplies</u>	<u>\$ 50,625.00</u>
3. <u>Personnel</u>	<u>\$204,375.00</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$432,177.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 6

9. Submitted By: *Stacie A. Bowie* 06/21/2012
Stacie A. Bowie, Vice President for Finance and Admin. Date

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

1. AGENCY
Code H-59 Name Horry-Georgetown Technical College

2. PROJECT
Project # 6052 Name HGTC-Conway Buildings 100,200, 1000 Energy Updates and Classroom Renovations

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

COSTS xxx 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	\$50,000.00	\$0	\$0	\$50,000.00
2) 2013	\$50,000.00	\$0	\$0	\$50,000.00
3) 2014	\$50,000.00	\$0	\$0	\$50,000.00

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

0

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

Penny sales tax in Horry County

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>N/A</u>	<u>0</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	_____

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: *David Hawley* VP - FINANCE 8/27/12
Signature of Authorized Official and Title Date

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

1. AGENCY
Code H59 Name Midlands Technical College

2. PROJECT
Project # 6030 Name Midlands - Airport Support Center Upgrade

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	\$	\$	\$159,852	\$ 159,852
2) 2015-16	\$	\$	\$166,246	\$ 166,246
3) 2016-17	\$	\$	\$172,895	\$ 172,895

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

Local County funds.

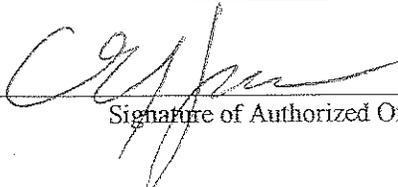
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities \$2.60/SF</u>	<u>\$89,960</u>
2. <u>Maintenance \$1.26/SF</u>	<u>\$43,596</u>
3. <u>Custodial \$0.63/SF</u>	<u>\$21,798</u>
4. <u>Insurance: Bldgs & Contents</u>	<u>\$4,498</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$159,852</u>

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

9. Submitted By:  Director of Operations 8/20/12
Signature of Authorized Official and Title Date

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

1. AGENCY Code J12 Name S C Department of Mental Health

2. PROJECT Project # 9724 Name Bryan Hospital/Morris Village Energy Plant Chiller Replacements

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) 13/14	\$ 26,560.00	\$	\$	\$ 26,560.00*
2) 14/15	\$ 53,120.00	\$	\$	\$ 53,120.00
3) 15/16	\$ 53,120.00	\$	\$	\$ 53,120.00

*partial year

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.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. Plant Operating/Energy Costs Reductions: 1/2 year	\$26,560.00
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$26,560.00

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

9. Submitted By:  Director, Physical Plant Services 9-10-2012
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for October 30, 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
H59-6055	York Tech - Building C Classroom Addition	\$16,743 for pre-design	10/30/12	\$16,743	10/30/12	2012 CPIP Year 1	To Be Determined
H59-6056	York Tech - Library Expansion and Learning Commons Construction	\$149,590 for pre-design	10/30/12	\$149,590	10/30/12	2012 CPIP Year 1	To Be Determined
H59-6057	Midlands Tech - Beltline Library Building Replacement	\$162,000 for pre-design	10/30/12	\$162,000	10/30/12	2012 CPIP Year 1	To Be Determined
R40-9606	Department of Motor Vehicles - Rock Hill DMV Renovation	\$5,250 for pre-design	10/30/12	\$5,250	10/30/12	No	To Be Determined
U12-9721	Department of Transportation - Upstate Salt Storage Facility Construction	\$22,600 for pre-design	10/30/12	\$22,600	10/30/12	2011 CPIP Year 1	To Be Determined
U12-9722	Department of Transportation - Cherokee Salt Shed Construction	\$4,500 for pre-design	10/30/12	\$4,500	10/30/12	2011 CPIP Year 1	To Be Determined
H12-9904	Clemson University - McAdams Hall Renovation	\$63,750 for pre-design	10/30/12	\$63,750	10/30/12	2012 CPIP Year 1	To Be Determined
H12-9905	Clemson University - Greenville One Building Upfit	\$100,500 for pre-design	10/30/12	\$100,500	10/30/12	2012 CPIP Year 1	To Be Determined
H21-9534	Lander University - Pedestrian Plaza and Vehicular Access Enhancement	\$34,500 for pre-design	10/30/12	\$34,500	10/30/12	No	To Be Determined
H24-9648	South Carolina State University - 1890 Extension Annex Renovation	\$26,250 for pre-design	10/30/12	\$26,250	10/30/12	No	To Be Determined

Permanent Improvement Project Information for October 30, 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
H24-9649	South Carolina State University - Camp Harry Daniels 1890 Extension Facility Construction	\$20,250 for pre-design	10/30/12	\$20,250	10/30/12	No	To Be Determined
H59-6060	Horry-Georgetown Tech - Grand Strand Culinary Arts Building Construction	\$195,000 for pre-design	10/30/12	\$195,000	10/30/12	2012 CPIP Year 1	To Be Determined
F03-9912	Budget and Control Board - Rutledge Building Emergency Generator Installation	\$5,900 for pre-design	10/30/12	\$5,900	10/30/12	No	To Be Determined
F03-9913	Budget and Control Board - Data Center Generator and Chiller Installation	\$25,020 for pre-design	10/30/12	\$25,020	10/30/12	No	To Be Determined
J16-9863	Department of Disabilities and Special Needs - Central Office Safety/Code/Energy Repairs	\$42,000 for pre-design	10/30/12	\$42,000	10/30/12	2007 CPIP Year 1	To Be Determined
H15-9648	College of Charleston - Dixie Plantation Field Stations Construction	\$31,500 for pre-design	9/20/11	\$31,500	9/20/11	2012 CPIP Year 1	\$2,800,000
H17-9587	Coastal Carolina - Tennis Complex Construction	\$30,000 for pre-design	8/9/11	\$30,000	8/9/11	2012 CPIP Year 1	\$2,000,000
H17-9592	Coastal Carolina - Elvington Property - New Student Housing Construction	\$470,000 for pre-design	3/6/12	\$470,000	3/6/12	2012 CPIP Year 1	\$85,000,000
H51-9821	Medical University of SC - Clinical Sciences Building 9th Floor Renovation	\$151,500 for pre-design	3/6/12	\$151,500	3/6/12	2012 CPIP Year 1	\$10,000,000
H51-9822	Medical University of SC - Walton Research Building Floors 2, 3, 6 and 7 Renovation	\$94,500 for pre-design	3/6/12	\$94,500	3/6/12	2012 CPIP Year 1	\$7,215,977

Permanent Improvement Project Information for October 30, 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 CIP in CIP	Total Projected Project Cost
H59-6052	Horry-Georgetown Tech - Conway Buildings 100/200/1000 Energy Updates and Classroom Renovations	\$90,000 for pre-design	1/31/12	\$90,000	1/31/12	2009 CIP Year 1	\$6,000,000
F03-9641	Budget and Control Board - Facilities Fire Alarm/Smoke Detector Code Compliance Upgrade Phases I - IV	\$186,595	7/8/97	\$1,744,096	11/9/99	No	\$5,984,932
R40-9605	Department of Motor Vehicles - Statewide Miscellaneous Deferred Maintenance Repairs	\$650,000	8/8/12	N/A	N/A	No	\$650,000
H12-9895	Clemson University - Wastewater Treatment Plant Upgrade	\$95,230 for pre-design	9/20/11	\$95,230	9/20/11	2011 CIP Year 1	\$4,800,000
H17-9554	Coastal Carolina University - Athenaeum Hall Renovations	\$30,000 for pre-design	8/12/08	\$30,000	8/12/08	2012 CIP Year 1	\$3,000,000
H17-9590	Coastal Carolina University - Food Service Catering Kitchen/Dining Facility Construction	\$45,000 for pre-design	12/15/11	\$45,000	12/15/11	2012 CIP Year 1	\$3,000,000
H21-9532	Lander University - Student Housing Construction	\$240,000 for pre-design	3/22/11	\$240,000	3/22/11	No	\$15,240,000
H59-6030	Midlands Tech - Airport Support Center Upfit	\$37,500 for pre-design	6/14/11	\$37,500	6/14/11	2011 CIP Year 1	\$5,000,000
F03-9890	Budget and Control Board - Calhoun Building Emergency Generator Installation	\$9,000 for pre-design	9/29/10	\$9,000	9/29/10	No	\$659,986
J12-9724	Department of Mental Health - Bryan Hospital/Morris Village Energy Plant Chiller Replacements	\$15,000 for pre-design	6/27/12	\$15,000	6/27/12	No	\$1,925,000

Permanent Improvement Project Information for October 30, 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
P28-9724	Department of Parks, Recreation & Tourism - Givhans Ferry State Park River Access Construction	\$300,000	10/30/12	N/A	N/A	No	\$300,000
P24-9907	Department of Natural Resources - Lexington - Cohen Campbell Hatchery Renovations	\$802,184	11/15/08	N/A	N/A	No	\$976,101
H51-9808	Medical University of SC - Thurmond Gazes Building Envelope and Exhaust Systems Renovations	\$105,000 for pre-design	9/29/10	\$105,000	9/29/10	2010 CPIP Year 1	\$13,377,359
J12-9703	Department of Mental Health - Bryan Hospital C&A Renovation and Addition	\$1,300,000	9/19/06	\$806,000	4/16/10	2010 CPIP Year 1	To Be Determined
H17-9594	Coastal Carolina - Student Housing Land Acquisition	\$20,000 for preliminary studies	8/8/12	\$20,000	8/8/12	No	To Be Determined
H59-6058	Midlands Tech - Airport Property Purchase	\$20,000 for preliminary studies	8/8/12	\$20,000	8/8/12	No	To Be Determined
U12-9723	Department of Transportation - Lexington County Maintenance Land Acquisition	\$20,000 for preliminary studies	8/8/12	\$20,000	8/8/12	2011 CPIP Year 1	To Be Determined

Attachment 10
Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects

Item (1) – York Technical College Building C Classroom Addition

The source of funds for A&E pre-design is \$16,743 Other, College Capital Reserve Funds. College Capital Reserve funds are a portion of all revenues (auxiliary, tuition, unrestricted gifts, and miscellaneous sources) after expenses which are designated and set aside for capital projects. They are returns from ongoing operations. The current uncommitted balance of College Capital Reserve Funds is \$16,134,661.

The proposed source of funds for construction is Other, College Capital Reserve Funds, which are defined above. The current uncommitted balance of College Capital Reserve Funds is \$16,134,661.

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

Item (2) – York Technical College Library Expansion and Learning Commons Construction

The source of funds for A&E pre-design is \$149,590 Other, College Capital Reserve Funds. College Capital Reserve funds are a portion of all revenues (auxiliary, tuition, unrestricted gifts, and miscellaneous sources) after expenses which are designated and set aside for capital projects. They are returns from ongoing operations. The current uncommitted balance of College Capital Reserve Funds is \$16,134,661.

The proposed source of funds for construction is Other, College Capital Reserve Funds, which are defined above. The current uncommitted balance of College Capital Reserve Funds is \$16,134,661.

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

Item (3) – Midlands Technical College Beltline Library Building Replacement

The source of funds for A&E pre-design is \$162,000 Other, Local County funds. Local County funds are those funds the college receives from the service area counties for the operation of the college's physical plant. The college requests 1 mil from Richland and Lexington Counties each year. For the 2012-13 year, the total amount received from Richland and Lexington Counties was \$2.1 million. The current uncommitted balance of Local County funds is \$10.8 million, accumulated over the past few years for the library replacement

The proposed sources of funds for construction are Other, Local County and Other, Local College funds. Local County funds are defined above. Local College funds are those funds received from a capital fee which is charged per student for debt service and other capital requirements which is included in the base tuition. A portion of the fee is earmarked for debt service and the remaining amount is available for other capital purposes. The amount of the fee is \$75 per fulltime student per semester and this fee has not

increased in more than 11 years. The current uncommitted balance of Local County funds is \$10.8 million and of Local College funds is \$2,999,960.

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

Item (7) - Clemson McAdams Hall Renovation

The source of funds for A&E pre-design is \$63,750 Other, Institutional Capital Project Funds. Institutional Capital Project Funds (ICPF) are excess debt service funds held by the State Treasurer's Office which are required to be expended for capital projects. The current uncommitted balance of Other, ICPF funds is \$36.4 million.

The proposed source of funds for construction is Other, Institutional Capital Project Funds, which are defined above. The current uncommitted balance of ICPF funds is \$36.4 million.

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

Item (8) - Clemson Greenville One Upfit

The source of funds for A&E pre-design is \$100,500 Other, Institutional Capital Project Funds. Institutional Capital Project Funds (ICPF) are excess debt service funds held by the State Treasurer's Office which are required to be expended for capital projects. The current uncommitted balance of Other, ICPF funds is \$36.4 million.

The proposed source of funds for construction is Other, Institutional Capital Project Funds, which are defined above. The current uncommitted balance of ICPF funds is \$36.4 million.

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

Item (9) - Lander Pedestrian Plaza and Vehicular Access Enhancement

The source of funds for A&E pre-design is \$34,500 Other, Renovation Reserve funds. Renovation Reserve funds come from a \$290 fee each fulltime student pays annually to support education and general (E&G) capital expenditures. The statutory authority to establish this fund comes from Code Section 59-135-30 which gives the Board of Trustees the power to fix tuition fees and other charges for students attending the college. The total fund balance of Renovation Reserve funds as of June 30, 2012, was \$4.8 million with \$2.3 million already earmarked from the fund for this project and others. The current uncommitted balance of Renovation Reserve funds is \$282,313.

The proposed source of funds for construction is Other, Renovation Reserve funds, which are defined above. The current uncommitted balance of Renovation Reserve funds is \$282,313, with \$2.3 million of the total \$4.8 million total balance already committed internally to fund this project.

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

Item (10) – SC State University 1890 Extension Annex Renovation

The source of funds for A&E pre-design is \$26,250 Federal funds. The Federal funds come from US Department of Agriculture 1890 Facilities Grant funds, which have been extended to August 31, 2013. The current uncommitted balance of funds for pre-design is \$418,443.

The proposed source of funds for construction is Federal funds. The Federal funds will also come from the US Department of Agriculture 1890 Facilities Grant funds, which have been extended to August 31, 2013. The current uncommitted balance of funds for construction, including all extended grant awards, is \$11,251,591.

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

Item (11) – SC State University Camp Harry Daniels 1890 Extension Facility Construction

The source of funds for A&E pre-design is \$20,250 Federal funds. The Federal funds come from US Department of Agriculture 1890 Facilities Grant funds, which have been extended to August 31, 2013. The current uncommitted balance of funds for pre-design is \$418,443.

The proposed source of funds for construction is Federal funds. The Federal funds will also come from the US Department of Agriculture 1890 Facilities Grant funds, which have been extended to August 31, 2013. The current uncommitted balance of funds for construction, including all extended grant awards, is \$11,251,591.

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

Item (12) – Horry-Georgetown Technical College Grand Strand Culinary Arts Building Construction

The source of funds for A&E pre-design is \$195,000 Other, College funds. College funds come from the excess of revenues over expenses, held to address capital needs and local matching requirements. The current uncommitted balance of Other, College funds is \$7,340,000.

The propose sources of funds for construction include Other, Educational Sales and Use Tax funds, Other, College funds and Other, Private sources. Other, Educational Sales and Use Tax funds are Horry County one cent sales tax funds which are from a local tax referendum approved in 2008 that provided \$1 billion over 15 years in funding to the Horry County School District, Coastal Carolina University, and Horry-Georgetown Tech. Horry-Georgetown Tech's allocation of the funding is 6.5%. The current uncommitted balance of these funds for Horry-Georgetown Tech is \$3,000,000. Other, College funds are the excess of college revenues over expenses, held to address capital needs and local matching requirements. The current uncommitted balance of these funds is \$7,340,000. Other, Private Sources are contributions from local businesses to the project which will be raised. There is no current uncommitted balance of private funds at this time.

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

Item (16) – College of Charleston Dixie Plantation Field Stations Construction

The sources of funds for construction, totaling \$2.8 million, include \$1.8 million Other, Capital Improvement Project Funds and \$1 million, Other Private funds.

1) Other, Capital Improvement Project Funds are those revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under SC Code of Laws Section 59-130, Article 5. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The College has had this fee in place since it became a public institution in 1970. The academic year 2011-12 per semester fee is \$677. The current uncommitted balance of Other, Capital Improvement Project Funds is \$12,386,196.

2) The Other, Private funds are a grant from the Spaulding-Paolozzi Foundation received by the College specifically for this purpose and project. The current uncommitted balance of these private grant funds is \$1 million.

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

Item (17) – Coastal Carolina University Tennis Complex Construction

The source of funds for construction is \$2,000,000 Other, Renovation Reserve/Plant Expansion funds. Other, Renovation Reserve/Plant Expansion funds are used for campus infrastructure projects, additions and renovations to existing buildings, construction of new facilities, and major repairs such as reroofing a facility, replacing the HVAC system, painting, new flooring, etc. The source of these funds is a Board of Trustees approved per student allocation of \$150 per semester. This allocation amount has been consistent since academic year 2006-07. This allocation will not increase as a result of this project. The current uncommitted balance of Other, Renovation Reserve/Plant Expansion funds is \$4,166,960.

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

Item (18) – Coastal Carolina University Elvington Property New Student Housing Construction

The source of funds for construction is \$85 million Revenue Bond funds. Revenue bonds are bonds issued by the institution which are supported by revenues from the related activity, in this case housing revenues. There is no current existing bond balance. The University has determined the bonding capacity is sufficient to cover the anticipated cost of this project. A bond resolution is expected to be brought for Budget and Control Board approval in December 2012 with first series to be issued in January 2013. No student fee will be used to fund debt service of this project and debt service will be funded from housing revenues.

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

Item (19) – Medical University of SC Clinical Sciences Building 9th Floor Renovation

The source of funds for construction is \$10 million Other, College of Medicine Clinical Revenue funds. Other, College of Medicine Clinical Revenue funds are revenues generated from patient care provided by MUSC physicians. No student related funds will be used for this project. The current uncommitted

balance of funds in Other, College of Medicine Clinical Revenue funds for this project is \$10 million. MUSC Physicians, formerly known as UMA, has agreed to fund \$10 million for the project. MUSC Physicians' Chief Financial Officer states that there are sufficient funds in reserve which are earmarked to cover the costs of this renovation.

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

Item (20) – Medical University of SC Walton Research Building Floors 2, 3, 6 & 7 Renovation

The source of funds for construction is \$7,215,977 Other, College of Medicine Clinical Revenue funds. Other, College of Medicine Clinical revenue funds are revenues generated from patient care provided by MUSC physicians. No student related funds will be used for this project. The current uncommitted balance of funds in Other, College of Medicine Clinical Revenue funds for this project is \$7,215,977. MUSC Physicians, formerly known as UMA, has agreed to fund \$7,215,977 for the project. MUSC Physicians' Chief Financial Officer states that there are sufficient funds in reserve which are earmarked to cover the costs of this renovation.

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

Item (21) – Horry-Georgetown Technical College Conway Buildings 100/200/1000 Energy Updates and Classroom Renovations

The sources of funds for construction, totaling \$6 million, include \$660,362 Capital Reserve Funds, \$1.5 million Other, Educational Sales and Use Tax funds, and \$3,839,638 Other, College funds.

1) The Capital Reserve funds were appropriated by the General Assembly for deferred maintenance in FY 2010-11. The \$660,362 is the amount allocated by the State Board for Technical and Comprehensive Education to Horry-Georgetown Tech from the total of \$9.5 million received by the Tech Board from Capital Reserve Funds to address the 16 technical colleges' deferred maintenance needs. The uncommitted balance of these funds for Horry-Georgetown Tech is \$660,362.

2) Other, Education Sales and Use Tax funds are a one cent sales tax from a local tax referendum approved in 2008 that provided \$1 billion over 15 years in funding to the Horry County School District, Coastal Carolina University, and Horry-Georgetown Tech. The allocation of these funds is as follows: Horry County Schools 80%, Coastal Carolina University 13.5% and Horry-Georgetown Tech 6.5%. The current uncommitted balance of these funds for Horry-Georgetown Tech is \$1,511,714.

3) Other, College funds are the excess of college revenues over expenses, held to address capital needs and local matching requirements. The current uncommitted balance of these funds is \$7,340,000.

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

Item (24) – Clemson Wastewater Treatment Plant Upgrade

The source of funds for construction is \$4.8 million Other, Institutional Capital Project Funds. Other, Institutional Capital Project Funds are defined as excess debt service funds that are held in the State Treasurer's Office and must be spent for capital projects. The uncommitted balance of Other, Institutional Capital Project Funds is \$36.4 million. The University's ICPF balance of funds is comprised

of both formally budgeted and committed amounts and amounts designated for project contingencies and alternative project funding. The university reports there are sufficient funds available for construction of this project.

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

Item (25) - Coastal Carolina Atheneum Hall Renovations

The source of funds for construction is \$3 million Other, Renovation Reserve/Plant Expansion funds. Other, Renovation Reserve/Plant Expansion funds are used for renovations, repairs, additions to existing facilities and for acquisitions for plant expansion. The funds come from a \$150 per fulltime student per semester fee. The fee has been in place since academic year 2006-07 at the same level. The university reports that tuition will not increase as a result of this project. The current uncommitted balance of Other, Renovation Reserve/Plant Expansion funds is \$8,418,703.

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

Item (26) - Coastal Carolina Food Service Catering Kitchen/Dining Facility Construction

The source of funds for construction is \$3 million Other, Food Service Auxiliary Services funds. Other, Food Service Auxiliary Services funds include proceeds from the sale of food and contributions from the food service provider, Aramark. According to the contract with Aramark, the university receives a lump sum amount with which to expand Coastal Carolina's food service operations. In addition, the university receives food service funds each year in the form of commission. No additional student fee will be put in place for the construction of this facility. The current uncommitted balance of Other, Food Service Auxiliary Services funds is \$6,199,747.

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

Item (27) - Lander Student Housing Construction

The sources of funds for construction, totaling \$15,240,000, include \$15 million Institution Bond funds and \$240,000 Other, Housing Revenue funds.

1) Institution Bond funds are general obligation bonds of the state supported by tuition fees which may be used to construct the buildings and other permanent improvements for state institutions. The bonds are authorized by Title 59, Chapter 107 of the South Carolina Code of Laws. Debt service on the bonds will be paid from tuition fees of the institution, which will be reimbursed with housing revenue funds comprised of general room revenues from the University's housing system. The current uncommitted balance of Institution Bond funds for this project is zero at this time. A bond resolution for \$15 million will be submitted for approval by the Budget and Control Board in early 2013 with bond issues of \$2 million and \$13 in Spring 2013 and Spring 2014, respectively.

2) Other, Housing Revenue funds are general room revenues from the University's housing system. The current uncommitted balance of these funds is \$2.0 million. General room revenues from the University's housing system will be used to fund the debt service and operating costs associated with this facility. Existing housing room rates for the academic year range from \$3,712 to \$4,792, or an average of \$4,130.

The University reports that \$1 million of the \$1.2 million annual debt service on the bonds for construction will be offset by capturing \$1 million in expired debt service and capital lease savings. In addition, students electing to live in the new facility will be charged a premium housing rate of \$250 per bed per semester for the convenience of having a bed to bathroom ratio of two people to one bath. The University will use \$105,000 generated by this premium housing rate to cover additional debt service on the bonds. General room revenues for the University's housing system will be used to repay the remaining debt service of \$95,000 resulting in a general rate increase in Fall 2015 of \$63 per year, or 1.5% over the average 2012-13 housing rate of \$4,130.

Item (28) - Midlands Technical College Airport Support Center Upfit

The sources of funds for construction, totaling \$5 million, include \$2,889,571 Other, Local College funds and \$2,110,429 Other, Local County funds.

1) Other, Local College funds are part of the college fees collected from a \$75 per semester capital fee that has not increased in more than 11 years. These funds can be used for capital improvements or debt service for capital improvements. The statutory authority for these funds is Code Sections 59-53-150, 151. The current uncommitted balance of Other, Local College funds is \$2,889,571.

2) Other, Local County funds are funds contributed to the college by Richland and Lexington Counties for use on facilities. Each year the college asks the counties to provide, in addition to the physical plant operating budget, 1 mil for future capital purposes. For FY 12-13, the counties provided approximately \$2.1 million. The statutory authority for these funds is Code Section 59-53-1730. The current uncommitted balance of Other, Local County funds is \$2,110,429.

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

Item (33) - Medical University of SC Thurmond Gazes Building Envelope and Exhaust Systems Renovations

The source of funds for the budget increase is \$6,377,359 Other, Lawsuit Settlement funds. A lawsuit between MUSC and the original designer, general contractor and subcontractors for building defects was settled in February 2012 and resulted in MUSC receiving \$6,377,359 for use in correcting the building defects. The current uncommitted balance of Other, Lawsuit Settlement funds is \$6,377,359. Funding sources for pre-design and construction previously approved in 2010 and 2011, totaling \$7 million, included Institution Bond funds of \$6,895,000 and Other, Institutional Capital Project funds of \$105,000. With this budget increase, the total project budget will be \$13,377,359.

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

Item (35) - Coastal Carolina University Student Housing Land Acquisition

The source of funds for preliminary land studies is \$20,000 Other, Institutional Capital Project Funds (ICPF). Other, ICPF funds are excess debt service funds. The debt service set aside is \$525 per fulltime student per semester. This debt service fee has been in place at the same level since the 2007-08 academic year. Tuition will not increase as a result of this project. The current uncommitted balance of Other, ICPF funds is \$3,667,209.

The proposed source of funds for acquisition is Other, Institutional Capital Project Funds, which are defined above. The current uncommitted balance of these funds is \$3,667,209.

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

Item (36) – Midlands Technical College Airport Property Purchase

The source of funds for preliminary land studies is \$20,000 Other, Local County funds. Other, Local County funds are those funds the college receives from the service area counties for the operation of the college's physical plant. The current uncommitted balance of Local County funds for this project is \$545,000. Other county funds are committed.

The proposed source of funds for acquisition is Other, Local County funds, which are defined above. The current uncommitted balance of those funds is \$545,000.

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

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

- (a) **Agency:** Coastal Carolina University
Acreage: 11.31± acres
Location: At Allied Drive and Century Circle in the Atlantic Business Center in Conway.
County: Horry
Purpose: To construct a new 12-court tennis complex.
Appraised Value: N/A
Price/Seller: Donation / Horry County Higher Education Commission
Source of Funds: N/A
Project Number: H17-9589
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the donation. Construction of the new tennis complex is expected to cost \$2 million and will be funded from Other, Renovation Reserve/Plant Expansion funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 5/29/12; JBRC on 10/24/12
- (b) **Agency:** Department of Natural Resources
Acreage: 4.88± acres
Location: On the NC side of Sassafras Mountain, the state's highest point which is transected by the SC/NC state line.
County: Transylvania County, North Carolina
Purpose: To protect the entire summit of Sassafras Mountain and to improve access opportunities.
Appraised Value: N/A
Price/Seller: Donation / The Conservation Fund, Arlington, Virginia
Source of Funds: N/A
Project Number: P24-9921
Environmental Study: Approved
Building Condition: N/A
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition.
Current Year Property Tax: \$77
Approved By: JBRC on 10/24/12

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

- (c) **Agency:** **Department of Natural Resources**
Acreage: 2.64± acres with an office building, shelter building and boat dock
Location: On Bundrick Island on Lake Murray
County: Lexington
Purpose: To acquire leased property to have a law enforcement presence on and around Lake Murray.
Appraised Value: N/A
Price/Seller: Donation / South Carolina Electric and Gas Company
Source of Funds: N/A
Project Number: P24-9927
Environmental Study: Approved
Building Condition: Approved
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs will result from this acquisition.
Current Year Property Tax: Unknown - SCE&G cannot determine the tax attributable to this specific parcel.
Approved By: JBRC on 10/24/12
Additional Information: This request also includes acquisition of a 1.02± acre non-exclusive access easement to the property from SCE&G.
- (d) **Agency:** **Department of Corrections**
Acreage: .34± acres with a 1,378 square foot house
Location: 1523 Haviland Circle in Columbia, adjacent to the Broad River Complex.
County: Richland
Purpose: To acquire the property as part of the settlement of a civil lawsuit between the owners and the Department.
Appraised Value: \$68,000
Price/Seller: \$30,000 / Elbert and Christina Pearson, Columbia, SC
Source of Funds: Other, Insurance Reserve Funds
Project Number: N04-9703
Environmental Study: Approved
Building Condition: N/A - The house will either be demolished or sold for relocation from the property.
Assessment:
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition.
Current Year Property Tax: \$2,029
Approved By: JBRC on 10/24/12
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.

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

These properties must be titled to the State of South Carolina

(e) **Agency:** **Central Carolina Technical College**
Acreage: 8.67± acres and a 103,686 square foot building
Location: At 853 Broad Street in Sumter
County: Sumter
Purpose: To provide a training facility for Continental Tire, other industries and college industrial training programs.
Appraised Value: \$1,260,000
Price/Seller: \$950,000 / Shubach Deliverance Outreach Ministries, Sumter, SC
Source of Funds: Appropriated State non-recurring funds
Project Number: H59-6054
Environmental Study: Approved
Building Condition: Approved
Assessment:
Additional Annual Op Cost/SOF: Additional annual operating costs of \$1,240 are anticipated for building and property insurance and will be paid from Other, County funds. Renovation of the facility is anticipated to cost approximately \$6.5 million and will be funded from Appropriated State non-recurring funds, a Federal EDA grant and Other, Local funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 9/25/12; JBRC on 10/24/12

BOARD ACTION REQUESTED:

Approve the real property acquisitions as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 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:** Coastal Carolina University
Acreage: 11.31± acres
Location: At Allied Drive and Century Circle in the Atlantic Business Center in Conway.
County: Horry
Purpose: To construct a new 12-court tennis complex.
Appraised Value: N/A
Price/Seller: Donation / Horry County Higher Education Commission
Source of Funds: N/A
Project Number: H17-9589
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the donation. Construction of the new tennis complex is expected to cost \$2 million and will be funded from Other, Renovation Reserve/Plant Expansion funds.
Current Year Property Tax: N/A - Exempt
Approved By: CHE on 5/29/12; JBRC on 10/24/12
- (b) **Agency:** Department of Natural Resources
Acreage: 4.88± acres
Location: On the NC side of Sassafras Mountain, the state's highest point which is transected by the SC/NC state line.
County: Transylvania County, North Carolina
Purpose: To protect the entire summit of Sassafras Mountain and to improve access opportunities.
Appraised Value: N/A
Price/Seller: Donation / The Conservation Fund, Arlington, Virginia
Source of Funds: N/A
Project Number: P24-9921
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition.
Current Year Property Tax: \$77
Approved By: JBRC on 10/24/12

(c) **Agency:** **Department of Natural Resources**
Acreage: 2.64± acres with an office building, shelter building and boat dock
Location: On Bundrick Island on Lake Murray
County: Lexington
Purpose: To acquire leased property to have a law enforcement presence on and around Lake Murray.
Appraised Value: N/A
Price/Seller: Donation / South Carolina Electric and Gas Company
Source of Funds: N/A
Project Number: P24-9927
Environmental Study: Approved
Building Condition Assessment: Approved
Additional Annual Op Cost/SOF: No additional annual operating costs will result from this acquisition.
Current Year Property Tax: Unknown - SCE&G cannot determine the tax attributable to this specific parcel.
Approved By: JBRC on 10/24/12
Additional Information: This request also includes acquisition of a 1.02± acre non-exclusive access easement to the property from SCE&G.

(d) **Agency:** **Department of Corrections**
Acreage: .34± acres with a 1,378 square foot house
Location: 1523 Haviland Circle in Columbia, adjacent to the Broad River Complex.
County: Richland
Purpose: To acquire the property as part of the settlement of a civil lawsuit between the owners and the Department.
Appraised Value: \$68,000
Price/Seller: \$30,000 / Elbert and Christina Pearson, Columbia, SC
Source of Funds: Other, Insurance Reserve Funds
Project Number: N04-9703
Environmental Study: Approved
Building Condition Assessment: N/A - The house will either be demolished or sold for relocation from the property.
Additional Annual Op Cost/SOF: No additional annual operating costs will result from the acquisition.
Current Year Property Tax: \$2,029
Approved By: JBRC on 10/24/12
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.

(e)	Agency: Acreage: Location: County: Purpose: Appraised Value: Price/Seller: Source of Funds: Project Number: Environmental Study: Building Condition Assessment: Additional Annual Op Cost/SOF: Current Year Property Tax: Approved By:	Central Carolina Technical College 8.67± acres and a 103,686 square foot building At 853 Broad Street in Sumter Sumter To provide a training facility for Continental Tire, other industries and college industrial training programs. \$1,260,000 \$950,000 / Shubach Deliverance Outreach Ministries, Sumter, SC Appropriated State non-recurring funds H59-6054 Approved Approved Additional annual operating costs of \$1,240 are anticipated for building and property insurance and will be paid from Other, County funds. Renovation of the facility is anticipated to cost approximately \$6.5 million and will be funded from Appropriated State non-recurring funds, a Federal EDA grant and Other, Local funds. N/A - Exempt CHE on 9/25/12; JBRC on 10/24/12
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4. What is Board asked to do?

Approve the real property acquisitions requested.

5. What is recommendation of Board Division involved?

Recommend approval of the real property acquisitions as requested.

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

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

7. List of Supporting Documents:

- 1. Code Section 1-11-65
 - (a) Coastal Carolina University
 - (b) Department of Natural Resources - Transylvania County, NC
 - (c) Department of Natural Resources - Lexington County, SC
 - (d) Department of Corrections
 - (e) Central Carolina Technical College

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

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

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

(a) Coastal Carolina University
Horry County

List of Supporting Documents:

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



May 22, 2012

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

Dear Carol:

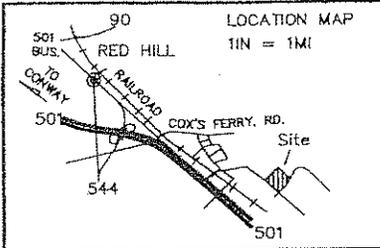
Please accept this letter as a request for State Budget and Control Board approval for the donation of 11.31 acres of land for construction of a new tennis complex (Project #9587). The land is being donated to the University by the Horry County Higher Education Commission.

Thank you for your assistance in this regard.

Sincerely,

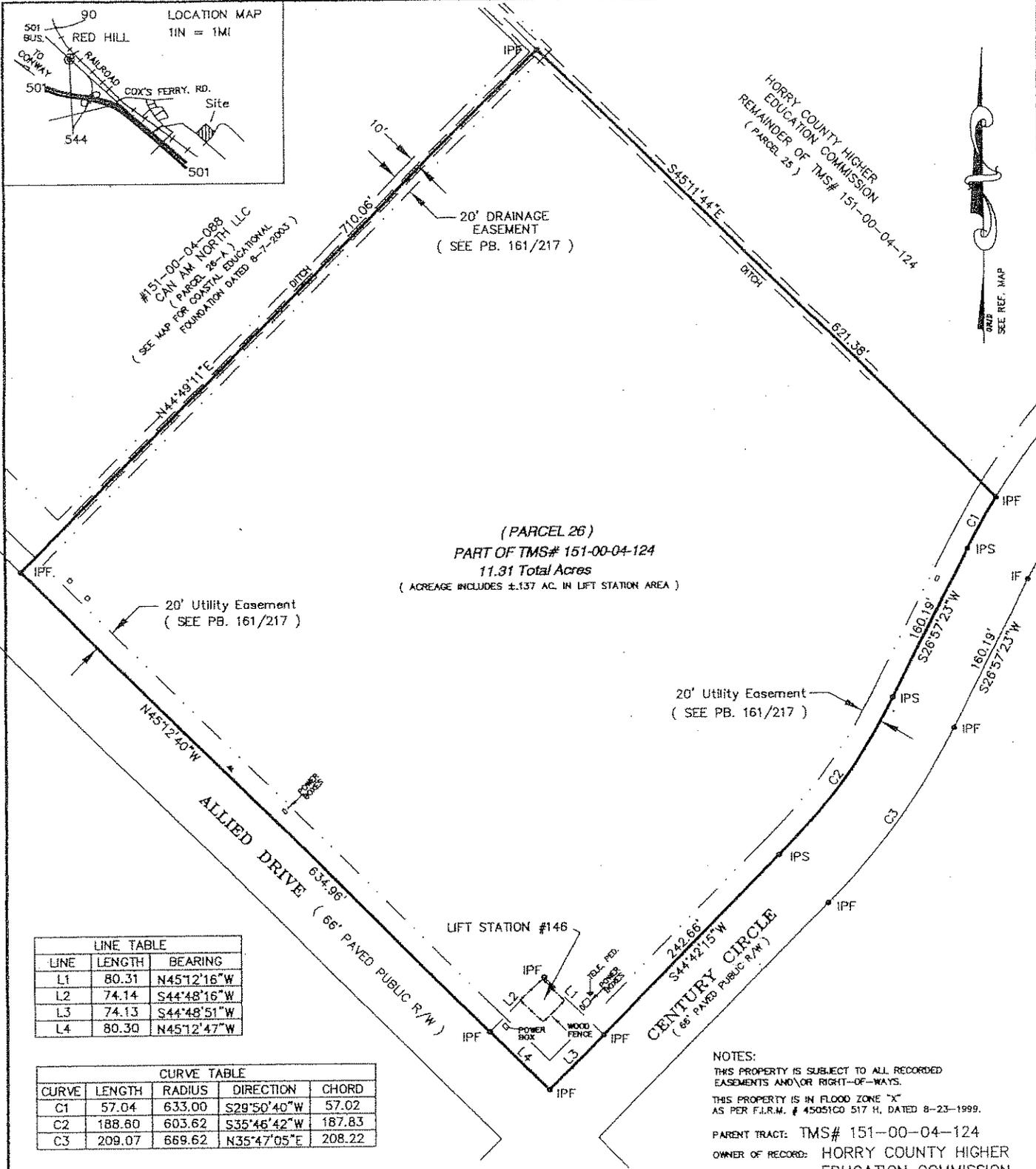
A handwritten signature in cursive script, appearing to read 'Stacie A. Bowie'.

Stacie A. Bowie
CFO/Vice President
Finance & Administration



#151-00-04-088
CAN AM NORTH LLC
(PARCEL 26-A)
SEE MAP FOR COASTAL EDUCATIONAL
FOUNDATION DATED 8-7-2003

HORRY COUNTY HIGHER
EDUCATION COMMISSION
REMAINDER OF TMS# 151-00-04-124
(PARCEL 25)



(PARCEL 26)
PART OF TMS# 151-00-04-124
11.31 Total Acres
(ACREAGE INCLUDES ±.137 AC. IN LIFT STATION AREA)

LINE TABLE		
LINE	LENGTH	BEARING
L1	80.31	N45°12'16"W
L2	74.14	S44°48'16"W
L3	74.13	S44°48'51"W
L4	80.30	N45°12'47"W

CURVE TABLE				
CURVE	LENGTH	RADIUS	DIRECTION	CHORD
C1	57.04	633.00	S29°50'40"W	57.02
C2	188.60	603.62	S35°46'42"W	187.83
C3	209.07	669.62	N35°47'05"E	208.22

NOTES:
THIS PROPERTY IS SUBJECT TO ALL RECORDED
EASEMENTS AND/OR RIGHT-OF-WAYS.
THIS PROPERTY IS IN FLOOD ZONE "X"
AS PER F.I.R.M. # 45051C0 517 H, DATED 8-23-1999.
PARENT TRACT: TMS# 151-00-04-124
OWNER OF RECORD: HORRY COUNTY HIGHER
EDUCATION COMMISSION
DEED REC'D DB. 3302, PG. 2548, PB. 161, PG. 217 H.C.RECS.

MAP OF
11.31 TOTAL ACRES OF LAND IN CONWAY TOWNSHIP, HORRY COUNTY, S. C.
SURVEYED FOR:

COASTAL CAROLINA UNIVERSITY

BEING PARCEL "26" SHOWN ON MAP OF ATLANTIC CENTER INDUSTRIAL PARK BY
THOMAS L. EVANS OF SANTEE COOPER LAST REVISION DATE 2-16-1999.

CERTIFICATE OF ACCURACY
I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE
WITH THE REQUIREMENTS OF THE "MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA", AND MEETS OR
EXCEEDS THE REQUIREMENTS FOR A CLASS (A,B,OR C) SURVEY AS SPECIFIED HEREIN.
RATIO OF PRECISION IS: 7,500+ CLASS "B" SURVEY. AREA DETERMINED BY THE COORDINATE CROSS MULTIPLICATION METHOD OF CALCULATION.

CERTIFICATE OF OWNERSHIP AND DEDICATION
THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT I AM (WE ARE) THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREON
AND THAT I (WE) HEREBY ADOPT THIS (PLAN OF DEVELOPMENT/PLAT) WITH MY (OUR) FREE CONSENT AND THAT I (WE) HEREBY DEDICATE
ALL ITEMS AS SPECIFICALLY SHOWN OR INDICATED ON SAID PLAT.

NAME _____ SIGNATURE _____ DATE _____

NAME _____ SIGNATURE _____ DATE _____

LEGEND:	
CONC. F	CONCRETE MON. FOUND
IPF	IRON PIPE FOUND
IPS	1/2" IRON PIPE SET
IF	IRON FOUND
IS	IRON SET
STK. O	STAKE FOUND (OLD MARKS)
STU. F	STUMP FOUND
AXF	AXLE FOUND
PK	PK NAIL
PT	POINT
CO ₃ SPL	SERVICE POLE
CO ₃ PPL	POWER POLE
TP	TELEPHONE PEDESTAL



July 13, 2012

Coastal Carolina University
Post Office Box 261954
Conway, South Carolina 29528

Attention: Mr. Mark Avant, E.I.T., LEED AP

Reference:

Limited Soil and Groundwater Assessment
Atlantic Business Center Parcel 26
Conway (Horry County), South Carolina
S&ME Project No. 1634-12-136

Dear Mr. Avant:

S&ME, Inc. (S&ME) is pleased to submit this letter for the referenced soil and groundwater assessment project that was completed by S&ME and submitted to Coastal Carolina University (CCU) on July 3, 2011. The report was also submitted to Mr. Tim Kadar at the South Carolina Department of Health and Environmental Control (SCDHEC) for review. S&ME spoke with Mr. Kadar via a telephone conversation on July 12, 2012. According to Mr. Kadar a recent policy change directs the SCDHEC to only respond to assessments of otherwise unregulated sites if further assessment or remedial action is deemed appropriate.

Based on our July 12 discussion with Mr. Kadar, S&ME concludes the SCDHEC is not inclined to issue a directive for additional assessment for this project. Therefore, S&ME confirms our recommendation that no further assessment of the subject property is warranted based on the data collected in referenced assessment report dated July 3, 2012.

We appreciate the opportunity to continue serving CCU. If you have any questions regarding this letter, please do not hesitate to call.

Sincerely,
S&ME, Inc.

Hayward M. Key
Project Manager

Chuck Black, P.E., LEED AP
Senior Reviewer



July 3, 2012

Coastal Carolina University
Post Office Box 261954
Conway, South Carolina 29528-6054

Attention: Mr. Mark Avant, EIT, LEED AP

Reference: **Limited Soil and Groundwater Assessment Report**
Atlantic Business Center – Parcel 26
Conway (Horry County), South Carolina
S&ME Project No. 1634-12-136

Dear Mr. Avant:

S&ME, Inc. (S&ME) has conducted a Limited Soil and Groundwater Assessment for Parcel 26 of the Atlantic Business Center located north of and adjoining to the intersection of Allied Drive and Century Circle in Conway (Horry County), South Carolina, in general accordance with S&ME Proposal No. 1634-0158-12, dated June 4, 2012. This assessment consisted of collecting soil and groundwater samples from borings conducted at six (6) locations on the subject property and analyzing the samples for petroleum-related constituents and chlorinated solvents that could have impacted the site from the past use of the subject property. The assessment also consisted of collecting three (3) composite soil samples from the stockpiled soils located along the northeastern property boundary and analyzing the samples for Target Analyte List and Target Compound List (TAL/TCL) parameters. This report presents a brief background, the environmental activities performed, analytical results, and our conclusions and recommendations.

S&ME appreciates the opportunity to provide environmental services for this project. Please do not hesitate to contact Heyward Key at (843) 347-7800 if you have any questions regarding information in this report or if we can be of further assistance.

Sincerely,
S&ME, Inc.


Heyward Key
Project Manager


Chuck Black, P.E., LEED AP
Senior Reviewer, Vice President

Cc: Mr. Jonathan G. McInnis; SCDHEC – BLWM; 2600 Bull St., Columbia, SC 29201

specific MDLs of the tested parameters in soil samples SB-1 through SB-4 exceeded their respective industrial RSL, risk-based SSL and/or MCL-based SSL.

5.0 CONCLUSIONS

The analytical results of the soil samples collected at TW-1, TW-2, TW-3, TW-4 and TW-6 contained detectable levels of Bis (2-ethylhexyl) phthalate above the EPA Protection for Groundwater Risk-Based Soil Screening Level (RB-SSL). Naphthalene was detected in soil sample TW-4 above the RB-SSL. S&ME concludes these contaminant concentrations do not warrant further assessment of site soils.

Total concentrations of arsenic in groundwater samples TW-2, TW-3, TW-5 and TW-6 were above the EPA established RSL for tap water and/or MCL; however, the dissolved concentrations of arsenic were below the MCL.

Concentrations of naphthalene in groundwater sample TW-4 and TW-6 were above the EPA established RSL for tap water; however the concentrations were less than the 25 parts per billion (ppb) value recognized by the SCDHEC as an interim drinking water standard. No other detected constituents in the groundwater samples were above comparison levels. S&ME concludes these contaminant concentrations do not warrant further assessment or groundwater.

Arsenic and iron were detected in all three stockpile soil samples (S-1 through S-3) at concentrations exceeding the EPA Protection for Groundwater MCL-Based and/or Risk-Based SSL. Both arsenic and iron concentrations in the stockpile samples were reported less than the corresponding Industrial Soil Exposure levels. The detected concentrations of arsenic in the soil samples ranged from < 0.61 milligrams per kilogram (mg/kg) in SB-2) to 0.87 mg/kg (SB-1); iron concentrations ranged from 750 to 960 mg/kg.

According to data presented in *Elements in South Carolina Inferred Background Soil and Stream Sediment Samples* (Canova 1999) South Carolina Geology, the average and range for arsenic in South Carolina soil is 6.1 mg/kg and 0.23 mg/kg – 210 mg/kg, respectively. According to the same reference, the mean iron concentration in South Carolina Coastal Plain soils is 5,271 mg/kg. In addition, according to data presented in *Elemental Concentrations in Soils of South Carolina* (Franklin *et al.* 2003) Soil Science, the geometric mean and range for arsenic in South Carolina surface soil is 2.5 mg/kg and <2.8 mg/kg – 10 mg/kg, respectively. Upon comparison, the arsenic and iron concentrations in the stockpile soil samples collected at the subject site appear to be consistent with background concentrations in South Carolina soils. S&ME concludes these contaminant concentrations do not warrant further assessment of stockpiled soils.

Although many parameters were not detected by the laboratory at concentrations above the MDLs (i.e., non-detect), the analytical results indicated that the MDLs for some parameters were above certain screening values. However, because the laboratory conducting the analyses (Test America) is a SCDHEC-certified laboratory and the MDLs were consistent with industry standards, it is our opinion that further assessment is not

warranted for those parameters that were not detected above the MDLs, but had MDLs that exceeded one or more screening values.

As a condition of our temporary well permit, a copy of this report must be submitted to the SCDHEC. We will request the SCDHEC issue a no further action (NFA) directive for the site. It should be noted that the SCDHEC may not agree with our opinions and/or recommendations and can request additional assessment and/or remediation be conducted at the site.



January 5, 2012

Coastal Carolina University
Post Office Box 261954
Conway, South Carolina 29528-6054

Attention: Mr. Mark Avant, EIT, LEED AP

Reference: **Report of Phase I Environmental Site Assessment**
Atlantic Business Center – Parcel 26
Conway, South Carolina
S&ME Project No. 1634-11-307

Mr. Avant:

S&ME, Inc. has completed a Phase I Environmental Site Assessment for the referenced property. The attached report presents the findings of S&ME's Phase I Environmental Site Assessment which was performed in general accordance with ASTM E 1527-05 and S&ME Proposal No. 1634-0374-11, dated November 30, 2011.

S&ME appreciates the opportunity to provide the Environmental Site Assessment for this project. Please contact us at your convenience if there are questions regarding the information contained in this report.

Sincerely,

S&ME, Inc.

A handwritten signature in cursive script that reads "Dawn Schoolcraft".

Dawn Schoolcraft
Environmental Technologist

A handwritten signature in cursive script that reads "Chuck Black" with a circled initial.

Chuck Black, P.E., LEED AP
Senior Environmental Engineer

SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 11.17 acres, located adjacent to Allied Drive 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 December 15, 2011, Mrs. Dawn Schoolcraft, an environmental technologist with S&ME, under the guidance of Chuck Black, 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 is currently developed as soccer fields. The adjacent properties consist of the Coastal Science Center, a pump station, a recreational field, and commercial/industrial warehouses.

S&ME contracted Environmental Data Resources (EDR) to prepare a Field Check™ Radius Report compiling federal and state environmental database information. S&ME also viewed historical aerial photographs to determine past uses of the subject site and its adjacent properties. Interviews with the current property owner and with the local fire department were also conducted to further determine the environmental status of the subject site. This process revealed that the subject property has historically been wooded land until it was cleared in 1975, at which time Grove Manufacturing Company (GMC) operated on adjoining properties. Since the closure of GMC in 1984, it appears that the subject property has primarily been used for recreational sporting purposes.

In summary, this assessment has revealed no evidence of RECs in connection with the subject property except for the following:

- The past use of the surrounding properties for industrial purposes (the former GMC).
- The off-site source of the soil stockpiled on the northern portion of the subject property.

PROPERTY ACQUISITION INFORMATION FORMAT
PART I

1. Project Number: 9589
2. County: Horry
3. Description of Property: 11.31 acres, known as Parcel 26 in the Atlantic Center, part of TMS #151-00-04-124
4. Grantor(s) Name and Address: Horry County Higher Education Commission, 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: 11.31 acres
8. Purpose for Acquisition: For construction of a 12 court tennis complex.
9. Demonstrate the need to acquire the property: Currently the University has 6 tennis courts available for tennis team use and two courts available for general student use. The two courts used by students will be demolished in conjunction with the renovation of the baseball stadium (Project #9580) due to their proximity to the baseball outfield. With the construction of the proposed 12 court tennis complex, the six courts now used by the tennis team will become available for general student use and use by recreational classes. Increased court availability is needed due to student growth.
10. Purchase Price: The property is being donated to the University.
11. Current Year Property Tax Amount: N/A

PART II

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites. Close proximity to the University's intramural fields, donation of land and site is in accordance to the University's Campus Master Plan.
3. How was the final selection of the site made? Land provides ample space for new tennis complex construction and is being donated to the University.
4. Why was this specific site selected? Close proximity to intramural fields and is part of the University's new master plan.
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? \$2,000,000 – Renovation Reserve/Plant Expansion.

6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. No cost from acquisition of property, the University already maintains this land which it currently leases from the Horry County Higher Education Commission.

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. \$27,000 per year. This includes \$24,000 for utilities and \$3,000 for supplies. These 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

**(b) Department of Natural Resources
Transylvania County, North Carolina**

List of Supporting Documents:

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

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

Emily C. Cope
Deputy Director for
Wildlife and Freshwater Fisheries

June 28, 2012

RECEIVED

JUN 29 2012

August & Control Board
OFFICE OF STATE BUDGET

Carol Routh
Office of State Budget
Capital Budgeting Section
1205 Pendleton Street, Suite 529
Columbia, SC 29201

RE: Project Number P24-9921 (Property Acquisition at Sassafras Mountain)

Dear Carol:

Please place the above-referenced item on the agenda of the Joint Bond Review Committee and the Budget and Control Board for consideration at the August meeting.

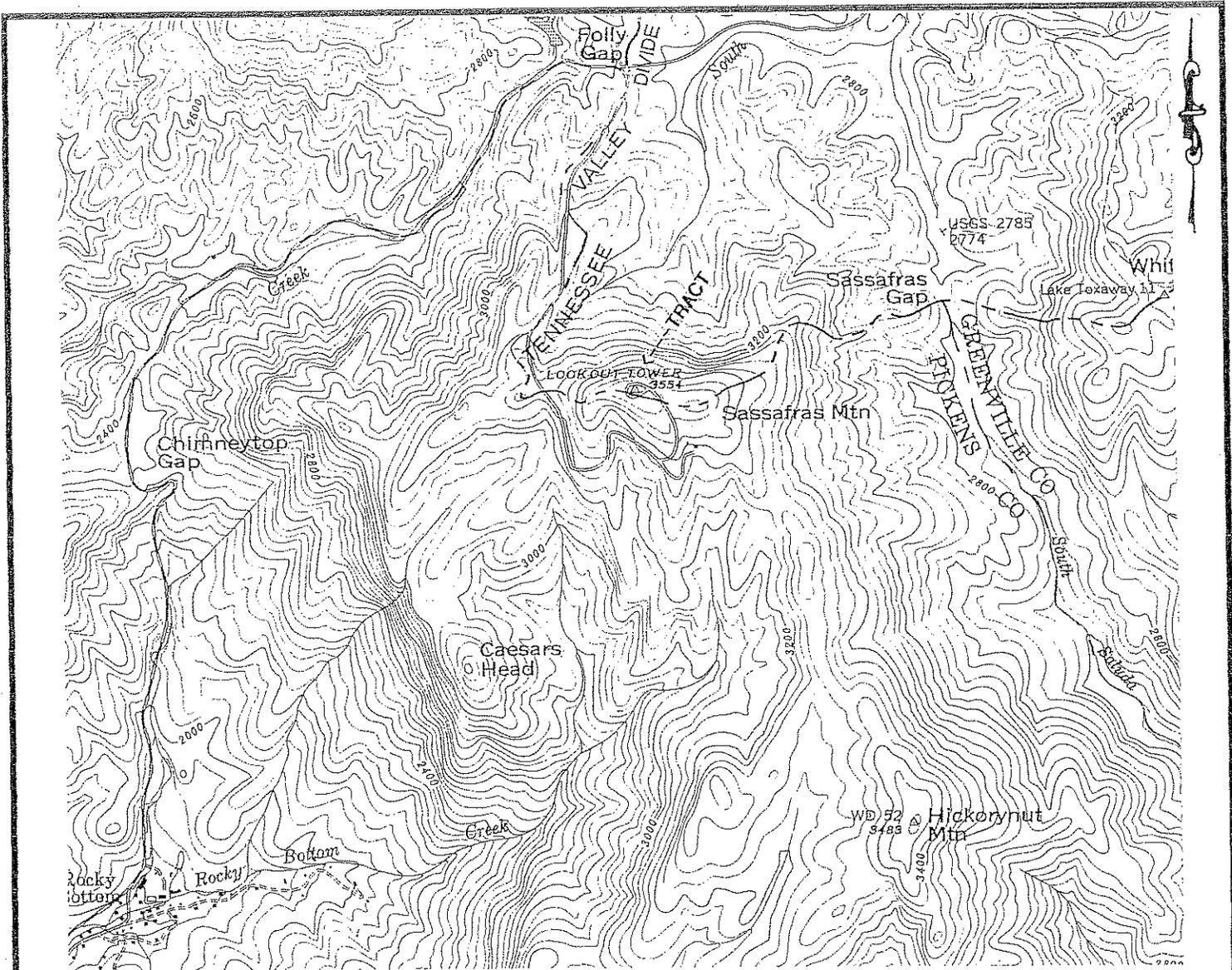
If I can provide any additional information, please call me at 734-3914. Thank you for your assistance.

Sincerely,

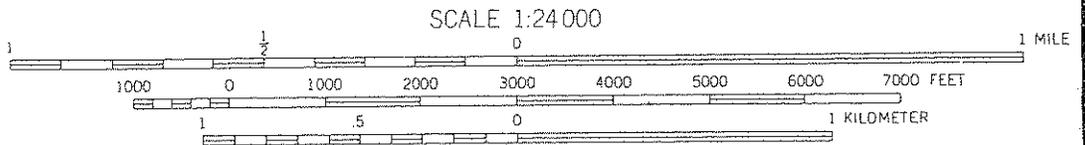
A handwritten signature in black ink that reads "Ken Prosser".

Kenneth M. Prosser, Jr.
Assistant Deputy Director

C: Kevin Kibler, DNR



QUADRANGLE LOCATION



CONTOUR INTERVAL 40 FEET

<p>F&ME CONSULTANTS</p>	TRACT LOCATED ON 1946/1969 USGS EASTATOE GAP, SC-NC QUADRANGLE MAP		
	TRANSYLVANIA COUNTY, N.C.		
<p>SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES</p>	DWN.BY		SCALE: SHOWN
	CKD.BY		PROJECT
	APPR'D.		E5195.000

PHASE I ENVIRONMENTAL SITE ASSESSMENT

4.88-ACRE SASSAFRAS MOUNTAIN ADDITION

F. VAN CLAYTON MEMORIAL HIGHWAY

TRANSYLVANIA COUNTY, NORTH CAROLINA

TRANSYLVANIA COUNTY TMS #8561-81-2492-000

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

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

A. SUMMARY

F&ME CONSULTANTS has performed this Phase I Environmental Site Assessment on the 4.88-acre Sassafras Mountain Addition tract located on F. Van Clayton Memorial Highway on Sassafras Mountain in Transylvania County, North Carolina, for the South Carolina Department of Natural Resources.

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

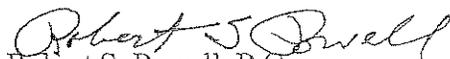
The tract was visually inspected on June 19, 2012. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire and ASTM E2247-08 User Questionnaire were completed as required.

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

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

Sincerely,

F&ME CONSULTANTS



Robert S. Powell, P.G.

Senior Environmental Consultant



AASHTO ACCREDITED
LABORATORY

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9921
2. COUNTY: Transylvania County, NC.
3. DESCRIPTION: Fee-simple donation of 4.88 acres at the top of Sassafras Mountain.
4. GRANTOR(S): The Conservation Fund, 1655 N. Fort Myer Drive, Suite 1300 Arlington, VA 22209-3199.
5. GRANTEE(S): South Carolina Department of Natural Resources, 1000 Assembly Street, PO Box 167, Columbia, SC 29202.
6. COUNTY LOCATION: Located at the top of Sassafras Mountain, adjacent to the SC/NC state line, which transects the top of Sassafras. The property also borders the DNR's Jocassee Gorges Natural Area in Pickens County.
7. ACREAGE: Total project consists of 4.88 acres.
8. PURPOSE/PROJECT: To accept a property donation of 4.88 acres to provide scenic viewing opportunities from SC's highest point, and to protect wildlife habitat and offer public recreation opportunities. In 2004, DNR acquired a 2-acre parcel at the top of Sassafras Mountain. The tract was an addition to Jocassee Gorges and completed protection of all privately-owned land in SC that was on the top of Sassafras. Because the SC/NC state line transects the top of Sassafras, the entire summit was not protected. In 2010, The Conservation Fund and the State of North Carolina partnered to protect the remaining portion of Sassafras as part of a larger conservation project. Both DNR and Pickens County would like to improve access opportunities at Sassafras and have endorsed building an observation tower at the top of the mountain. To facilitate the project, The Conservation Fund has agreed to donate a 4.88-acre parcel to DNR. The additional property will provide an adequate area for construction of a tower and allow for ownership of the entire roadway to the proposed structure.
9. NEED TO ACQUIRE PROPERTY: See above. SCDNR has been interested in acquiring this tract for many years and plans to partner with Pickens County and other public and private sector entities to construct an observation facility after the acquisition is completed.
10. PURCHASE PRICE: \$0.00. The property will be donated to DNR by The Conservation Fund.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

11. CURRENT YEAR PROPERTY TAX AMOUNT: Approximately \$77.00.

Part II

1. HOW MANY SITES WERE EVALUATED? Numerous sites are evaluated throughout the year for participation in DNR's Heritage Trust and Wildlife Management Area Programs.
2. SELECTION CRITERIA USED TO EVALUATE SITES? Eligibility criteria for the Heritage Trust Program and Forest Legacy Program were used to evaluate the site. They include scenic values, forest production potential, fish and wildlife habitat values, threatened and endangered species values, water quality issues, level of conversion threat, and links to other habitat protection initiatives.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? DNR has maintained an interest in acquiring this tract to facilitate public visitation of Sassafras Mountain, which is the highest point in South Carolina.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROEPRTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. Construction costs for the proposed observation facility will be funded by private donations. The total amount will not be known until design and engineering work are initiated.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional annual operating costs are anticipated for the acquisition because SCDNR is currently managing the adjoining area and this acquisition does not constitute a large increase in acreage.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. No additional annual operating costs are expected from construction.

(c) Department of Natural Resources
Lexington County

List of Supporting Documents:

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

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

RECEIVED

SEP 25 2012

CLERK OF COURTS
OFFICE OF STATE BUDGET

September 24, 2012

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

RE: **Lexington - Bundrick Island Land Acquisition - Project 9927**

Dear Carol and Charles:

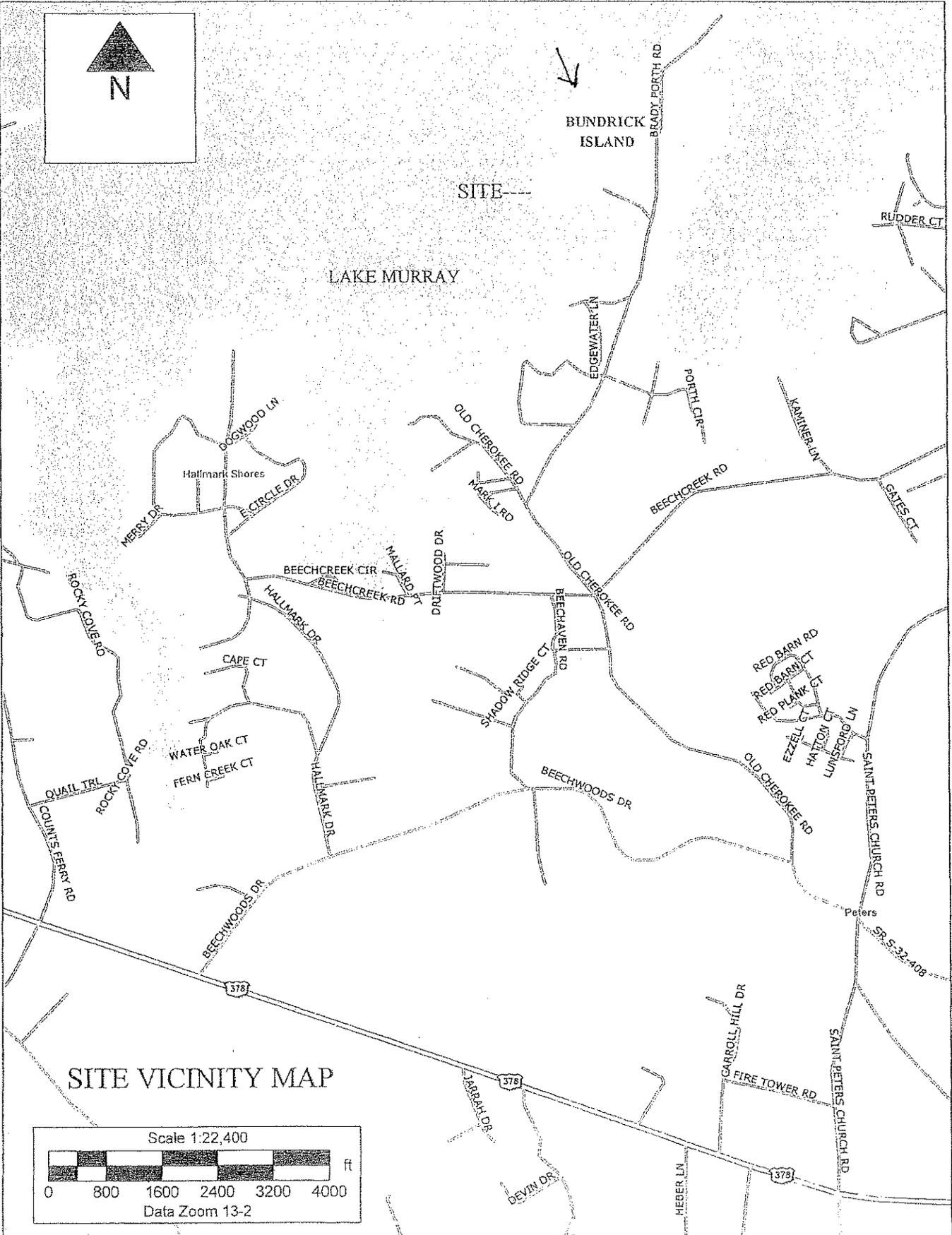
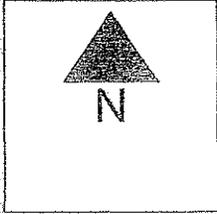
Please accept this letter as a request for State Budget and Control Board approval of the acceptance of 2.64 acres of land which is being donated to the Department of Natural Resources by the SCANA Corporation (SCE&G). Acquisition of this property will allow not only SCDNR, but a Lake Murray joint Law Enforcement Task Force to have a much needed presence on and around the Lake, as well as a facility to support training and planning that promotes efficient and effective law enforcement and public safety activities on and around the Lake.

Sincerely,

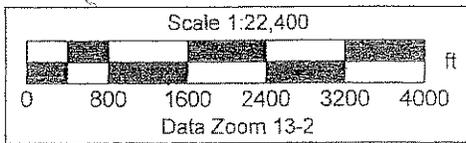
A handwritten signature in black ink, appearing to read "Scott Speares".

Scott Speares

Assistant Deputy Director - Outreach & Support Services



SITE VICINITY MAP



Data use subject to license.

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www.delorme.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT

4.77-ACRE PORTION OF BUNDRICK ISLAND

1401 BRADY PORTH ROAD

LAKE MURRAY

LEXINGTON COUNTY, SOUTH CAROLINA

COLUMBIA OFFICE
3112 Devine Street
Columbia, SC 29205
Phone (803) 254-4540
Fax (803) 254-4542

BEAUFORT OFFICE
1903 Legion Street
Myrtle Beach, SC 29577
Phone (843) 626-9253
Fax (843) 448-0681

A. SUMMARY

F&ME CONSULTANTS has performed this Phase I Environmental Site Assessment on the 4.77-acre Portion of Bundrick Island, Lake Murray, in Lexington County, South Carolina, for the South Carolina Department of Natural Resources.

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

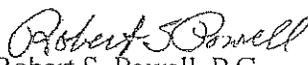
The tract was visually inspected on May 16, 2012. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire was completed as required.

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

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

Sincerely,

F&ME CONSULTANTS


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



AASHTO ACCREDITED
LABORATORY

www.fmecol.com

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: 9927
2. County: **Lexington**
3. Description of Property: **DESCRIPTION:**
 - a. The Fee Property is situated in the County of Lexington, State of South Carolina and is described as follows:

A 2.64 acres, more or less, parcel or lot of land shown as "PARCEL B 2.64 ACRES." on a survey for South Carolina Electric and Gas Co., Inc. of property located on Bundrick Island, Lake Murray, SC, prepared by Associated E&S, Inc., dated November 1, 1999, revised February 22, 2012 and recorded on February 27, 2012 in Plat Book 15355 at Page 178 of the records of the Register of Deeds for Lexington County, South Carolina, said survey herein being incorporated by reference and attached hereto as **Exhibit A**.

Derivation: This being a portion of the property conveyed to Lexington Water Power Company by Option 470 from James Harmon, recorded on September 5, 1927 in the Lexington County Register of Deeds Office in Record Book 4-E Page 500.

Lexington Water Power Company is corporate predecessor to South Carolina Electric & Gas Company.

TMS Number: n/a

- b. The non-exclusive Access Easement property is situated in the County of Lexington, State of South Carolina and is described as follows:

A 1.02 acres, more or less, parcel or lot of land shown as "PARCEL C 30' ACCESS EASEMENT 1.02 ACRES." on a survey for South Carolina Electric and Gas Co., Inc. of property located on Bundrick Island, Lake Murray, SC, prepared by Associated E&S, Inc., dated November 1, 1999, revised February 22, 2012 and recorded on February 27, 2012 in Plat Book 15355 at Page 178 of the records of the Register of Deeds for Lexington County, South Carolina, said survey herein being incorporated by reference and attached hereto as **Exhibit A**.

Derivation: This being a portion of the property conveyed to Lexington Water Power Company by Option 470 from James Harmon, recorded on September 5, 1927 in the Lexington County Register of Deeds Office in Record Book 4-E Page 500.

Lexington Water Power Company is corporate predecessor to South Carolina Electric & Gas Company.
TMS Number: n/a

4. Grantor(s) Name and Address: **South Carolina Electric & Gas Company**
220 Operation Way, Mail Code D112
Cayce, South Carolina 29033-3701
5. Grantee(s) Name and Address: **South Carolina Department of Natural Resources**
1000 Assembly Street, Columbia, SC 29201
6. County Location: **Lexington**
7. Acreage: **2.64 Acres in fee**
1.02 Acres in an easement for access
8. Purpose for Acquisition: **Acquisition of this property will allow not only the Department of Natural Resources, but a Lake Murray Joint Law Enforcement Task Force to have a much needed presence on and around the Lake, as well as a facility to support training and planning that promotes efficient and effective law enforcement and public safety activities on and around the Lake.**
9. Demonstrate the need to acquire the property: **Not really knowing the long term plans of the SCANA Corporation regarding this property, the agency believes that acquisition guaranties the continuity of the Lake Murray Joint Law Enforcement Task Force. Also, the property is within the project boundaries for purposes of regulation under the Federal Power Act. Acquisition may circumvent any future changes in land use required by the Federal Energy Regulatory Commission.**
10. Purchase Price: **Property is a land donation from the SCANA Corp. (SCE&G)**
11. Current Year Property Tax Amount: **According to information furnished by SCE&G, determining the amount of taxes attributable to the 2.64 acre tract is extremely difficult, if not impossible. The Department of Natural Resources is informed that SCE&G pays property taxes directly to the S.C. Department of Revenue, and the tax bill is for all project lands associated with power generation. Breaking out the specific tax liability for the 2.64 acres tract has been requested by the agency; however, SCE&G states that it cannot do that at this time.**

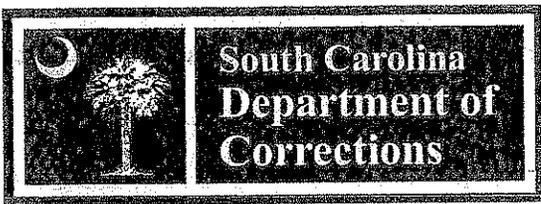
PART II

1. How many sites were evaluated? **Property is a land donation from the SCANA Corporation.**
2. Please list the selection criteria used to evaluate sites. **N/A**
3. How was the final selection of the site made? **N/A**
4. Why was this specific site selected? **Acquisition of this property will allow not only the Department of Natural Resources, but a Lake Murray Joint Law Enforcement Task Force to have a much needed presence on and around the Lake, as well as a facility to support training and planning that promotes efficient and effective law enforcement and public safety activities on and around the Lake.**
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? **The agency does not anticipate any immediate construction or renovations to be done on the property – and thus, does not anticipate costs for construction/renovation. If however there is a need for any construction or renovations in the future, the need likely would originate from Lexington County – a partner in the Lake Murray Joint Law Enforcement Task Force and the intended leasee of the property – and they would need to provide adequate funding sources in order to ensure a successfully completed project. Of course, as a state-owned property, any such construction could require Office of State Budget and Office of State Engineer approvals.**
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 Department of Natural Resources does not anticipate additional annual operating costs associated with the acquisition of the property. The property is currently leased by the agency from the SCANA Corporation to fulfill the agency's role in the Lake Murray Joint Law Enforcement Task Force. An existing sublease agreement between the agency and Lexington County addresses the maintenance of the existing structures on site. With the acquisition, the agency will enter into a lease agreement with Lexington County in order that the county continue its maintenance of the existing structures on site.**
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. **Again, the agency does not anticipate additional annual operating costs associated with the acquisition of the property as the operational cost structure will remain the same as it currently is with Lexington County – a partner in the Lake Murray Joint Law Enforcement Task Force and the intended leasee of the property.**

**(d) Department of Corrections
Richland County**

List of Supporting Documents:

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



NIKKI R. HALEY, Governor
WILLIAM R. BYARS, JR., Director

September 17, 2012

AGENCY MAIL SERVICES

Mr. Charles Shawver, Budget Analyst
Office of State Budget - Capital Budgeting Section
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Subject: Department of Corrections' "A-Form"

Dear Mr. Shawver:

Enclosed is an A-Form, an A-49 form and relative information to increase the budget for project #9703 (purchase of property located at 1523 Haviland Circle in Columbia).

We would appreciate your assistance in expediting this request through the approval process.

Sincerely,

A handwritten signature in cursive script that reads "Martha L. Roof".

Martha L. Roof
Deputy Director for Administration

MLR:abb

Enclosures

cc: Mr. John Carmichael
Mr. John Harmon
Mr. John Morgan

Uniform Residential Appraisal Report

1523 Haviland
File # Pearson

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 1523 Haviland Cir City Columbia State SC Zip Code 29210
 Borrower n/a Owner of Public Record Elbert & Christina Pearson County Richland

Legal Description Lot 44 Block A (Deed 1187 Page 992) Tax Year 2011 R.E. Taxes \$ 1,875
 Assessor's Parcel # 06209-01-07 Map Reference 17900 Census Tract 45079-0104.09

Neighborhood Name Mandel Hall
 Occupant Owner Tenant Vacant Special Assessments \$ 0 PUD HOA \$ 0 per year per month

Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) Market Value "As-Is"

Lender/Client Stanley Law Firm Address 1418 Park Street, PO Box 7722, Columbia, SC 29202
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No

Report data source(s) used, offering price(s), and date(s). The subject has not been listed on the Columbia MLS system in the past twelve months. There is no way for the appraiser to know if the property was listed For Sale By Owner.

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$ Date of Contract Is the property seller the owner of public record? Yes No Data Source(s)
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input checked="" type="checkbox"/> Over 6 mths	15	Low	0	Multi-Family	5 %	
Neighborhood Boundaries See attached addenda.		130	High	75	Commercial	15 %	
		45	Pred.	40	Other	0 %	

Neighborhood Description See attached addenda.

Market Conditions (including support for the above conclusions) See attached addenda.

Dimensions 85x173.9x85x174.2 Area 14,786 sf Shape Rectangular View N;Res;
 Specific Zoning Classification RS-MD Zoning Description Residential, Single Family-Medium Density
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 45079C0230K FEMA Map Date 09/29/2010
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

General Description		Foundation		Exterior Description materials/condition		Interior materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Craw Space	Foundation Walls	Brick/Average	Floors	Vinyl, tile, crpt/Ave		
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick/Average	Walls	Drywall/Average		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	Shingles/Average	Trim/Finish	Wood Paint/Ave		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Cutters & Downspouts	Yes, Yes/Average	Bath Floor	Tile, vinyl/Average		
Design (Style) Ranch 1 story	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Wood/Average	Bath Wainscot	Insert/Good		
Year Built 1969	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input checked="" type="checkbox"/> None		
Effective Age (Yrs) 20	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Average	Driveway # of Cars	0		
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface	Concrete		
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Electric	Fireplace(s) #	0	Garage # of Cars	0		
<input checked="" type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck	<input checked="" type="checkbox"/> Porch deck	Carport # of Cars	0		
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool none	<input checked="" type="checkbox"/> Other screenpo	Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in			

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 7 Rooms 4 Bedrooms 2.1 Bath(s) 1,378 Square feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.) See attached addenda.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3:Kitchen-not updated;Bathrooms-remodeled-one to five years ago;The overall condition of the subject has been well maintained and no physical depreciation was noted during the inspection. The HVAC was replaced in 2011. In 2008, car storage area was enclosed and remodeled to complete a master bedroom and bath, as well as a remodel to the hall bath. Installed ceiling fans and light fixtures, storm door and an alarm system.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

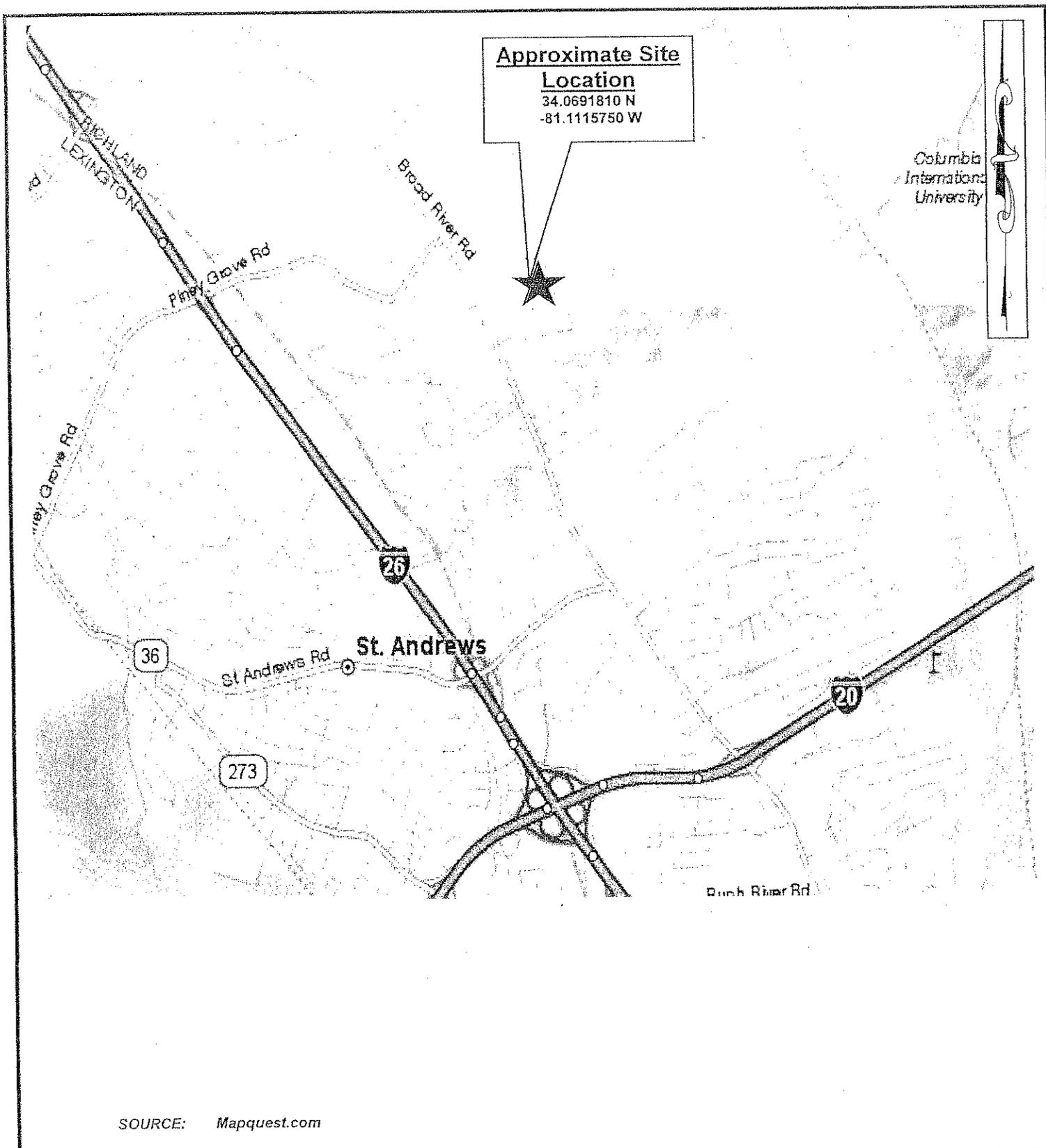
Uniform Residential Appraisal Report

1523 Haviland
File # Pearson

There are 11 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 54,400 to \$ 103,900				
There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 42,000 to \$ 88,000				
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	1523 Haviland Cir Columbia, SC 29210	1804 Rolling Hills Rd Columbia, SC 29210	4214 Mandel Dr Columbia, SC 29210	4425 Bonnie Forest Blvd Columbia, SC 29210
Proximity to Subject		1.32 miles SE	0.42 miles SW	0.77 miles SW
Sale Price	\$	\$ 53,000	\$ 75,000	\$ 88,000
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 47.62 sq.ft.	\$ 57.30 sq.ft.	\$ 61.62 sq.ft.
Data Source(s)		External Inspection;DOM 319	External Inspection;DOM 275	External Inspection;DOM 97
Verification Source(s)		MLS#277882/Public Records	MLS#274568/Public Records	MLS#269251/Public Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
		+(-) \$ Adjustment	+(-) \$ Adjustment	+(-) \$ Adjustment
Sales or Financing		ArmLth	ArmLth	ArmLth
Concessions		FHA;2612	0 Cash;1000	0 FHA;0
Date of Sale/Time		s09/11;c08/11	0 s06/11;c05/11	0 s06/11;c09/10
Location	N;Res;	N;Res;	N;Res;	N;Res;
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	14,786 sf	10,805 sf	0 31,707 sf	12,469 sf
View	N;Res;	N;Res;	N;Res;	N;Res;
Design (Style)	Ranch 1 story	Ranch 1 story	Ranch 1 story	Ranch 1 story
Quality of Construction	Q4	Q4	Q4	Q3
Actual Age	43	41	0 41	0 44
Condition	C3	C2	-1,500 C3	C3
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
		+500	+500	+500
Room Count	7 4 2.1	7 3 2.0	+500 7 3 2.0	+500 7 3 1.1
Gross Living Area	1,378 sq.ft.	1,113 sq.ft.	+13,250 1,309 sq.ft.	+3,450 1,428 sq.ft.
Basement & Finished Rooms Below Grade	0sf	0sf	0sf	0sf
Functional Utility	Typical	Typical	Typical	Typical
Heating/Cooling	HVAC	HVAC	HVAC	HVAC
Energy Efficient Items	Typical	Typical	Typical	Typical
Garage/Carport	None	1 Carport Att.	-2,000 3 Carport Att.	-6,000 1 Carport Att.
Porch/Patio/Deck	Scrmpo,decks	Cpo	+1,000 Scrmpo	0 Cpo,patio,porch
Fireplace/Woodstove	None	None	None	None
Fence,Sprinkler,Pool,Etc.	Fence	None	+500 Fence	Fence
Miscellaneous				
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 12,250	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -6,550	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -12,500
Adjusted Sale Price of Comparables		Net Adj. 23.1 % Gross Adj. 36.3 % \$ 65,250	Net Adj. 8.7 % Gross Adj. 20.6 % \$ 68,450	Net Adj. 14.2 % Gross Adj. 18.8 % \$ 75,500
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain				
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.				
Data Source(s) CMLS; Online tax records				
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.				
Data Source(s) Online tax records, Columbia MLS, Realist				
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).				
ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer		09/01/2010	07/06/2010	
Price of Prior Sale/Transfer		\$33,750	\$20,000	
Data Source(s)	CMLS; Online tax records	CMLS; Online Tax Records	CMLS; Online Tax Records	CMLS; Online Tax Records
Effective Date of Data Source(s)	01/18/2012	01/18/2012	01/18/2012	01/18/2012
Analysis of prior sale or transfer history of the subject property and comparable sales Subject: None. Comparable 1: Master In Equity of Richland County. Comparable 2: Master In Equity of Richland County. Comparable 3: None. Comparable 4: None.				
Summary of Sales Comparison Approach See attached addenda.				
Indicated Value by Sales Comparison Approach \$ 68,000				
Indicated Value by: Sales Comparison Approach \$ 68,000 Cost Approach (if developed) \$ Income Approach (if developed) \$				
See attached addenda.				
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. Appraiser assumes that all mechanical systems are in proper working condition and that home is free from any past or present water and/or termite damage.				
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 68,000 as of 01/13/2012, which is the date of inspection and the effective date of this appraisal.				

SALES COMPARISON APPROACH

RECONCILIATION



Approximate Site Location
 34.0691810 N
 -81.1115750 W

Columbia International University

SOURCE: Mapquest.com

SCALE:	NTS
CHECKED BY:	TB
DRAWN BY:	TK
DATE:	7/17/2012



VICINITY MAP
 1523 Haviland Circle
 Columbia, Richland County, South Carolina
 S&ME PROJECT NO. 1614-12-269

FIGURE NO.
 1

SUMMARY

S&ME, Inc. has performed a Phase I Environmental Site Assessment (ESA) of the site located at 1523 Haviland Circle in Columbia, Richland County, South Carolina. The site is identified as Richland County TM# R06209-01-07. This Phase I ESA was authorized by the User, South Carolina Department of Corrections. The following summary is intended as an overview of the Phase I ESA, and does not include the complete findings and opinions of the full report.

The subject site is currently developed with a single-family residential home on an approximate 0.33-acre lot. The subject site is adjoined by the South Carolina Department of Corrections Broad River Road Complex to the north and is otherwise surrounded by residential properties.

A site visit was conducted by Tom Behnke P.G., an S&ME environmental professional on August 9, 2012 to evaluate the subject site for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of recognized environmental conditions (RECs). At the time of the site reconnaissance, the site consisted of a private residence.

On-Site Findings

No on-site findings of an environmental nature were identified during the Phase I ESA.

Off-Site Findings

The review of the public record including the EDR Radius Map Report and other public records identified 7 off-site facilities with listings related to hazardous materials or petroleum products in the vicinity of the subject site. In our opinion, these off-site regulated facilities do not appear to constitute a REC in connection with the subject site at this time based on topographic position relative to the site, distance, and/or regulatory status.

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

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. **Project Number:** N04-9703
2. **County:** Richland
3. **Description of Property:** The property located at 1523 Haviland Circle, Columbia, SC 29210. The property is part of the settlement to a civil lawsuit with the owners and SCDC. The property is adjacent to the SCDC Broad River Complex and has issues with flooding which are attributed to construction that has taken place on SCDC property over the past several years causing an increase in the volume and rate of flow of storm water leaving the SCDC Broad River Complex onto this property.
4. **Owner(s) Name and Address:** Elbert & Christina Pearson
1523 Haviland Circle, Columbia, SC 29210
5. **Agency Name and Address:** South Carolina Department of Corrections
4322 Broad River Road, Columbia, SC 29210
6. **County Location:** Richland
7. **Acreage:** 0.3394
8. **Purpose for Acquisition:** The property is part of the settlement to a civil lawsuit with the owners and SCDC.
9. **Demonstrate the need to acquire the property:** The property is part of the settlement to a civil lawsuit with the owners and SCDC.
10. **Purchase Price:** The total purchase price is at \$32,600 which includes \$30,000 for the purchase price and \$2,600 for the environmental study.
11. **Current Year Property Tax Amount:** \$2,029.22

PART II

1. **How many sites were evaluated?**
None because this property is part of the settlement to a civil lawsuit with the owners and SCDC.
2. **Please list the selection criteria used to evaluate sites.**
Reference Part II -- Question #1.
3. **How was the final selection of the site made?**
Reference Part II -- Question #1.
4. **Why was this specific site selected?**
Reference Part II -- Question #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?**

SCDC anticipates demolishing the existing residential structure utilizing inmate/in-house forces or relocating the existing residential structure at no cost to the Agency.

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.**

SCDC anticipates no costs because this will only be utilized as storm drainage acreage.

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.**

SCDC anticipates no costs because this will only be utilized as storm drainage acreage.

(e) Central Carolina Technical College
Sumter County

List of Supporting Documents

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



September 21, 2012

Mr. Charles Shawver
Capital Budgeting Unit
Budget and Control Board
1205 Pendleton Street, Suite 592
Columbia, SC 29201

Dear Charles,

I am requesting approval by the Joint Bond Review Committee and Budget and Control Board for Central Carolina Technical College to purchase the property located at 853 Broad Street in Sumter, SC including 8.67 acres and a 103,686 square foot building. The purchase price is \$950,000.

Thank you for your assistance. Please let me know if you need any additional information from me for this request.

Sincerely,

A handwritten signature in black ink that reads 'Terry L. Booth'.

Terry L. Booth, CPA
Vice President for Business Affairs

Cc: Lynn DeFiori, SBTCE
Courtney Blake, CHE

July 27, 2012

Ms. Terry Booth
Central Carolina Technical College
506 N. Guignard Dr.
Sumter, SC 29150

RE: 853 Broad St.
Sumter, SC 29150

Dear Ms. Booth,

Pursuant to your request we have personally inspected the land and appraised the property located at 853 Broad St, Sumter, SC 29150 along with the existing improvements consisting of a large masonry and metal building originally built for Wal-Mart.

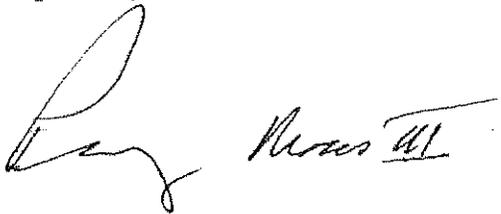
The purpose of this appraisal is to reach an opinion of the retrospective market value of the land together with the existing improvements as described in this report "as is". The value estimates apply to the land and improvements. Excluded from this appraisal are items of personal property.

Based on our investigation of market conditions existing, as of the date of the appraisal, it is our opinion that the "as is" fee simple retrospective market value, as of June 28, 2012, is:

\$1,260,000.00

The following 78 page appraisal, summary report plus the addendum contains some of the market data on which the value estimate is based, along with some of our analysis and conclusions. Thank you for the opportunity to be of service.

Respectfully submitted,

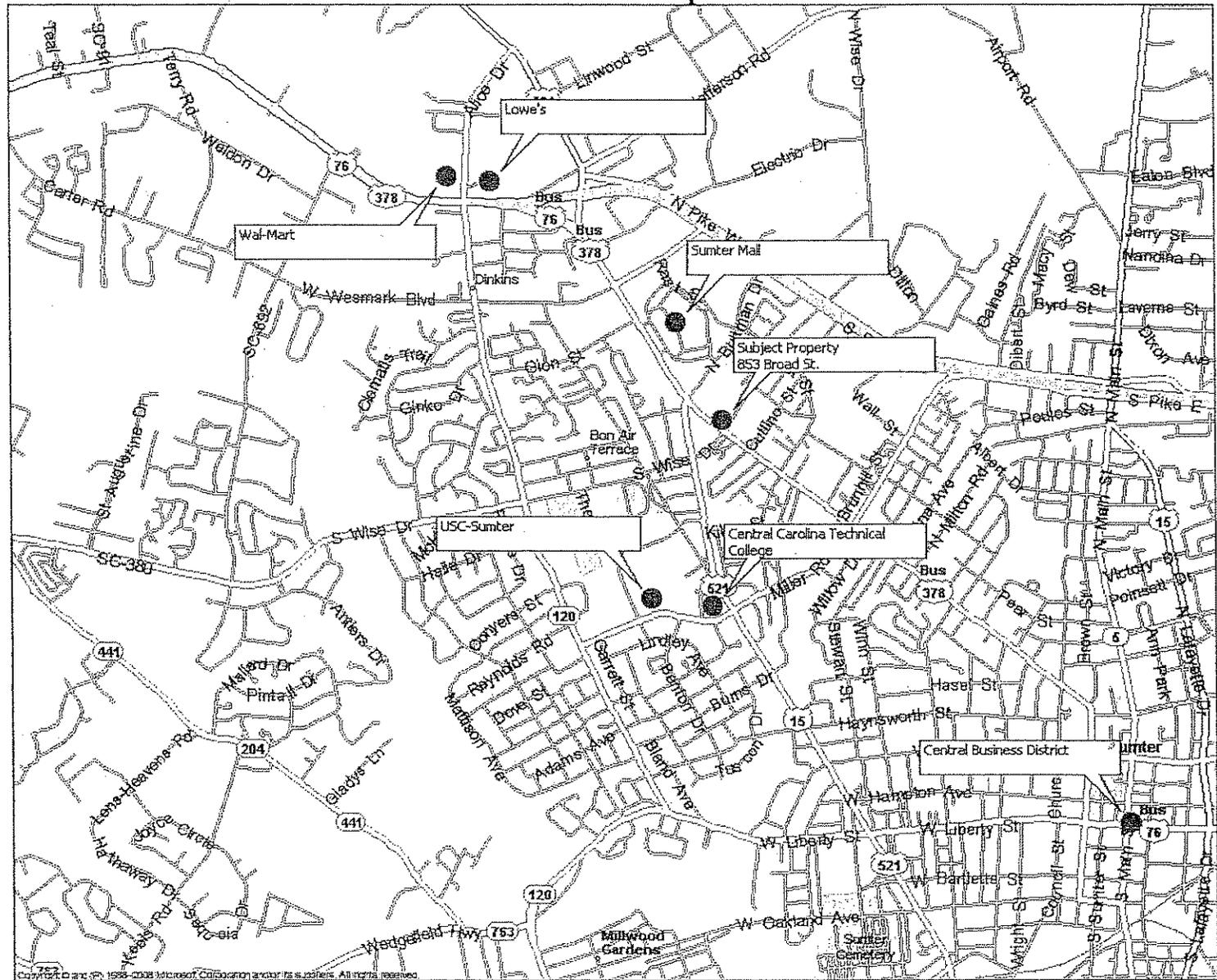


Perry Moses III
State Certified Appraiser
CG1012



W. Burke Watson, Jr.
State Certified Appraiser
CG341

Location Map



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July 26, 2012; however, suspect materials for asbestos were observed inside the building.

1.2 CONCLUSIONS

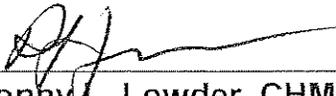
I have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 on the site located at 853 Broad Street in Sumter, S.C., the property. Any exceptions to, or deletions from, this practice are described in Section 3.4 of this report. This assessment did not reveal evidence of specific REC's on the day of the site review. It is my opinion that an asbestos survey should be conducted on the building prior to renovation of the building.

This summary does not contain all the information presented in the full report. The report should be read in its entirety to obtain a more complete understanding of the information provided and to aid in any decisions made or actions taken based on this information. It is my opinion as an Environmental Professional that the building should have an asbestos survey conducted prior to any renovation of the building.

ENVIRONMENTAL PROFESSIONAL DECLARATIONS

Ronny L. Lowder, CHMM, Environmental Professional, gathered, compiled, reviewed and interpreted the information contained in this report and performed the site and area reconnaissance.

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



Ronny L. Lowder, CHMM August 10, 2012

CHMM Registration No. 13153

REPA Registration No. 2847

Building Inspector & Management Planner, SC Registration No. ASB- 32201

Building Inspector, NC Registration No. 12502

AHERA Supervisor, SC Registration No. SA-00715

EAS

ENVIRONMENTAL ABATEMENT & SOLUTIONS, LLC

2520 TAHOE DRIVE • SUMTER, SOUTH CAROLINA 29150

TELEPHONE (803) 469-5455

FAX (803) 469-5465

RECEIVED

AUG 17 2012

South Carolina State
OFFICE OF STATE ARCHIVES

**ASBESTOS SURVEY
REGARDING
FORMER WALMART SITE
853 BROAD STREET
SUMTER, SOUTH CAROLINA**

Prepared For:

**Central Carolina Technical College
506 N. Guignard Drive
Sumter, S.C. 29150**

Prepared By:

**Environmental Abatement & Solutions, LLC
2520 Tahoe Drive
Sumter, South Carolina 29150**

**Date of Inspection: July 26, 2012
Date of Report: August 10, 2012**

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based upon the inspection and the analytical results from the samples collected and tested by an independent laboratory, the former WalMart building located at 853 Broad Street in Sumter, S.C., does contain non-friable ACM as per Table 1. The black mastic was observed to be in good condition as of the date of the inspection (July 26- 27, 2012,), and, if the mastics are to be removed during renovation of the building, such should be conducted in a non-friable manner as per SCDHEC Bureau of Air Quality Asbestos Regulation 61-86.1 effective June 27, 2008.

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: H59-6054
2. County: Sumter
3. Description of Property: 8.67 acres with a 103,686 sf building
4. Grantor(s) Name and Address: Shubach Deliverance Outreach Ministries, 3305 Southern Hills Drive, Sumter, SC 29150
5. Grantee(s) Name and Address: Central Carolina Technical College, 506 North Guignard Drive, Sumter, SC 29150
6. County Location: Sumter
7. Acreage: 8.67
8. Purpose for Acquisition: Training facility for Continental Tire, other industries, and College Industrial training programs.
9. Demonstrate the need to acquire the property: The College's existing industrial training facility is already at capacity with no room to expand. Most of the College's current Industrial and Engineering Technology programs are at capacity and no new programs can be added. Continental Tire is building a \$500 million facility in Sumter and has plans to hire at least 1,600 employees, who will need to be trained by the College.
10. Purchase Price: \$950,000.
11. Current Year Property Tax Amount: None (the current owner is tax exempt)

PART II

1. How many sites were evaluated? Two
2. Please list the selection criteria used to evaluate sites. Existing facility at least 80,000 sf within 5 miles of the CCTC main campus.
3. How was the final selection of the site made? Both sites were investigated; local county and city officials were consulted; cost estimates for purchase and renovation were obtained
4. Why was this specific site selected? The location of this site is preferable as it is on a main thoroughfare in Sumter. The costs were estimated to be close to the same, or perhaps more for the other site because it was a spec/shell building with no electrical, plumbing, floor, HVAC, etc.
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? Estimates are currently being obtained, but the College has received preliminary estimates of approximately \$6.5 million (to renovate between 50,000 – 60,000 sf). The College received state funds for the purchase and renovation of property of \$3.5

million, of which \$2.55 million will be available for renovation (\$950,000 to be used for the purchase). The College expects to receive a federal EDA grant of \$2 million, as well as some local funding to pay for the balance.

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 cost, explain why not. \$1,240 for building/property insurance. The source of funds will be county appropriations for physical plant.
7. What are the estimated additional 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. Estimated additional operating costs (based on 60,000 sf) are approximately \$150,000. This includes utilities, telephone, communications, security, custodial, and grounds personnel and supplies, insurance, and other normal operating costs. The anticipated source of funds includes county appropriations for physical plant, and tuition and fees from new enrollment.

AGENCY: Division of General Services

SUBJECT: Clemson University Lease at Greenville ONE Development in Greenville

Clemson University (Clemson) requests approval to lease from CULSF ONE, LLC (LLC) 71,801 square feet consisting of four entire floors (floors 5, 6, 7 and 8) and a portion of the first floor consisting of a conference room and kitchen area in the North Tower, together with the 4th floor roof garden on the connector between the North and South Towers of the Greenville ONE development fronting Main Street, Washington Street, Laurens Street and Piazza Bergamo in downtown Greenville. Greenville ONE is a private development of Hughes Development Corporation (Hughes) utilizing a vertical subdivision process through which the LLC will purchase the leased property, having an estimated value of \$12,500,000, for \$5,000,000. The difference between the estimated value and the purchase price (\$7,500,000) is considered a gift from Hughes to the LLC. CULSF ONE, LLC is a South Carolina limited liability company wholly-owned by Clemson University Land Stewardship Foundation, Inc., a South Carolina non-profit corporation created, in part, to receive, hold, lease, mortgage, develop, administer, and manage real property and related assets for the benefit of Clemson University.

The leased space will house Clemson's Masters in Business Administration (MBA) program, Masters in Marketing program, Masters in Management program, Small Business Development Center, SPIRO Institute, and Center for Corporate Learning. The continued growth of these programs, which are currently housed at Clemson at the Falls (CATF) in the Bowater Building at the corner of Falls Street and Camperdown Way in Greenville under a sublease between Clemson and Clemson University Research Foundation (CURF), has led Clemson to seek a larger permanent home in downtown Greenville at the Greenville ONE development. Clemson will terminate its sublease for space at the Bowater building with CURF once the Greenville ONE location is ready for occupancy, as allowed under the terms of the sublease. Additionally, Clemson will relocate its Masters in Real Estate Development and Masters in Accounting programs from its main campus to Greenville ONE as approved by the Commission on Higher Education, which will free on-campus space to accommodate increasing undergraduate enrollment.

The lease term will be twenty-five (25) years beginning on the date the LLC closes on the purchase of the shell space, estimated to be January 31, 2013, with one optional renewal term of up to Twenty-five (25) years. Rent for the initial term will be fixed at \$574,408 per year (\$8.00 per square foot). Rent payments are based on the minimum rate required by the lender providing financing to the LLC for the purchase of the space together with a minimal management and overhead charge. Any positive cash flow realized as a result of the rate required for the LLC to secure financing will be entirely transferred, expended on behalf of or invested for the sole benefit of Clemson. Rent for the optional renewal term will be \$1.00 per year plus an amount equal to the LLC's unrecovered costs at the start of the renewal term amortized over the lesser of 1) ten (10) years and 2) the number of years in the renewal term. In addition to rent, Clemson will be responsible for reimbursing the LLC for all operating costs of the space, which is estimated at \$488,246.80 for the first year (\$6.80 per square foot), and includes the cost of insurance, maintenance, utilities, janitorial services and regime fees. Based on the rent to be paid by Clemson and the expected operating costs, the estimated maximum amount Clemson will pay over the initial lease term is as follows:

AGENCY: Division of General ServicesSUBJECT: Clemson University Lease at Greenville ONE Development in Greenville

Year	Rent	Rent Rate/SF	Operating ¹	Total	Total Cost/SF
1	\$ 574,408.00	\$8.00	\$ 488,246.80	\$ 1,062,654.80	\$ 14.80
2	\$ 574,408.00	\$8.00	\$ 502,894.20	\$ 1,077,302.20	\$ 15.00
3	\$ 574,408.00	\$8.00	\$ 512,952.09	\$ 1,087,360.09	\$ 15.14
4	\$ 574,408.00	\$8.00	\$ 523,211.13	\$ 1,097,619.13	\$ 15.29
5	\$ 574,408.00	\$8.00	\$ 533,675.35	\$ 1,108,083.35	\$ 15.43
6	\$ 574,408.00	\$8.00	\$ 544,348.86	\$ 1,118,756.86	\$ 15.58
7	\$ 574,408.00	\$8.00	\$ 555,235.84	\$ 1,129,643.84	\$ 15.73
8	\$ 574,408.00	\$8.00	\$ 566,340.55	\$ 1,140,748.55	\$ 15.89
9	\$ 574,408.00	\$8.00	\$ 577,667.36	\$ 1,152,075.36	\$ 16.05
10	\$ 574,408.00	\$8.00	\$ 589,220.71	\$ 1,163,628.71	\$ 16.21
11	\$ 574,408.00	\$8.00	\$ 601,005.13	\$ 1,175,413.13	\$ 16.37
12	\$ 574,408.00	\$8.00	\$ 613,025.23	\$ 1,187,433.23	\$ 16.54
13	\$ 574,408.00	\$8.00	\$ 625,285.73	\$ 1,199,693.73	\$ 16.71
14	\$ 574,408.00	\$8.00	\$ 637,791.45	\$ 1,212,199.45	\$ 16.88
15	\$ 574,408.00	\$8.00	\$ 650,547.28	\$ 1,224,955.28	\$ 17.06
16	\$ 574,408.00	\$8.00	\$ 663,558.22	\$ 1,237,966.22	\$ 17.24
17	\$ 574,408.00	\$8.00	\$ 676,829.39	\$ 1,251,237.39	\$ 17.43
18	\$ 574,408.00	\$8.00	\$ 690,365.97	\$ 1,264,773.97	\$ 17.61
19	\$ 574,408.00	\$8.00	\$ 704,173.29	\$ 1,278,581.29	\$ 17.81
20	\$ 574,408.00	\$8.00	\$ 718,256.76	\$ 1,292,664.76	\$ 18.00
21	\$ 574,408.00	\$8.00	\$ 739,804.46	\$ 1,314,212.46	\$ 18.30
22	\$ 574,408.00	\$8.00	\$ 761,998.60	\$ 1,336,406.60	\$ 18.61
23	\$ 574,408.00	\$8.00	\$ 784,858.55	\$ 1,359,266.55	\$ 18.93
24	\$ 574,408.00	\$8.00	\$ 808,404.31	\$ 1,382,812.31	\$ 19.26
25	\$ 574,408.00	\$8.00	\$ 832,656.44	\$ 1,407,064.44	\$ 19.60
Total for 25 Years	\$ 14,360,200.00			\$ 30,262,553.71	
Average for 25 Years	\$ 574,408.00			\$ 1,210,502.15	\$ 16.86

Clemson is seeking separate approval from the Budget and Control Board to upfit the interior leased space, which is estimated to cost \$6,700,000.

Clemson has adequate funds for the lease according to a Budget Approval Form dated September 21, 2012. Lease payments will be made from revenue generated from the professional graduate, business support and consulting services programs occupying the space. Clemson has the option to purchase the space at any time during the initial term or renewal term for \$1.00 plus any costs remaining to satisfy the LLC's outstanding debt service obligations and other unrecovered costs. The leased space will include classrooms, raised floor case study rooms, conference

¹ Assumes a 3% operating expense increase per year.

AGENCY: Division of General Services

SUBJECT: Clemson University Lease at Greenville ONE Development in Greenville

room facilities, an executive board room, consulting space for the Small Business Development Center and faculty offices. The space will house 160+ employees as well as students of the various programs.

The lease was approved by the Clemson University Board of Trustees on March 12, 2012 and by the Commission on Higher Education at its October 4, 2012 meeting. The lease is signed by David H. Wilkins, Chairman of the Clemson University Board of Trustees, on behalf of Clemson University, and by Harrison F. Trammell, President and Chief Executive Officer of Clemson University Land Stewardship Foundation, Inc., on behalf of CULSF ONE, LLC. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012

BOARD ACTION REQUESTED:

Approve the proposed twenty-five year lease and optional renewal term of up to twenty-five years for Clemson University at Greenville ONE located at the intersection of Main Street and Washington Street in Greenville.

ATTACHMENTS:

Agenda item worksheet; Letter from Clemson University dated September 21, 2012; SC Code Section 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Regular Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: Clemson University Lease at Greenville ONE Development in Greenville

3. Summary Background Information:

Clemson University (Clemson) requests approval to lease from CULSF ONE, LLC (LLC) 71,801 square feet consisting of four entire floors (floors 5, 6, 7 and 8) and a portion of the first floor consisting of a conference room and kitchen area in the North Tower, together with the 4th floor roof garden on the connector between the North and South Towers of the Greenville ONE development fronting Main Street, Washington Street, Laurens Street and Piazza Bergamo in downtown Greenville. Greenville ONE is a private development of Hughes Development Corporation (Hughes) utilizing a vertical subdivision process through which the LLC will purchase the leased property, having an estimated value of \$12,500,000, for \$5,000,000. The difference between the estimated value and the purchase price (\$7,500,000) is considered a gift from Hughes to the LLC. CULSF ONE, LLC is a South Carolina limited liability company wholly-owned by Clemson University Land Stewardship Foundation, Inc., a South Carolina non-profit corporation created, in part, to receive, hold, lease, mortgage, develop, administer, and manage real property and related assets for the benefit of Clemson University.

The leased space will house Clemson's Masters in Business Administration (MBA) program, Masters in Marketing program, Masters in Management program, Small Business Development Center, SPIRO Institute, and Center for Corporate Learning. The continued growth of these programs, which are currently housed at Clemson at the Falls (CATF) in the Bowater Building at the corner of Falls Street and Camperdown Way in Greenville under a sublease between Clemson and Clemson University Research Foundation (CURF), has led Clemson to seek a larger permanent home in downtown Greenville at the Greenville ONE development. Clemson will terminate its sublease for space at the Bowater building with CURF once the Greenville ONE location is ready for occupancy, as allowed under the terms of the sublease. Additionally, Clemson will relocate its Masters in Real Estate Development and Masters in Accounting programs from its main campus to Greenville ONE as approved by the Commission on Higher Education, which will free on-campus space to accommodate increasing undergraduate enrollment.

The lease term will be twenty-five (25) years beginning on the date the LLC closes on the purchase of the shell space, estimated to be January 31, 2013, with one optional renewal term of up to Twenty-five (25) years. Rent for the initial term will be fixed at \$574,408 per year

(\$8.00 per square foot). Rent payments are based on the minimum rate required by the lender providing financing to the LLC for the purchase of the space together with a minimal management and overhead charge. Any positive cash flow realized as a result of the rate required for the LLC to secure financing will be entirely transferred, expended on behalf of or invested for the sole benefit of Clemson. Rent for the optional renewal term will be \$1.00 per year plus an amount equal to the LLC's unrecovered costs at the start of the renewal term amortized over the lesser of 1) ten (10) years and 2) the number of years in the renewal term. In addition to rent, Clemson will be responsible for reimbursing the LLC for all operating costs of the space, which is estimated at \$488,246.80 for the first year (\$6.80 per square foot), and includes the cost of insurance, maintenance, utilities, janitorial services and regime fees. Based on the rent to be paid by Clemson and the expected operating costs, the estimated maximum amount Clemson will pay over the initial lease term is as follows:

Year	Rent	Rent Rate/SF	Operating ¹	Total	Total Cost/SF
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Total for 25 Years	\$ 14,360,200.00			\$ 30,262,553.71	
Average for 25 Years	\$ 574,408.00			\$ 1,210,502.15	\$ 16.86

Clemson is seeking separate approval from the Budget and Control Board to upfit the interior leased space, which is estimated to cost \$6,700,000.

¹ Assumes a 3% operating expense increase per year.

Clemson has adequate funds for the lease according to a Budget Approval Form dated September 21, 2012. Lease payments will be made from revenue generated from the professional graduate, business support and consulting services programs occupying the space. Clemson has the option to purchase the space at any time during the initial term or renewal term for \$1.00 plus any costs remaining to satisfy the LLC's outstanding debt service obligations and other unrecovered costs. The leased space will include classrooms, raised floor case study rooms, conference room facilities, an executive board room, consulting space for the Small Business Development Center and faculty offices. The space will house 160+ employees as well as students of the various programs.

The lease was approved by the Clemson University Board of Trustees on March 12, 2012 and by the Commission on Higher Education at its October 4, 2012 meeting. The lease is signed by David H. Wilkins, Chairman of the Clemson University Board of Trustees, on behalf of Clemson University, and by Harrison F. Trammell, President and Chief Executive Officer of Clemson University Land Stewardship Foundation, Inc., on behalf of CULSF ONE, LLC. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

4. What is the Board asked to do? Approve the proposed twenty-five year lease and optional renewal term of up to twenty-five years for Clemson University at Greenville ONE located at the intersection of Main Street and Washington Street in Greenville.

5. What is recommendation of the General Services Division? Approval of the proposed twenty-five year lease and optional renewal term of up to twenty-five years for Clemson University at Greenville ONE located at the intersection of Main Street and Washington Street in Greenville.

6. List of Supporting Documents:

- (a) Letter from Clemson University dated September 21, 2012
- (b) SC Code Section 1-11-55 and 1-11-56



September 21, 2012

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

SUBJECT: Clemson University Greenville ONE Lease

Dear Ms. Catalanotto:

Clemson University requests approval from the South Carolina Budget & Control Board to enter into a lease agreement with the Clemson University Land Stewardship Foundation (CULSF ONE, LLC) for approximately 71,801 square feet of classroom, office and administrative space in the Greenville One building located at the intersection of Main Street and Washington Street in downtown Greenville, South Carolina. This lease was approved by the Clemson Board of Trustees on March 12, 2012.

For background information, a brief history leading up to this point is presented. Clemson University made a strategic decision in 2001 to respond to requests from the Greenville area leadership to develop a major presence in the Greenville community through the creation and expansion of focused education, research, service, and economic development programming. At the time, Clemson made a commitment to be a vital part of the economy of the City of Greenville as well as the community as a whole. This commitment resulted in the following advances for the benefit of South Carolina, the Greenville community, regional industry, as well as the students enrolled in these programs. First, Clemson rapidly developed and expanded offerings and enrollments at the University Center of Greenville. Development and expansion of education and nursing programs have been extraordinarily successful and important to Greenville and the state. Additionally, the University worked with state and industry leadership in the development of projects such as CU-ICAR, the CU Biomedical Engineering Innovation Center at the Greenville Hospital System, and the relocation of all professional graduate business programs – including the Small Business Development Center, the Spiro Entrepreneurship Center, and the University's continuing and professional development program to downtown Greenville.

As a part of this focused and strategic plan, Clemson University requested and was given approval to relocate its MBA program, the Small Business Development Center, and the Professional and Continuing Education program from the core campus to Clemson at the Falls (CATF/the Bowater Building) in 2010. At the time of this move, the University entered a 7 year lease with an aggressive provision to move to another location with minimal notice. During this prior approval process, Clemson explained that CATF was an interim solution while the University identified a cost effective and permanent home for all graduate professional business programming in downtown. Through the approval of the short-term lease in 2010, the University was ultimately supported in its strategy to secure a permanent home, at a lower overall cost, and in a downtown facility ultimately controlled by the University.

The current lease request accomplishes the long-term goals that were established over ten years ago. Approval of the 25 year lease that is being submitted today, fulfills Clemson's strategic plan for locating professional business programs in downtown Greenville in a cost effective location ultimately controlled by the University. With the approval of this lease, Clemson will have transitioned a majority of its existing professional graduate programs from the main campus to locations that are convenient and most effective for the various industries and disciplines involved. Specifically, Clemson's MBA program, Masters in Marketing, Masters in Management, the Small Business Development Center, the Spiro Institute, and Center for Corporate Learning which are currently housed at CATF will be relocated to Greenville One. Additionally, the Masters in Real Estate Development and Masters in Accounting are seeking CHE approval to relocate from Clemson's main campus to Greenville One. The fulfillment of this transition marks an important point in the history of Clemson's professional business programs, which first moved to Greenville in the 1970's.

The Greenville One Building is being constructed by a private developer and will house other tenants in addition to Clemson University. The Clemson University Land Stewardship Foundation (CULSF ONE, LLC) will purchase space within Greenville One to include a portion of the 1st floor and the entirety of floors 5, 6, 7, and 8 for the use of Clemson University. The University will lease the purchased shell space from CULSF ONE, LLC and is seeking approval separately from the Budget and Control Board to make the necessary improvements to fit up the interior space to LEED Silver Certification. The fit up will be owned by Clemson University and will be done as a normal state project – utilizing approved State Engineer and State Procurement processes.

The lease has an estimated commencement date of January 31, 2013 with an initial term of 25 years and one 25 year renewal option. The rental rate is \$8.00/sf for the entire lease term. Unlike traditional leases, there is NO escalator or inflation clause in this lease. Costs remain constant for the entire term. Operating costs are projected to average approximately \$6.80/sf, approximately 30 percent lower than current operating costs at CATF. Operating costs and utilities will be managed as a transparent pass through cost to the tenant, Clemson University. The total annual lease cost of the project to Clemson University is \$574,408, or \$8/sf. Over the life of the lease, The Greenville One lease cost is approximately 50% less than comparable space at CATF (Bowater). The savings are even larger when compared to lease rates for the other tenants in the Greenville One project. Due to the extremely low rate that is guaranteed over the life of the lease by the Clemson University Land Stewardship Foundation (CULSF ONE, LLC),

Clemson is able to save 50% to 60% off of market lease rates over the life of the lease. Additionally, Clemson University can purchase the building for \$1 at any time during the initial term or renewal term according to the terms of the lease. As a final note, please recognize the following in reference to the funding of the lease costs. The programs housed in this space will provide the funding to cover 100 percent of the lease costs. In summary, this is a unique opportunity to satisfy the programmatic requirements of Clemson University, provide much needed service to students and industry in the state, save significantly in annual lease costs, and acquire an extremely valuable asset to ensure programming continuity in the process.

As a final note, one additional benefit of this approach is that by moving these programs from the main campus to the Greenville One location, Clemson University frees up core campus space for the recent and continuing increases in enrollment and service to our traditional undergraduate programs.

Greenville One provides an ideal location for Clemson University's College of Business & Behavioral Science (CBBS) advanced professional degree programs. Clemson University requests approval of the lease which allows the University to secure significant savings while simultaneously meeting the increasing demands and interest in these programs from the burgeoning upstate business community and professional business students.

If you should have any questions or need any further information, please do not hesitate contacting me.

Kindest regards,

A handwritten signature in cursive script that reads "Brett A. Dalton". The signature is written in black ink and is positioned above the printed name and title.

Brett A. Dalton
Vice President Finance & Operations

SOUTH CAROLINA CODE OF LAWS

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

- (1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.
- (2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.
- (3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.
- (4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.
- (5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

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

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

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency,
 - (b) a dissolution of the agency, and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg

The Spartanburg County Commission for Technical and Community Education (Commission) acquired 4.53± acres at 142 South Dean Street in Spartanburg in January 2011 for \$4,890,000 as approved by the Joint Bond Review Committee at its December 10, 2010, meeting and the Budget and Control Board at its December 14, 2010, meeting. The property includes a 105,177± square foot former school building originally constructed in 1921 known as the Evans Building, and was acquired for the purpose of creating a downtown academic center (Downtown Center) for Spartanburg Community College (SCC) in order to provide improved access to job skill training and higher education programs. A construction budget of \$10,490,601 was approved by the Joint Bond Review Committee at its September 14, 2011, meeting and by the Budget and Control Board at its September 20, 2011, meeting to renovate the Evans Building. Subsequently, the Joint Bond Review Committee approved on January 25, 2012, and the Budget and Control Board approved on January 31, 2012, the sale of the property to SCC Foundation-Downtown Campus, LLC (LLC), a South Carolina limited liability company majority-owned by the Spartanburg Community College Foundation with a 5 percent interest owned by the Spartanburg Public Facilities Corporation, contingent on the award of tax credits to the LLC for the Evans Building renovation project.

Wells Fargo and National Development Council have committed a total of \$4,504,500 in federal new market tax credits to the LLC for the renovation project; however, the Commission is no longer required to sell the property to the LLC. Rather, the tax credits can be offered to the LLC if it has a long-term 55-year leasehold interest in the property, which allows the Commission to retain ownership of the property. The total project cost is estimated to be \$15,004,500 which, in addition to the new market tax credits, consists of \$1,000,000 from the Spartanburg Community College Foundation and \$9,500,000 being financed by the LLC through Wells Fargo. SCC is seeking approval from the Budget and Control Board of a ground lease of the property from the Commission to the LLC in order for the LLC to receive the new market tax credits and to make the necessary renovations to the Evans Building, and approvals from the Joint Bond Review Committee and the Budget and Control Board of a facility lease for the Commission to lease the property back from the LLC once the renovations have been completed. The terms of the leases are as follows:

AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg

1. By a ground lease agreement, the Commission will lease 4.53± acres at 142 South Dean Street in Spartanburg, which includes the Evans Building, to SCC Foundation-Downtown Campus, LLC for \$1.00 per year and for a term of 55 years beginning November 1, 2012. The LLC will then renovate the 105,177± square foot Evans Building in accordance with plans previously approved by the Office of the State Engineer. The LLC will work with the Materials Management Office to ensure compliance with the State's procurement code in renovating the building. The Premises may only be used for an education, community and/or jobs training facility.
2. By a facility lease agreement, the LLC will lease the facility to the Commission for SCC's use as its Downtown Center for a term of 20 years beginning upon completion of the construction of the facility, estimated to be July 1, 2013. Rent consists of amounts equal to interest and principal components of the debt service owed by the LLC, amounts to be escrowed to pay debt service coverage, and amounts to be held in reserve for repairs and maintenance to the building. Upon final approval of the lease, an upfront rent payment of \$825,760 will be made to the LLC to offset the cost of renovations and reduce rent payments. Annual rent for the first year following the completion of renovations will be \$825,760, paid in equal quarterly amounts; thereafter, rent increases 2% annually, as required by the LLC's lender. The increases will be placed in an escrow account that will be applied to pay off the loan, after which time the lease will terminate. In addition to rent, the Commission will be responsible for all maintenance and operating costs for the property, which is estimated at \$392,000 for the first year, and includes the cost of insurance, information technology, maintenance equipment and supplies, utilities, janitorial services, security services and contract services. Based on the rent to be paid by the Commission and the expected operating costs, the estimated maximum amount the Commission will pay over the lease term is as follows:

AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg

Year	Period	Rent	Operating ¹	Total
	11-1-12 to 7-31-13 ²	\$ 825,760.00		\$ 825,760.00
1	7-1-13 to 6-30-14	\$ 825,760.00	\$ 392,000.00	\$ 1,217,760.00
2	7-1-14 to 6-30-15	\$ 842,275.00	\$ 399,840.00	\$ 1,242,115.00
3	7-1-15 to 6-30-16	\$ 859,120.00	\$ 407,836.80	\$ 1,266,956.80
4	7-1-16 to 6-30-17	\$ 876,304.00	\$ 415,993.54	\$ 1,292,297.54
5	7-1-17 to 6-30-18	\$ 893,828.00	\$ 424,313.41	\$ 1,318,141.41
6	7-1-18 to 6-30-19	\$ 911,704.00	\$ 432,799.67	\$ 1,344,503.67
7	7-1-19 to 6-30-20	\$ 929,940.00	\$ 441,455.67	\$ 1,371,395.67
8	7-1-20 to 6-30-21	\$ 1,000,000.00	\$ 450,284.78	\$ 1,450,284.78
9	7-1-21 to 6-30-22	\$ 1,030,000.00	\$ 459,290.48	\$ 1,489,290.48
10	7-1-22 to 6-30-23	\$ 1,060,900.00	\$ 468,476.29	\$ 1,529,376.29
11	7-1-23 to 6-30-24	\$ 1,092,728.00	\$ 477,845.81	\$ 1,570,573.81
12	7-1-24 to 6-30-25	\$ 1,125,508.00	\$ 487,402.73	\$ 1,612,910.73
13	7-1-25 to 6-30-26	\$ 1,159,276.00	\$ 497,150.78	\$ 1,656,426.78
14	7-1-26 to 6-30-27	\$ 1,194,052.00	\$ 507,093.80	\$ 1,701,145.80
15	7-1-27 to 6-30-28	\$ 1,229,872.00	\$ 517,235.68	\$ 1,747,107.68
16	7-1-28 to 6-30-29	\$ 1,266,772.00	\$ 527,580.39	\$ 1,794,352.39
17	7-1-29 to 6-30-30	\$ 1,304,772.00	\$ 538,132.00	\$ 1,842,904.00
18	7-1-30 to 6-30-31	\$ 1,343,916.00	\$ 548,894.64	\$ 1,892,810.64
19	7-1-31 to 6-30-32	\$ 1,384,232.00	\$ 559,872.53	\$ 1,944,104.53
20	7-1-32 to 6-30-33	\$ 1,425,760.00	\$ 571,069.98	\$ 1,996,829.98
Total		\$ 22,582,479.00		\$ 32,107,047.96
Average Annual Cost		\$ 1,075,356.14		\$ 1,528,907.05

SCC has adequate funds for the lease according to a Budget Approval Form submitted September 19, 2012. The upfront payment of \$825,760 will be made from SCC's Plant funds. Donations totaling \$7,050,000 from Spartanburg County (\$3,550,000), the City of Spartanburg (\$1,500,000)

¹ Assumes a 2% operating expense increase per year.

² The rent for the initial period, which is the effective date of the lease through the expected completion date of renovations, is the upfront payment to offset the cost of renovations and reduce rent payments.

AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg

and private donations (\$2,000,000) will be applied to lease payments until exhausted. As annual donation amounts end, lease payments will be supplemented from and ultimately made entirely from revenue generated from the Downtown Center programs. SCC hopes to pay off the loan balance and terminate the LLC's leasehold interest in the property after seven years from November 1, 2012, the effective date of the lease.

The proposed leases were approved by the Spartanburg County Commission for Technical and Community Education on September 17, 2012, and the State Board for Technical and Comprehensive Education on October 3, 2012. The leases were signed by Henry C. Giles, Interim President for Spartanburg Community College, on behalf of the Spartanburg County Commission for Technical and Community Education, and approved by Samuel S. Hook, Executive Director of Spartanburg Community College Foundation, Inc., on behalf of SCC Foundation-Downtown Campus, LLC. The facility lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

BOARD ACTION REQUESTED:

Approve the proposed fifty-five (55) year ground lease and the twenty (20) year facility lease for the Spartanburg County Commission for Technical and Community Education of 4.53± acres consisting of the Evans Building at 142 South Dean Street in Spartanburg.

ATTACHMENTS:

Agenda item worksheet; Letter from Spartanburg Community College dated October 5, 2012; SC Code of Laws Sections 1-11-55 and 1-11-56

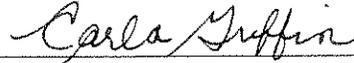
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 30, 2012**

Regular Agenda

1. Submitted By:

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



Carla Griffin, Deputy Director

- 2. Subject:** Spartanburg Community College Leases of 4.53± Acres at 142 South Dean Street in Spartanburg
-

3. Summary Background Information:

The Spartanburg County Commission for Technical and Community Education (Commission) acquired 4.53± acres at 142 South Dean Street in Spartanburg in January 2011 for \$4,890,000 as approved by the Joint Bond Review Committee at its December 10, 2010 meeting and the Budget and Control Board at its December 14, 2010 meeting. The property includes a 105,177± square foot former school building originally constructed in 1921 known as the Evans Building, and was acquired for the purpose of creating a downtown academic center (Downtown Center) for Spartanburg Community College (SCC) in order to provide improved access to job skill training and higher education programs. A construction budget of \$10,490,601 was approved by the Joint Bond Review Committee at its September 14, 2011 meeting and by the Budget and Control Board at its September 20, 2011 meeting to renovate the Evans Building. Subsequently, the Joint Bond Review Committee approved on January 25, 2012 and the Budget and Control Board approved on January 31, 2012 the sale of the property to SCC Foundation-Downtown Campus, LLC (LLC), a South Carolina limited liability company majority-owned by the Spartanburg Community College Foundation with a 5 percent interest owned by the Spartanburg Public Facilities Corporation, contingent on the award of tax credits to the LLC for the Evans Building renovation project.

Wells Fargo and National Development Council have committed a total of \$4,504,500 in federal new market tax credits to the LLC for the renovation project; however, the Commission is no longer required to sell the property to the LLC. Rather, the tax credits can be offered to the LLC if it has a long-term 55-year leasehold interest in the property, which allows the Commission to retain ownership of the property. The total project cost is estimated to be \$15,004,500 which, in addition to the new market tax credits, consists of \$1,000,000 from the Spartanburg Community College Foundation and \$9,500,000 being financed by the LLC through Wells Fargo. SCC is seeking approval from the Budget and Control Board of a ground lease of the property from the Commission to the LLC in order for the LLC to receive the new market tax credits and to make the necessary renovations to the Evans Building, and approvals from the Joint Bond Review Committee and the Budget and Control Board of a facility lease for the Commission to lease the property back from the LLC once the renovations have been completed. The terms of the leases are as follows:

1. By a ground lease agreement, the Commission will lease 4.53± acres at 142 South Dean Street in Spartanburg, which includes the Evans Building, to SCC Foundation-Downtown Campus, LLC for \$1.00 per year and for a term of 55 years beginning November 1, 2012. The LLC will then renovate the 105,177± square foot Evans Building in accordance with plans previously approved by the Office of the State Engineer. The LLC will work with the Materials Management Office to ensure compliance with the State's procurement code in renovating the building. The Premises may only be used for an education, community and/or jobs training facility.

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12	7-1-24 to 6-30-25	\$ 1,125,508.00	\$ 487,402.73	\$ 1,612,910.73
13	7-1-25 to 6-30-26	\$ 1,159,276.00	\$ 497,150.78	\$ 1,656,426.78
14	7-1-26 to 6-30-27	\$ 1,194,052.00	\$ 507,093.80	\$ 1,701,145.80
15	7-1-27 to 6-30-28	\$ 1,229,872.00	\$ 517,235.68	\$ 1,747,107.68
16	7-1-28 to 6-30-29	\$ 1,266,772.00	\$ 527,580.39	\$ 1,794,352.39
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4. What is the Board asked to do?

Approve the proposed fifty-five (55) year ground lease and the twenty (20) year facility lease for the Spartanburg County Commission for Technical and Community Education of 4.53± acres consisting of the Evans Building at 142 South Dean Street in Spartanburg.

5. What is the recommendation of the Division of General Services?

Approval of the proposed fifty-five (55) year ground lease and the proposed twenty (20) year facility lease for the Spartanburg County Commission for Technical and Community Education of 4.53± acres consisting of the Evans Building at 142 South Dean Street in Spartanburg.

6. List of Supporting Documents:

- (a) Letter from Spartanburg Community College dated October 5, 2012
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



October 5, 2012

Ms. Lisa Catalanotto
Program Manager/Attorney
Real Property Management
SC Budget and Control Board
1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Ms. Catalanotto,

During the January 25, 2012 meeting at the JBRC and the January 31, 2012 meeting of the SC Budget and Control Board (B&CB) the College obtained approval to sell the Downtown Campus property to the SCC Foundation-Downtown Campus LLC (LLC) contingent upon the LLC obtaining New Market Tax Credits for the redevelopment of the property. This approval was granted with the understanding that the College would come back to the SCB&CB seeking approval to lease the property for its Downtown Campus.

Both Wells Fargo and National Development Council have committed a total of \$4,504,500 in New Market Tax Credits for the project. There is one change. The College is no longer required to sell the property to the LLC. We can accomplish the same objective by granting a 55-year ground lease instead. This allows the College to retain ownership of the property.

The College requests SCB&CB and JBRC approval for the ground lease of the property to the LLC. This lease would be for \$1.00/year for 55 years.

The College also requests approval to lease the property back from the LLC effective November 1, 2012. This lease will be for 21 years and will have two 5-year lease extensions. The first year's total lease, excluding lessor property insurance is \$825,760. The terms of the lease provide for a 2% inflationary increase each year. This is a requirement of the bank. It should be noted the increase will be put into an escrow account that will be used to help pay off the loan principal after 7 years. The lease will also give the College the right of first refusal for additional lease periods. It is the College's desire to obtain the property back after 7 years, if at all possible.

The College expects to net approximately \$3,000,000 of the \$4,504,500 assuming the College would have to borrow an additional \$4,504,400 for the project if it did not receive the New Market Tax Credits (NMTC). The difference is being used to cover the additional legal, reporting, and management fees associated with the College receiving NMTCs.

I respectfully ask that our request for final lease approvals be placed on the October 24, 2012 Joint Board Review Committee and the October 30, 2012 SCB&CB meeting agendas. We hope to close on the project financing the first week of November 2012.

Thank you for your consideration. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry C. Giles", with a stylized flourish extending to the right.

Henry C. Giles
President

Enclosures

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

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

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

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

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

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

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

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

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

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

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

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

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

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

AGENCY: Division of General Services

SUBJECT: South Carolina Army National Guard Lease Amendment for 2737 West Fifth North Street in Summerville

The Joint Bond Review Committee approved on June 4, 2008, and the Budget and Control Board approved on June 17, 2008, a lease between the South Carolina Army National Guard (SCARNG) and C. Marshall Carithers (Landlord) for 8.32 acres with a 61,500 square foot building at 2737 West Fifth North Street in Summerville. This facility is utilized as an armory and houses two SCARNG units: the 1223rd Engineer Company and the 1118th Forward Support Company. The SCARNG requests approval to amend its current lease to extend the lease term ten years.

The SCARNG currently leases the location at an annual rental cost of \$738,000 (\$12.00 per square foot) under a lease expiring September 30, 2015. Landlord is responsible for water, sewer, electricity and natural gas to the premises up to a maximum \$76,000. All costs for those services exceeding that amount are the responsibility of the SCARNG; however, to date, there has been no additional cost for utilities. Landlord is responsible for the payment of all real property taxes under the current lease.

The SCARNG seeks to extend the lease term ten years beyond September 30, 2015, because federal military construction funding for a new armory in the Summerville area is unlikely for the foreseeable future, because of its desire to remain in the Summerville area, and to secure the long-term continued use of the leased space for an armory. The new lease was negotiated after proposals were submitted in response to a commercial lease request for information. The proposed lease was one of two commercial lease proposals received and the only proposal responsive to the requirements of the SCARNG. The extended lease term will be ten years commencing October 1, 2015, and ending September 30, 2025. Rent will remain \$738,000 per year (\$12.00 per square foot) for the ten year extended term and Landlord will continue to contribute \$76,000 annually towards utility costs; however, beginning in 2016, the SCARNG will be responsible for any increase in real property taxes over the prior year's expense capped at five percent (5%) per year.

The leased property contains adequate space for parking. The proposed lease secures space in the Summerville area for the SCARNG for ten years beyond the current lease term at the same basic lease rate it has enjoyed since 2008. Assuming the SCARNG's annual utility costs continue to fall below \$76,000 and annual real property taxes do not increase, the total rent due over the extended lease term will be \$7,380,000. The proposed lease further avoids moving, network wiring, upfit and other costs associated with relocating to a new location.

AGENCY: Division of General Services

SUBJECT: South Carolina Army National Guard Lease Amendment for 2737 West Fifth North Street in Summerville

Comparables of other state agency multi-use space leased in the Charleston regional area are as follows:

Lease Date	Agency/Location	Rate/SF (All comparables are subject to operating cost escalations.)
11/06	Health and Environmental Control 1362 McMillan Ave., North Charleston	\$15.31
7/10	Vocational Rehabilitation 2070 North River Business Center, North Charleston	\$16.37

The SCARNG has adequate funds for the lease according to a Budget Approval Form dated September 24, 2012, which also includes a multi-year plan. Lease payments are 100% federally funded. The leased building is utilized by eight full-time staff and, on drill weekends, by 271 traditional guardsmen. The building contains office space, office storage areas, military supply rooms, classroom and related training areas, reception area, work areas, drill hall, showers, physical fitness area, locker area, break room, computer server area, drill weekend administration space and common areas.

No option to purchase the property is included in the lease. The building was constructed in 1980. The lease was approved by Major General Robert E. Livingston, Jr., Adjutant General of South Carolina, and by C. Marshall Carithers, Landlord. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

BOARD ACTION REQUESTED:

Approve the proposed amendment to extend the lease term ten years for the South Carolina Army National Guard at 2737 West Fifth North Street in Summerville.

ATTACHMENTS:

Agenda item worksheet; Letter from the South Carolina Office of the Adjutant General dated September 24, 2012; SC Code of Laws Sections 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Regular Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

- 2. Subject:** South Carolina Army National Guard Lease Amendment for 2737 West Fifth North Street in Summerville
-

3. Summary Background Information:

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4. What is the Board asked to do? Approve the proposed amendment to extend the lease term ten years for the South Carolina Army National Guard at 2737 West Fifth North Street in Summerville.

5. What is recommendation of the Division of General Services? Approval of the proposed amendment to extend the lease term ten years for the South Carolina Army National Guard at 2737 West Fifth North Street in Summerville.

6. List of Supporting Documents:

- (a) Letter from the South Carolina Office of the Adjutant General dated September 24, 2012
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

The State of South Carolina Military Department



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

OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

September 24, 2012

Ms. Lisa H. Catalanotto, Esq.
Division of General Services
Real Property Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Ms. Catalanotto:

In 2007, the South Carolina Army National Guard (SCARNG) underwent a federally directed reorganization that resulted in a number of SCARNG units increasing in authorized personnel and equipment. This reorganization resulted in SCARNG having a deficit of over 1.5M square feet of armory space to house the SCARNG's current force structure. Due to a shortage of armory space in the Summerville, South Carolina area to meet the needs of the 1223rd Engineer Company and the 1118th Forward Support Company, the SCARNG was forced to seek approval to lease commercial space for the assigned units.

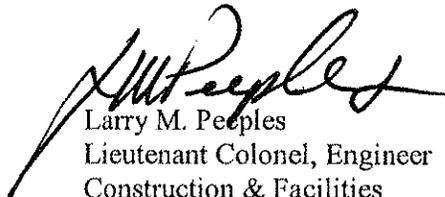
In 2008, the Budget & Control Board approved a seven year lease for a 61,500 square foot temporary armory in Summerville, South Carolina. The current lease term expires in September 2015. Initially, the SCARNG was hopeful that that we would be able to obtain federal military construction funds to construct a new armory in the Summerville, South Carolina area prior to the expiration of the lease term. However, due to federal budget cuts to military construction appropriations, the SCARNG has been unsuccessful in obtaining military construction funding. With the possibility of sequestration in 2013, the future of the military construction appropriation is not bright. If the SCARNG is successful in obtaining military funding in the next Program Objective Memorandum (POM) cycle, the earliest the SCARNG would be able complete the construction of a new armory in Summerville, South Carolina would be sometime in calendar year 2021.

Due to the low probability of the SCARNG obtaining military construction funding in the foreseeable future and the SCARNG's desire to remain in the Summerville, South Carolina area because the demographics of the area support the longevity of the force, the SCARNG contacted the Office of General Services seeking approval to extend the existing lease for an additional ten (10) years. General Services sought proposals based on the SCARNG's facility requirements. General Services received two proposals and neither of the proposals met the needs of the SCARNG. General Services contacted the current Landlord and conducted negotiations with the current Landlord. The Landlord agreed to extend the lease for an additional ten years at the same rate as under the existing lease of \$12.00 per square foot. The SCARNG feels that extending the term of the lease for an additional ten years at the same rental rate per square foot is a sound business decision and requests the Office of General Services support in obtaining approval of the lease extension from the Joint Bond Review Committee (JBRC) and the Budget & Control Board (B&CB).

If the SCARNG is not permitted to extend the terms of the lease, the SCARNG will be forced to advertise for additional space in the future and possibly pay a much higher rate per square foot if the economy improves as forecasted. Obtaining additional federal lease dollars to fund any increases will not be possible and the Guard will be forced to re-locate the two units identified above to inadequate National Guard armories in the State of South Carolina. If the SCARNG is forced to re-locate these units, the units will be adversely impacted and will not have adequate armory space to train and prepare for both their federal and state missions. In addition to the negative impact that the re-location will have on the units ability to perform their federal and state missions, Soldier morale will suffer significantly.

If you have any questions, do not hesitate to contact the undersigned at 803-806-4304 or MSG Mark Hicks at 803-806-4150.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry M. Peoples". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Larry M. Peoples
Lieutenant Colonel, Engineer
Construction & Facilities
Management Officer

SOUTH CAROLINA CODE OF LAWS

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(b) a dissolution of the agency, and

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

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

AGENCY: Division of General Services

SUBJECT: Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive in Columbia

The South Carolina Department of Labor, Licensing and Regulation (LLR) requests approval to lease from Government Properties Income Trust LLC, a Delaware limited liability company (Landlord), 71,580 square feet, comprising the entire three story Kingstree Building in Synergy Business Park located at 110 Centerview Drive in Columbia, its current location.

Presently, LLR leases the Kingstree Building at an annual cost of \$1,035,762.60 (\$14.47 per square foot) under the holdover provisions of its current lease through December 31, 2012. Additionally, the lease is subject to annual increases in operating expenses, which amount was approximately \$87,864.45 last year. The total annual cost of LLR's current lease, including operating expense escalations, is \$1,123,627.05 (\$15.70 per square foot).

The new lease was negotiated after vacant state space options were considered, state agencies were contacted to verify no adequate state space was available, and a commercial lease solicitation was issued. The proposed lease is the most cost efficient of the four commercial lease proposals received. The lease term will be ten years commencing January 1, 2013 and ending December 31, 2022, with one optional renewal term of five years. The optional renewal term will be subject to staff review and approval by the Division of General Services. Rent will be \$53,685 per month or \$644,220 per year (\$9.00 per square foot) for the first year of the lease; thereafter, rent increases two percent (2%) a year through the remainder of the term to \$10.76 per square foot in the last year of the term. Rent for the first year of the optional five year renewal term will be \$10.97 per square foot and will continue to increase two percent (2%) a year to \$11.88 per square foot rounded in the last year of the renewal term. All operating costs are included with rent and LLR is not responsible for any increases of such expenses.

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors at no cost. As a leasing incentive Landlord will provide a tenant improvement allowance of \$286,320 and will additionally contribute \$250,000 for the purchase and installation of a generator. The proposed lease will save LLR an estimated \$4,184,031 over the initial ten year term compared with its current lease, assuming rent and operating expense escalations for a lease extension would remain the same as the last year of the current lease with no increases. The proposed lease further avoids moving, network wiring and other costs associated with moving to a new location.

AGENCY: Division of General Services

SUBJECT: Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive in Columbia

The rent over the initial term and optional renewal term of the lease is as follows:

Initial Term Rates

Year	Period	Rate/SF	Annual Rent
1	1-1-13 to 12-31-13	\$ 9.00	\$ 644,220.00
2	1-1-14 to 12-31-14	\$ 9.18	\$ 657,104.40
3	1-1-15 to 12-31-15	\$ 9.36	\$ 670,246.49
4	1-1-16 to 12-31-16	\$ 9.55	\$ 683,651.42
5	1-1-17 to 12-31-17	\$ 9.74	\$ 697,324.45
6	1-1-18 to 12-31-18	\$ 9.94	\$ 711,270.94
7	1-1-19 to 12-31-19	\$ 10.14	\$ 725,496.35
8	1-1-20 to 12-31-20	\$ 10.34	\$ 740,006.28
9	1-1-21 to 12-31-21	\$ 10.54	\$ 754,806.41
10	1-1-22 to 12-31-22	\$ 10.76	\$ 769,902.53
	Total for 10 years	\$ 98.55	\$ 7,054,029.26
	Average for 10 years	\$ 9.85	\$ 705,402.93

Renewal Term Rates

Year	Period	Rate/SF	Annual Rent
11	7-1-22 to 6-30-23	\$ 10.97	\$ 785,300.59
12	7-1-23 to 6-30-24	\$ 11.19	\$ 801,006.60
13	7-1-24 to 6-30-25	\$ 11.41	\$ 817,026.73
14	7-1-25 to 6-30-26	\$ 11.64	\$ 833,367.26
15	7-1-26 to 6-30-27	\$ 11.88	\$ 850,034.61
	Total for 15 years	\$ 155.64	\$ 11,140,765.05
	Average for 15 years	\$ 10.38	\$ 742,717.67

Market reports indicate that the average asking lease rate in the St. Andrews area of Columbia for similar office buildings is \$14.40 per square foot annually. Comparables of similar state agency office space leased in the St. Andrews area of Columbia are as follows:

AGENCY: Division of General Services

SUBJECT: Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive in Columbia

Lease Date	Agency/Location	Rate/SF
9/08	Technical College System, 111 Executive Center Dr.	\$9.75
9/08	Public Service Commission, 101 Executive Center Dr.	\$15.20 <i>(subject to operating cost escalations)</i>
7/07	State Accident Fund, 800 Dutch Square Blvd.	\$13.10 <i>(subject to operating cost escalations)</i>

LLR has adequate funds for the lease according to a Budget Approval Form dated October 15, 2012, which also includes a multi-year plan. Lease payments will be made from program revenue generated through fees and fines. The space allocation of the new lease is 192 square feet for each of the 372 employees to be housed at the Kingstree Building. This includes all office space for employees as well as conference rooms, reception areas, copy/fax areas, storage/file rooms, work areas, mailroom, break room, computer server room and common areas. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

No option to purchase the property is included in the lease. The Kingstree Building was constructed in 1986. An environmental assessment dated April 21, 2006 recommends no further assessment is necessary. The lease was approved by Holly G. Pisarik, Director of the South Carolina Department of Labor, Licensing and Regulation, and by David M. Lepore, Senior Vice President for GPT Properties Trust.

BOARD ACTION REQUESTED:

Approve the proposed ten year lease and optional renewal term of five years subject to the review and approval by the Division of General Services for the Department of Labor, Licensing and Regulation at 110 Centerview Drive in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the Department of Labor, Licensing and Regulation dated October 16, 2012; SC Code of Laws Sections 1-11-55 and 1-11-56

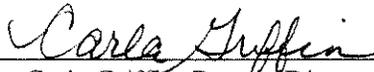
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 30, 2012

Regular Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

- 2. Subject:** Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive in Columbia
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Lease Date	Agency/Location	Rate/SF
9/08	Technical College System, 111 Executive Center Dr.	\$9.75
9/08	Public Service Commission, 101 Executive Center Dr.	\$15.20 <i>(subject to operating cost escalations)</i>
7/07	State Accident Fund, 800 Dutch Square Blvd.	\$13.10 <i>(subject to operating cost escalations)</i>

LLR has adequate funds for the lease according to a Budget Approval Form dated October 15, 2012, which also includes a multi-year plan. Lease payments will be made from program revenue generated through fees and fines. The space allocation of the new lease is 192 square feet for each of the 372 employees to be housed at the Kingstree Building. This includes all office space for employees as well as conference rooms, reception areas, copy/fax areas, storage/file rooms, work areas, mailroom, break room, computer server room and common areas. The lease was approved by the Joint Bond Review Committee at its meeting on October 24, 2012.

No option to purchase the property is included in the lease. The Kingstree Building was constructed in 1986. An environmental assessment dated April 21, 2006 recommends no further assessment is necessary. The lease was approved by Holly G. Pisarik, Director of the South Carolina Department of Labor, Licensing and Regulation, and by David M. Lepore, Senior Vice President for GPT Properties Trust.

4. **What is the Board asked to do?** Approve the proposed ten year lease and optional renewal term of five years subject to the review and approval by the Division of General Services for the Department of Labor, Licensing and Regulation at 110 Centerview Drive in Columbia.
-

5. **What is recommendation of the Division of General Services?** Approve the proposed ten year lease and optional renewal term of five years subject to the review and approval by the Division of General Services for the Department of Labor, Licensing and Regulation at 110 Centerview Drive in Columbia.
-

6. **List of Supporting Documents:**

- (a) Letter from the Department of Labor, Licensing and Regulation dated October 16, 2012
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



South Carolina
Department of Labor, Licensing and Regulation

Division of Administration



110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
(803) 896-4319
FAX: (803) 896-4697
www.llronline.com

Nikki R. Haley
Governor

Holly G. Pisarik
Director

October 16, 2012

Ms. Lisa H. Catalanotto, Esq.
Division of General Services
Real Property Services
Wade Hampton Building
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: South Carolina Department of Labor, Licensing and Regulation Lease at 110 Centerview Drive,
Columbia, SC

Dear Ms. Catalanotto:

As you are aware, the South Carolina Department of Labor, Licensing, and Regulation ("LLR") has leased office space from Government Properties Income Trust LLC ("Government Properties") at the Synergy Business Office Park, 110 Centerview Drive ("110 Centerview") since April 1997. The current lease for 110 Centerview expired March 2012; however, LLR continues to occupy this space through a holdover provision in the current lease that expires December 31, 2012.

As you are also aware, in August 2012, the Board's Division of General Services, Real Property Services ("General Services") initiated a competitive solicitation and considered available state space in order to determine if more cost efficient commercial office space alternatives were available. Four proposals were submitted in response to the solicitation, and the lowest was from Government Properties for LLR's current space, 110 Centerview. General Services determined that Government Properties' proposal was the most cost efficient option.

General Services successfully negotiated a proposed ten year lease with Government Properties beginning January 1, 2013, and ending December 31, 2022, with an optional renewal term of five (5) years. The new lease represents a reduction in the lease rate at 110 Centerview from \$15.70 per square foot annually (\$14.47 basic rent plus \$1.23 operating expense escalation) to \$9.00 per square foot annually for the first year of the lease with a 2% increase per year over the life of the lease. Under the new lease, LLR is not responsible for any operating expenses separate from the basic lease rate. Government Properties also will provide a leasing incentive of \$286,320 for tenant improvements and \$250,000 for the purchase and installation of a generator.

Ms. Lisa H. Catalanotto, Esq
October 16, 2012
Page Two

Even with the 2% increase per year, the lower rate will result in significant cost savings for LLR of approximately \$4,184,031 over the ten-year initial term. In addition, a renegotiated lease at our current location allows us to avoid relocation costs associated with moving to a new location. For these reasons, I respectfully request the approval of the proposed lease with Government Properties for 110 Centerview.

Sincerely,

A handwritten signature in cursive script that reads "Holly G. Pisarik".

Holly G. Pisarik

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

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

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

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

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

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

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

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

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

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

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

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

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

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

AGENCY: Procurement Services Division

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

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. South Carolina Department of Transportation (SCDOT) has asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to twelve (12) years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract is set to expire May 31, 2013. SCDOT is working with the Materials Management Office to develop and plan the solicitation to replace the current contract. The new contract will require the contractor to replace all of the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is twelve to fifteen years. Allowing a twelve year contract would allow the contractor to amortize the cost of replacing the panels over the entire twelve year useful life of the signs resulting in lower annual amortization cost to the contractor and a greater annual revenue return to SCDOT.

BOARD ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider South Carolina Department of Transportation's request for a multi-term contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program for up to twelve (12) years.

ATTACHMENTS:

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

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: **October 30, 2012**

Regular Agenda

Submitted by:

(a) Agency: Procurement Services Division

(b) Authorized Official Signature:



R. Voight Shealy, Materials Management Officer

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

3. Summary Background Information:

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. South Carolina Department of Transportation (SCDOT) has asked for Board approval for the Materials Management Office to solicit proposals on its behalf to contract for up to twelve (12) years for administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program. The current contract is set to expire May 31, 2013. SCDOT is working with the Materials Management Office to develop and plan the solicitation to replace the current contract. The new contract will require the contractor to replace all of the extruded panel signs statewide within two years of award; a significant cash outlay. The useful life of the reflective sheeting on these panels is twelve to fifteen years. Allowing a twelve year contract would allow the contractor to amortize the cost of replacing the panels over the entire twelve year useful life of the signs resulting in lower annual amortization cost to the contractor and a greater annual revenue return to SCDOT.

4. What is Board asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider South Carolina Department of Transportation's request for a multi-term contract for the administration, marketing, construction, and maintenance of the Specific Service (Logo) Signing Program for up to twelve (12) years.

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

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Letter of request from South Carolina Department of Transportation

(b) Section 11-35-2030(4) of the SC Consolidated Procurement Code



South Carolina
Department of Transportation

MEMORANDUM

TO: Robert J. St. Onge, Jr., Secretary of Transportation
FROM: Tony S. Sheppard, Director of Traffic Engineering *TSS*
DATE: July 25, 2012
RE: 2013 Specific Service (Logo) Signing Contract for Fully Controlled Access Highways

The current contract for administration, marketing, construction and maintenance of the Specific Service (Logo) Signing Program with South Carolina Logos, LLC is set to expire on May 31, 2013. The contract was awarded in accordance with Section 57-25-170 of the South Carolina Code of Laws which provides the South Carolina Department of Transportation (SCDOT) Commission with authority to enter into a cooperative agreement between the Department of Transportation and a private party to operate the Specific Service Signing Program.

A request to move forward with the procurement of a new contract was approved during the June 21, 2012 Commission meeting. The request is located on pages 66-67 of the Commission notebook. The current seven year contract was awarded in June 2006.

We would like to contact the Budget and Control Board's Materials Management office to request that the new contract be awarded for a period of twelve years. In accordance with Section 11-35-2030 of the Code of Laws, any contract longer than seven years must be approved by the board as part of its formal meeting agenda.

The new contract will require that all of the extruded panel signs be replaced within two years of the award of contract. The replacement of these panels represents a significant cash outlay to the selected firm.

The industry standard warranty for the reflective sheeting on these panels is ten years with the actual expected useful life being twelve to fifteen years. Allowing a twelve year contract would allow the successful bidder to amortize the cost of replacing the panels over the entire useful life of the sign, thus allowing a greater annual revenue return to SCDOT over this period.

With your concurrence, we will explore the option of pursuing a twelve year contract. If you have any questions or need additional information, please do not hesitate to contact me at (803) 737-1462.

TSS:prb

cc: John V. Walsh, Deputy Secretary for Engineering
J. C. Watson, Chief Engineer for Operations
Andy Leaphart, Deputy of Support Services

File: TE/JNB

Concur: *RJ St. Onge*
Secretary of Transportation
AW *RKP*



EXCERPT FROM THE CONSOLIDATED PROCUREMENT CODE

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

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

AGENCY: Coastal Carolina University

SUBJECT: Not Exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013.

The bonds are authorized for the purposes of: (A) providing the amounts necessary, together with other available funds of the University, to defray the cost of (i) acquiring real property known as the Elvington Property, incorporating such property into the University's campus, and constructing an approximately 1,200 bed dormitory facility thereon to provide housing for students attending the University and (ii) the advanced refunding of \$1,790,000 of the University \$3,855,000 original principal amount on or after June 1, 2014; (B) providing money to fund debt service reserve funds, if any; and (C) paying certain costs and expenses related to the issuance of the bonds.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$92,000,000 Coastal Carolina University, South Carolina Improvement and Refunding Revenue Bonds, Series 2013.

ATTACHMENTS:

Lucas 10/9/12 letter; Resolution; Summary of Refinancing Proposal



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

Josiah C.T. Lucas
Partner
jlucas@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
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October 9, 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 \$92,000,000 Coastal Carolina University, South Carolina
Improvement and Refunding Revenue Bonds, Series 2013 (the "Bonds")

Dear Mr. Singleton:

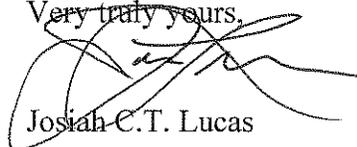
In connection with the issuance of the Bonds and in preparation for the State Budget and Control Board's meeting scheduled for October 30, 2012, enclosed please find one copy of each of the following items:

1. Summary of Project and Refunding for Coastal Carolina University;
2. General Bond Resolution adopted by the Board of Trustees of Coastal Carolina University (the "Board") on November 10, 1994;
3. Amended and Restated General Bond Resolution scheduled to be considered by the Board on October 26, 2012;
4. Supplemental Resolution of Coastal Carolina University scheduled to be considered by the Board on October 26, 2012.
5. Certificate and related Resolution of the State Budget and Control Board scheduled to be considered on October 30, 2012.

We will also be sending you in Microsoft Word format, the electronic version of Item 5 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

faith, credit and taxing power of the State within the meaning of any provision, limitation, or restriction of the Constitution or laws of the State (other than Article X, Section 13, paragraph 9 of the State Constitution, which authorizes obligations of State institutions payable solely from a revenue-producing source not involving any tax).

Background for Series 2004 Bonds. The Series 2004 Bond was originally issued for the purpose of providing funds necessary to defray the costs of: (A) effecting the refunding of certain maturities of the University's originally issued \$13,895,000 Revenue Bonds, Series 1994, and (B) paying costs of issuance of the Series 2004 Bonds.

Projected Savings Generated by Refunding. As of September 25, 2012, the financial advisor for the University estimated, based on then current market conditions, that the refunding of the Refunded Bond would produce an approximate net present value savings of \$53,993, net of costs, or approximately 3% of the Refunded Bond principal amount.

Issuance and Details of the Bonds. The sale of the initial series of Bonds is currently anticipated to occur in mid to late January, 2012; subsequent series of Bonds are anticipated to be sold at such time as to best provide for the construction schedule and any change in market conditions. The University and the Office of the State Treasurer will have final discretion, pursuant to the authority given in the Supplemental Resolution, to determine the terms and conditions of sale and to make a final determination as to whether or not to effect the refunding of the Refunded Bond.

The Bonds will bear interest at fixed rates for each maturity determined in the manner prescribed by the provisions of the Supplemental Resolution. The Bonds will be dated and bear interest from such date or dates as are determined by the University and the State Treasurer. Interest on the Bonds will be payable annually or semiannually in the discretion of the University and State Treasurer, as determined prior to the sale of any series of Bonds. The University and the State Treasurer will determine whether the Bonds will be subject to redemption prior to maturity, including applicable redemption dates and prices.

Repayment Terms. The Bonds will mature in a manner to be finally determined and established by the University and the State Treasurer; provided that final maturity of the Bonds allocable to the refunding of the Series 2004 Bonds shall occur no later than June 1, 2018, and that Bonds issued for any other purpose described hereinabove must mature within forty (40) years.



POPE ZEIGLER
LAW FIRM
COLUMBIA | CHARLOTTE

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

Memorandum

TO: SOUTH CAROLINA BUDGET AND CONTROL BOARD

FROM: POPE ZEIGLER, LLC

DATE: OCTOBER 9, 2012

RE: NOT EXCEEDING \$92,000,000 COASTAL CAROLINA, SOUTH CAROLINA, IMPROVEMENT
 AND REFUNDING REVENUE BONDS, SERIES 2013 (THE "BONDS")

Coastal Carolina University, South Carolina (the "University") has requested that the South Carolina Budget and Control Board (the "Budget and Control Board") consider the authorization of the above referenced Bonds at its meeting on October 30, 2012.

Authority for Issuing the Bonds. The Bonds are being issued under the authority of the Constitution and laws of the State of South Carolina (the "State") including Chapters 136 and 147 of Title 59, of the Code of Laws of South Carolina, 1976, as amended; Chapter 21 of Title 11 of the Code of Laws of South Carolina, 1976, as amended; an amended and restated general bond resolution to be adopted by the Board of Trustees of Coastal Carolina University (the "Board of Trustees") on October 26, 2012 (the "Bond Resolution"); a supplemental resolution bond resolution to be adopted by the Board of Trustees on October 26, 2012 (the "Supplemental Resolution"); and a resolution to be considered by the Budget and Control Board on October 30, 2012.

Purpose. The Bonds are authorized for the purposes of: (A) providing the amounts necessary, together with other available funds of the University, to defray the cost of (i) acquiring real property known as the Elvington Property, incorporating such property into the University's campus, and constructing an approximately 1,200 bed dormitory facility thereon to provide housing for students attending the University (collectively, the "Elvington Project") and (ii) the advanced refunding of \$1,790,000 of the University's \$3,855,000 original principal amount Refunding Revenue Bond, Series 2004 (the "Series 2004 Bond") that is subject to redemption on or after June 1, 2014 (the "Refunded Bond"); (B) providing money to fund debt service reserve funds, if any; and (C) paying certain costs and expenses related to the issuance of the Bonds.

Security. The Bonds are payable solely from, and are secured by a pledge of, the Net Revenues of the University, as such term is defined in the Bond Resolution. The Bonds do not constitute a general indebtedness of the University or an indebtedness or pledge of the full

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$92,000,000 OF IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2013, 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 Chapters 136 and 147, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), to make provision for the issuance of revenue bonds ("Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of construction, reconstruction, and improvement and equipment of buildings for the purposes of the University, including, without limiting the generality of the foregoing, dormitories, apartment buildings, dwelling houses, dining halls, cafeterias, parking 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. Pursuant to the provisions of Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended (the "Refunding Act," and together with the Enabling Act, the "Act"), the University is authorized to effect advanced refundings of its outstanding indebtedness.

(b) The Board of Trustees has previously made general provision for the issuance from time to time of revenue bonds of the University (the "Bonds") through the means of a General Bond Resolution adopted on November 10, 1994, 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” as thereafter from time to time amended and supplemented (the “Original General Bond Resolution”). The Board of Trustees has provided for the amendment and restatement of the Original General Bond Resolution pursuant the adoption of an Amended and Restated General Bond Resolution, adopted on October 26, 2012, 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 “Amended and Restated General Bond Resolution” and together with the Original General Bond Resolution, the “General Bond Resolution”). Pursuant to the Original General Bond Resolution, the Board of Trustees previously issued and there remain Outstanding: (a) \$1,935,000 of the originally issued \$3,855,000 Refunding Revenue Bond, Series 2004 of Coastal Carolina University, South Carolina (the “Series 2004 Bond”), (b) \$11,040,000 of the originally issued \$13,175,000 Refunding Revenue Bonds, Series 2006 of Coastal Carolina University, South Carolina, and (c) \$6,147,000 of the originally issued \$6,147,000 Refunding Revenue Bond, Series 2012 of Coastal Carolina University, South Carolina.

(c) On October 26, 2012, the Board of Trustees adopted a supplemental resolution entitled “A SUPPLEMENTAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF IMPROVEMENT AND REFUNDING REVENUE BONDS OF COASTAL CAROLINA UNIVERSITY, SOUTH CAROLINA, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING NINETY-TWO MILLION DOLLARS (\$92,000,000), AND OTHER MATTERS RELATING THERETO” (the “2013 Supplemental Resolution”) authorizing the issuance of Improvement and Refunding Revenue Bonds, Series 2013 (the “Series 2013 Bonds”), to be issued as a single series or in multiple series, for the purposes of (i) providing funds for the University to acquire real property known as the Elvington Property, incorporate such property into its campus, and construct an approximately 1,200 bed dormitory facility thereon to provide housing for students attending the University (collectively, the “Elvington Project”), and (ii) advance refunding of the presently Outstanding Series 2004 Bond that is subject to redemption prior to maturity on June 1, 2014, in the principal amount of \$1,790,000 (the “Refunded Bond”).

(d) The 2013 Supplemental Resolution authorized the use of proceeds of the Series 2012 Bonds for the purposes of: (i) providing the funds necessary to design, construct, and equip the Elvington Project; (ii) providing the amounts necessary, together with other available funds of the University, to defray the cost of refunding the Refunded Bond; (iii) providing the amounts necessary to fund accounts, if any, within the Debt Service Reserve Fund; and (iv) paying certain Costs of Issuance and expenses related to the issuance of the Series 2013 Bonds.

(e) The Board of Trustees has determined that (i) prevailing market conditions indicate that substantial debt service savings will be achieved through the refunding of the Refunded Bond, and (ii) the designing, constructing, and equipping of the Elvington Project is advantageous to the University for its continued successful operation as a public institution of higher learning, and the University hereby requests the State Board to approve at this time the issuance by the University of the Series 2013 Bonds to effect the refunding of the Refunded Bond and the designing, constructing and equipping of the Elvington Project, and other matters related thereto.

Section 1.02

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

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2013 BONDS

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of not exceeding \$92,000,000 in principal amount of Improvement and Refunding Revenue Bonds, Series 2013, of the University, to be issued as a single series or in multiple series, and to sell the same in the manner and under the conditions prescribed by the 2013 Supplemental Resolution.

Section 2.02

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

Dated: October 30, 2012.

Summary of Refinancing Proposal for
Coastal Carolina University, South Carolina

PRELIMINARY – SUBJECT TO CHANGE

October 19, 2012

Outstanding bonds proposed to be refinanced	\$3,855,000 original principal amount Refunding Revenue Bond, Series 2004; refunding \$1,790,000 of principal of such bond with maturities of June 1, 2013 through June 1, 2018, inclusive.
Average interest rate of bonds refinanced	4.05%
Projected average interest rate of refinancing bonds	2.99%
True interest cost of refinancing bonds	1.24%
Projected net present value savings (net of costs)	\$50,842
Projected net present value savings as a percentage of the bonds refinanced ¹	2.81%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings) ²	
Underwriting	\$14,000 (0.78%, 27.54%)
Legal fees – bond, disclosure and general counsel	\$3,000 (0.17%, 5.90%)
Rating agency fees	\$2,337 (0.13%, 4.60%)
Advisory fees	\$1,720 (0.10%, 3.38%)
Bond trustee/registrar	\$575 (0.03%, 1.13%)
Accounting and verification	\$3,000 (0.17%, 5.90%)
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	\$719 (0.04%, 1.41%)
Total	\$25,351 (1.42%, 49.86%)

Prepared by Pope Zeigler, LLC and Stephens Inc.

Date October 19, 2012

¹ The bonds are being refunded for the purposes of achieving debt service savings and conforming bond covenants to the Higher Education Revenue Bond Act.

² Expenses are proportionate to total financing cost.

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF October 30, 2012

ITEM NUMBER 12

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Wednesday, December 12, 2012, in Room 252, Edgar A. Brown Building.

BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Wednesday, December 12, 2012, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: