

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, August 21, 2018 -- 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's Office	Bond Counsel Selection
2.	Department of Administration, Facilities Management and Property Services	Easements
3.	Department of Administration, Facilities Management and Property Services	Petition to Request Annexation of Department of Transportation's Maintenance Complex into the Town of St. George
4.	Division of Procurement Services	Procurement Audits and Certifications
5.	State Fiscal Accountability Authority	Notice of Drafting for Procurement Regulations
6.	Executive Director	Revenue Bonds
D. REGULAR SESSION		
1.	Department of Administration, Facilities Management and Property Services	SC Department of Health and Human Services Lease – 300 Arbor Lake Drive in Columbia
2.	Department of Administration, Facilities Management and Property Services	SC Department of Health and Human - Services Lease – 101 North Pine Street in Spartanburg
3.	Department of Administration, Facilities Management and Property Services	SC Department of Motor Vehicles Lease - 946 Orleans Road in Charleston

STATE FISCAL ACCOUNTABILITY AUTHORITY

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
4.	Department of Administration, Facilities Management and Property Services	SC Department of Revenue Lease - 2070 Northbrook Boulevard in North Charleston
5.	Department of Administration, Capital Budget Office	Permanent Improvement Projects
6.	Division of Procurement Services	Procurement Exemption for Locum Tenens Providers of Dentists, Medical Doctors, Psychiatrists, Nurses (APRNs, RNs, and LPNs), Pharmacists, Physical Therapists, and Physician's Assistants
7.	State Fiscal Accountability Authority	Future Meeting

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 21, 2018

BLUE AGENDA
ITEM NUMBER 1

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification, for informational purposes, of the firms selected and approved:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$20,000,000 Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	Palmetto Goodwill Conduit: SC JEDA	Haynsworth Sinkler Boyd	Howell Linkous Nettles

GENERAL OBLIGATION / OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$38,000,000 Hospital Revenue Bonds; Series 2018 (Nexton Land Acquisition / CSC)	Medical University Hospital Authority ("MUHA")	Haynsworth Sinkler Boyd

AUTHORITY ACTION REQUESTED:

In accord with Authority policy, receive the State Treasurer's Office report of bond counsel as information.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its August 21, 2018 meeting:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$20,000,000; Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	Palmetto Goodwill Conduit: SC JEDA	Haynsworth Sinkler Boyd	Howell Linkous Nettles	07/10/2018

GENERAL OBLIGATION / OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$38,000,000; Hospital Revenue Bonds; Series 2018 (Nexton Land Acquisition / CSC)	Medical University Hospital Authority ("MUHA")	Haynsworth Sinkler Boyd	07/10/2018

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

The Department of Administration requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: York
From: Winthrop University
To: City of Rock Hill
Consideration: \$1
Description/Purpose: To grant a 0.0328 acre permanent easement, together with the right of ingress and egress, for the purpose of installing, digging, building, erecting, maintaining, repairing, rebuilding, operating, and patrolling sanitary sewer lines, water lines, electric power transmission lines and data communication lines on property of Winthrop University. The easement is part of the City of Rock Hill's Cherry Road Phase II improvement project. These infrastructure improvements are upgrades to the City's existing utilities that provide services to the University's facilities. The easement will contain the State's standard reverter language that if the City discontinues usage of the lines and facilities, the easement will terminate. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (b) County Location: York
From: Winthrop University
To: City of Rock Hill
Consideration: \$1
Description/Purpose: To grant a 0.319 acre permanent easement, together with the right of ingress and egress, for the purpose of installing, digging, building, erecting, maintaining, repairing, rebuilding, operating, and patrolling sanitary sewer lines, water lines, electric power transmission lines and data communication lines on property of Winthrop University. The easement is part of the City of Rock Hill's Cherry Road Phase II improvement project. These infrastructure improvements are upgrades to the City's existing utilities that provide services to the University's facilities. The easement will contain the State's standard reverter language that if the City discontinues usage of the lines and facilities, the easement will terminate. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (c) County Location: York
From: Winthrop University
To: City of Rock Hill
Consideration: \$1

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

Description/Purpose: To grant a 0.044 acre permanent easement, together with the right of ingress and egress, for the purpose of installing, digging, building, erecting, maintaining, repairing, rebuilding, operating, and patrolling sanitary sewer lines, water lines, electric power transmission lines and data communication lines on property of Winthrop University. The easement is part of the City of Rock Hill's Cherry Road Phase II improvement project. These infrastructure improvements are upgrades to the City's existing utilities that provide services to the University's facilities. The easement will contain the State's standard reverter language that if the City discontinues usage of the lines and facilities, the easement will terminate. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

(d) County Location: York
From: Winthrop University
To: City of Rock Hill
Consideration: \$1

Description/Purpose: To grant a 0.277 acre permanent easement, together with the right of ingress and egress, for the purpose of installing, digging, building, erecting, maintaining, repairing, rebuilding, operating, and patrolling sanitary sewer lines, water lines, electric power transmission lines, data communication lines and natural gas transmission lines, on property of Winthrop University. The easement is part of the City of Rock Hill's Cherry Road Phase II improvement project. These infrastructure improvements are upgrades to the City's existing utilities that provide services to the University's facilities. Additionally, the improvements include sidewalk enhancements and pedestrian crossings and safety features. The easement will contain the State's standard reverter language that if the City discontinues usage of the lines and facilities, the easement will terminate. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

(e) County Location: Richland
From: Department of Administration
To: City of Columbia
Consideration: \$700

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

Description/Purpose: To grant a 0.024 acre easement for the construction, installation, operation and maintenance of a sanitary sewer main beneath Gills Creek at the Fort Jackson Boulevard bridge. The easement is needed for the construction of a new sanitary sewer line to enhance the capacity and improve the overall sewer system pursuant to the Consent Decree of civil action captioned *United States et al v. The City of Columbia* and filed in the United States District Court for the District of South Carolina Columbia Division under Civil Action No. 3:13-2429-TLW. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (f) County Location: Charleston
- From: Department of Administration / Patriots Point Development Authority
- To: South Carolina Telecommunications Group Holdings, LLC
a/k/a Spirit Communications
- Consideration: \$46,500.00
- Description/Purpose: To grant an easement consisting of three (3) easement areas (width varies, with a maximum width of 25 feet) measuring 0.15 acre, 0.09 acre and 0.10 acre for the installation and maintenance of underground telecommunication lines and facilities over, under, and upon property of Patriots Point Development Authority in Mount Pleasant. The easement areas are the same as those included in the 2004 utility easement PPDA previously granted to SCE&G. Admin has been advised that in 2015, Spirit Communications bought a wholly owned subsidiary of SCANA called SCANA Communications, Inc., and in connection with that purchase received rights to telecommunication lines located within the 2004 utility easement. Spirit now needs an easement to access and work on those lines. The term of the easement will be fifty (50) years. The easement will contain the State's standard reverter language that if Spirit discontinues usage of the lines and facilities, the easement will terminate. Consideration is the appraised value plus \$500 administrative fee. The Division of Facilities Management and Property Services has determined that PPDA has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easements as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Division of Facilities Management
and Property Services
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Department of Administration requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: York
From: Winthrop University
To: City of Rock Hill
Consideration: \$1
Description/Purpose: To grant a 0.0328 acre permanent easement, together with the right of ingress and egress, for the purpose of installing, digging, building, erecting, maintaining, repairing, rebuilding, operating, and patrolling sanitary sewer lines, water lines, electric power transmission lines and data communication lines on property of Winthrop University. The easement is part of the City of Rock Hill's Cherry Road Phase II improvement project. These infrastructure improvements are upgrades to the City's existing utilities that provide services to the University's facilities. The easement will contain the State's standard reverter language that if the City discontinues usage of the lines and facilities, the easement will terminate. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
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To: City of Columbia
Consideration: \$700
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-

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

5. What is recommendation of the Department of Administration? Recommend approval of the referenced easements.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) City of Rock Hill (Tract 36)
 - (b) City of Rock Hill (Tract 71)
 - (c) City of Rock Hill (Tract 78)
 - (d) City of Rock Hill (Tract 5-5A-5B)
 - (e) City of Columbia
 - (f) South Carolina Telecommunications Group Holdings, LLC

SOUTH CAROLINA CODE OF LAWS

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

The Department of Administration, upon approval of the State Fiscal Accountability Authority, 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.

HISTORY: 1962 Code Section 1-357.1; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "Department of Administration, upon approval of the State Fiscal Accountability Authority," for "State Budget and Control Board".

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 the Department of Administration, upon approval of the State Fiscal Accountability Authority, 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 Director of the Department of Administration and the State Fiscal Accountability Authority.

HISTORY: 1962 Code Section 1-357.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority," for "authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board" and substituted "written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority" for "written approval of the majority of the members of the State Budget and Control Board".

SOUTH CAROLINA CODE OF LAWS

SECTION 10-1-130. Grant of easements and rights of way.

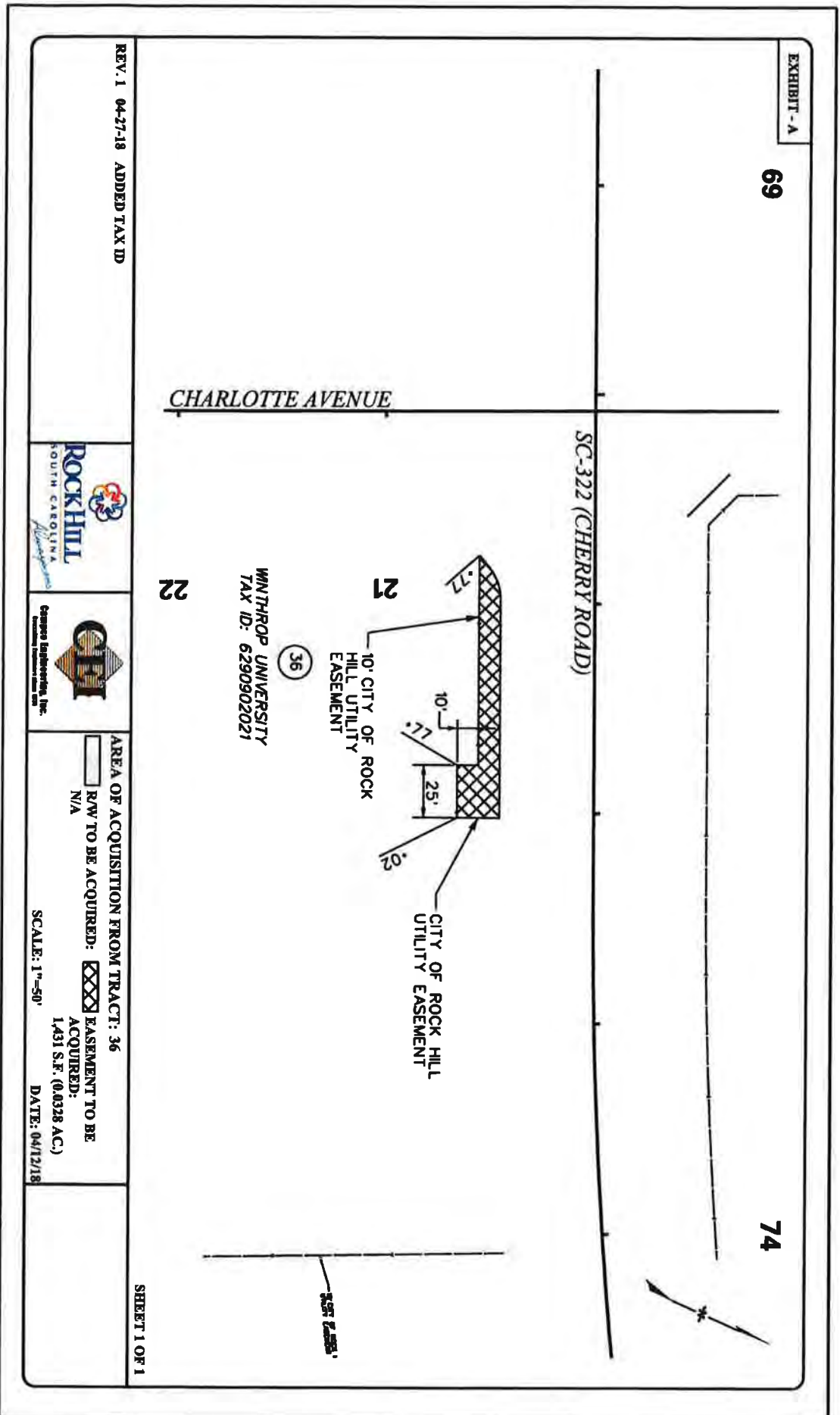
The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements do not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any amounts must be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code Section 1-49.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.K, eff July 1, 2015.

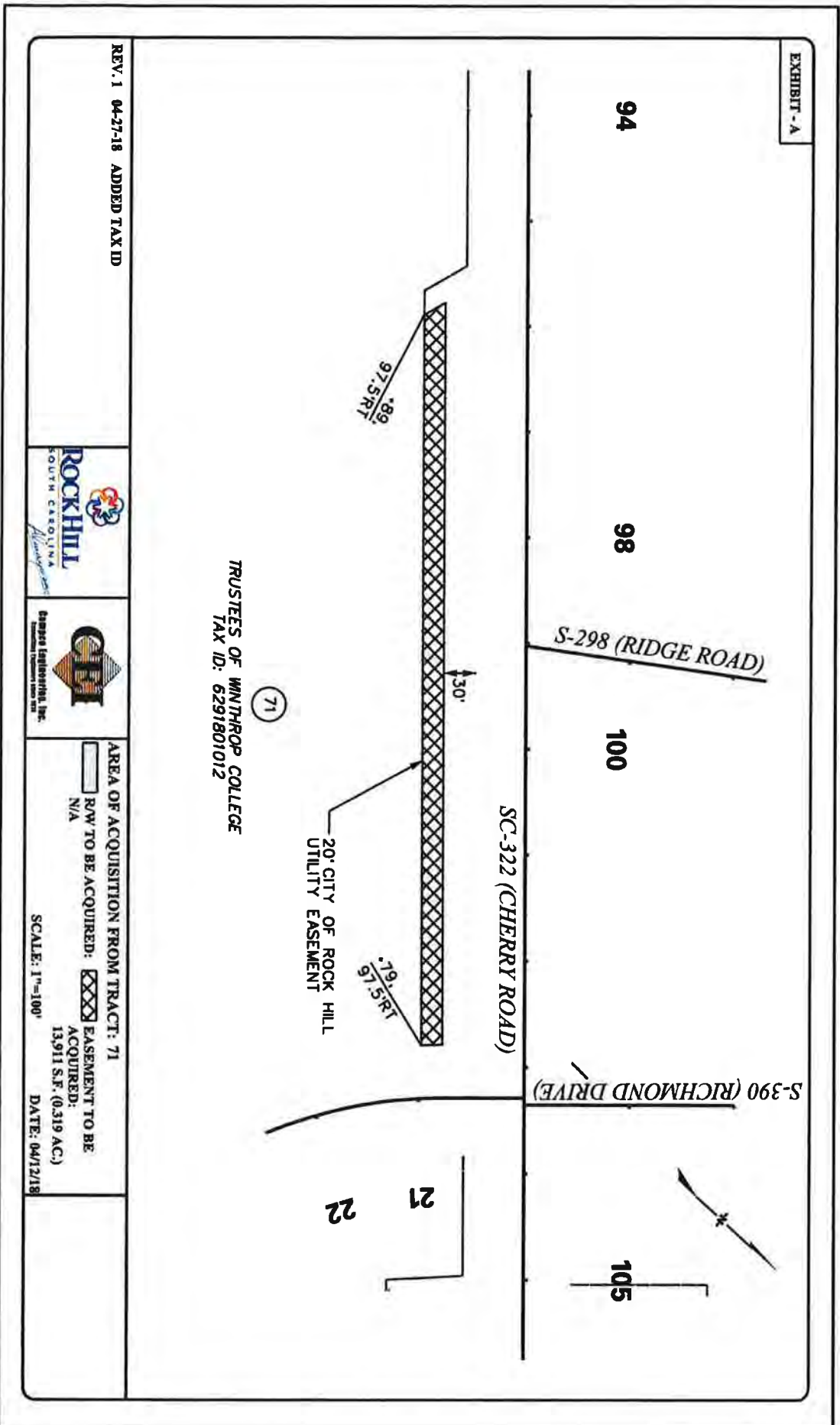
Effect of Amendment

2014 Act No. 121, Section 7.K, rewrote the section, substituting the Department of Administration and the State Fiscal Accountability Authority for the State Budget and Control Board.

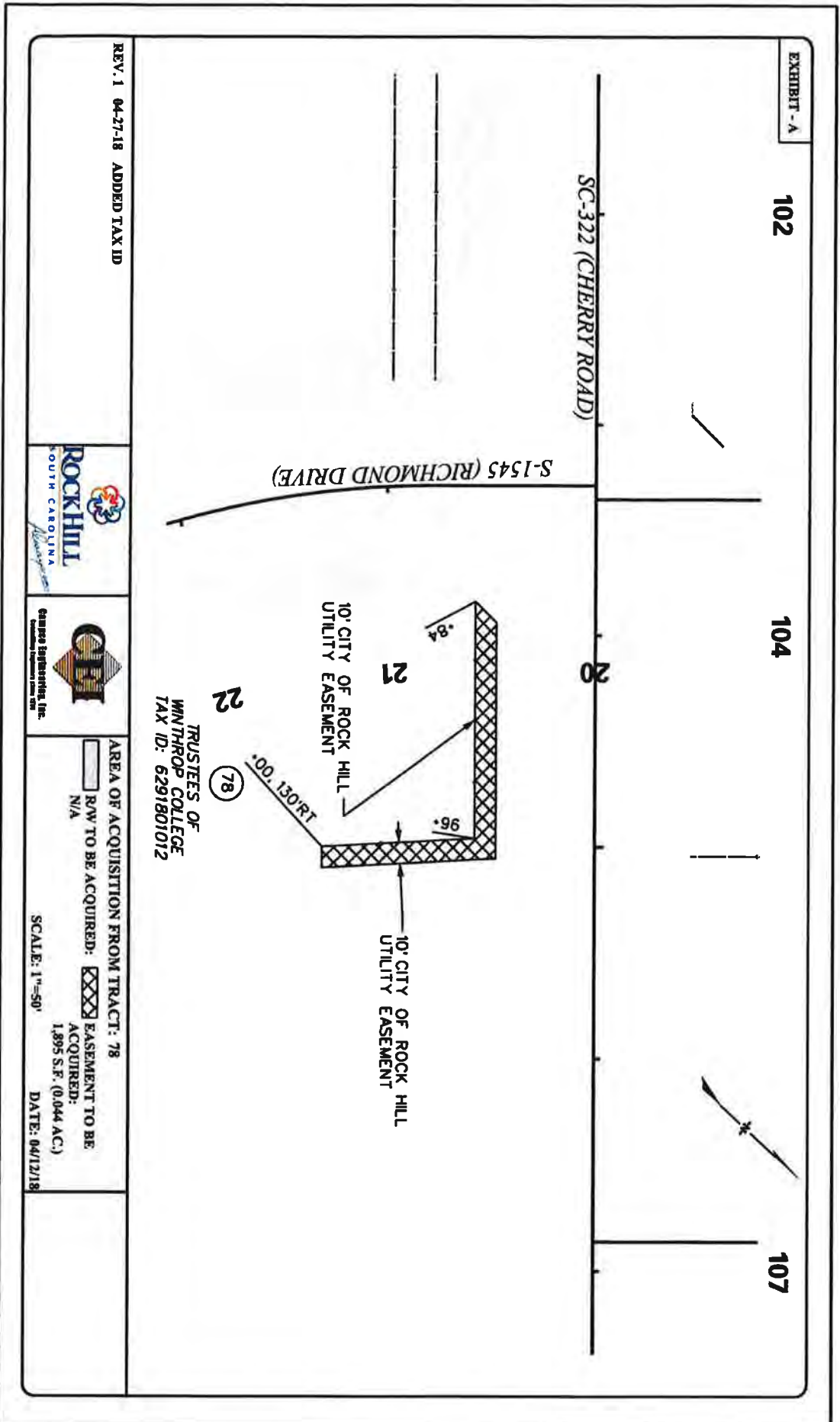
(a)



(6)



(c)



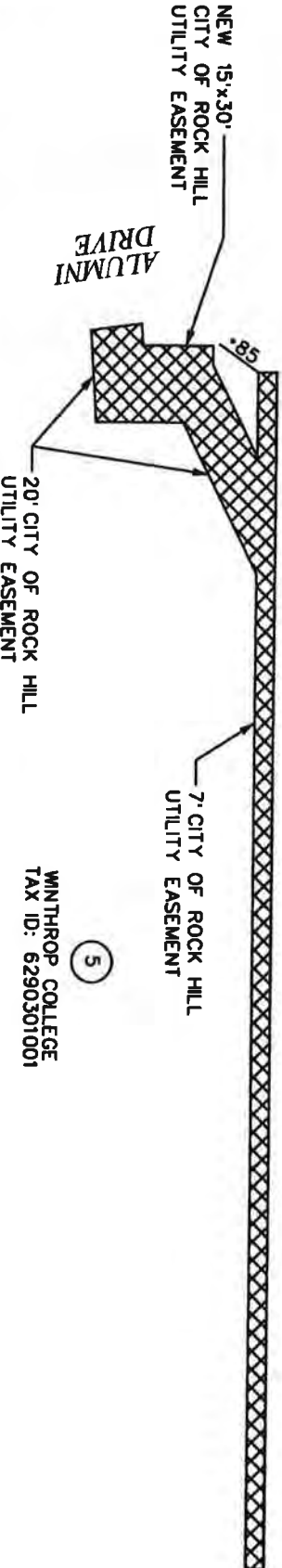
(d-1)

EXHIBIT - A

46

50

CHERRY ROAD (SC-322)



WINTHROP COLLEGE
TAX ID: 6290301001

REV. 1 06-14-17 ADJ. BEG. STATION OF NEW R/W FROM STA. 46+40 TO STA. 46+85 AND R/W TO BE ACQUIRED.
REV. 2 06-22-17 REMOVED EASEMENT REFERENCE
REV. 3 07-19-18 REVISED FEE SIMPLE R/W AREAS TO EASEMENT



AREA OF ACQUISITION FROM TRACT: 5

☐ R/W TO BE ACQUIRED: N/A

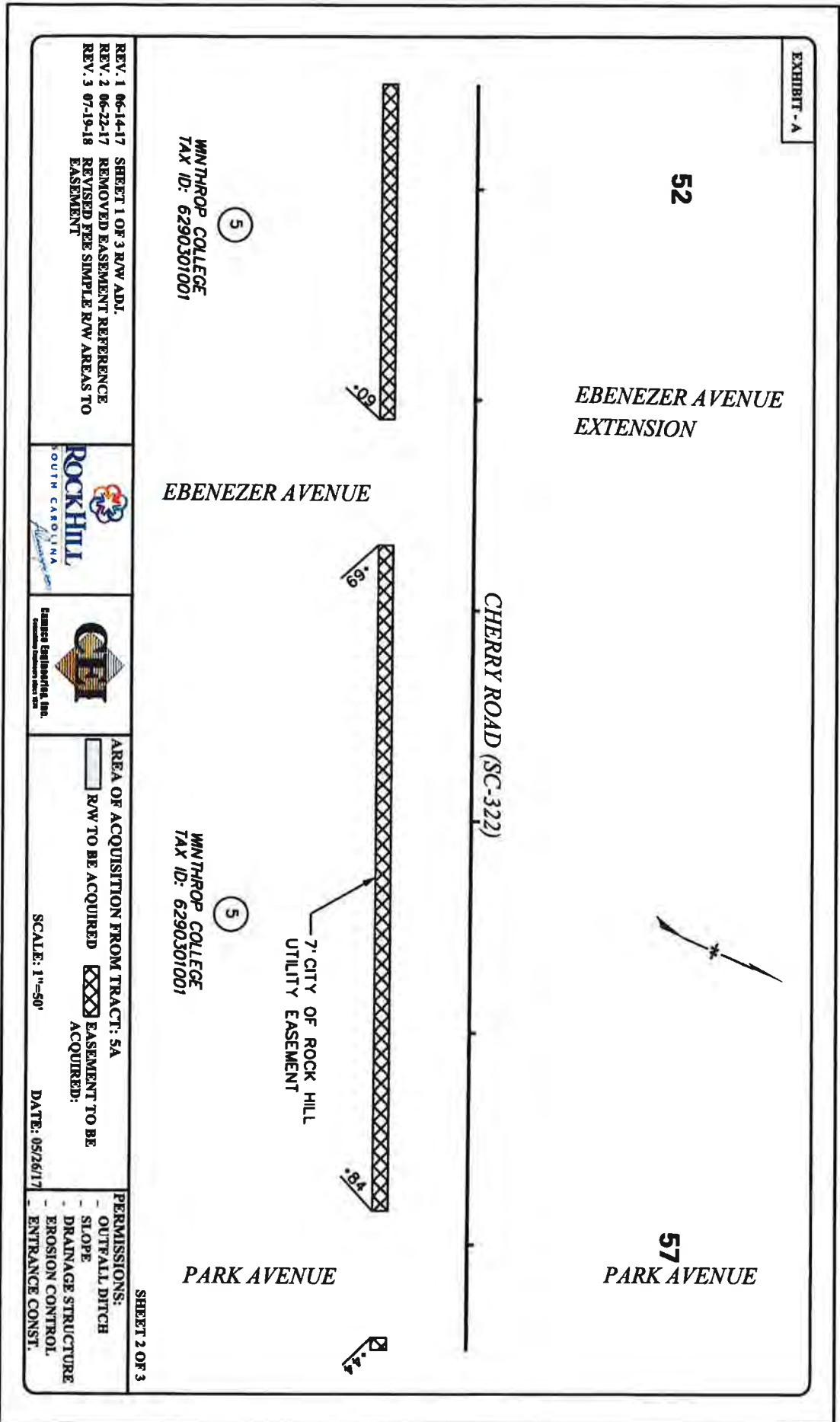
☒ EASEMENT TO BE ACQUIRED:
12,051 S.F. (277 AC.)
DATE: 05/26/17

SCALE: 1"=50'

PERMISSIONS:
- OUTFALL DITCH
- SLOPE
- DRAINAGE STRUCTURE
- EROSION CONTROL
- ENTRANCE CONST.

SHEET 1 OF 3

(d-2)



(d-3)

EXHIBIT - A

58

63

CHERRY ROAD (SC-322)

OAKLAND AVENUE (S-115)

7' CITY OF ROCK HILL
UTILITY EASEMENT

4' CITY OF ROCK HILL
UTILITY EASEMENT

5

WINTHROP COLLEGE
TAX ID: 6290301001

OAKLAND AVENUE (S-115)

REV. 1 06-14-17 SHEET 1 OF 3 R/W ADJ.
REV. 2 06-22-17 REMOVED EASEMENT REFERENCE
REV. 3 07-19-18 REVISED FEE SIMPLE R/W AREAS TO
EASEMENT



AREA OF ACQUISITION FROM TRACT: 5B

☐ R/W TO BE ACQUIRED

☒ EASEMENT TO BE
ACQUIRED:

SCALE: 1"=50'

DATE: 05/26/17

PERMISSIONS:

- OUTFALL DITCH

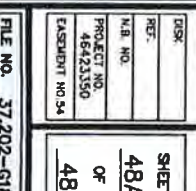
- SLOPE

- DRAINAGE STRUCTURE

- EROSION CONTROL

- ENTRANCE CONST.

SHEET 3 OF 3



DISK	SIZE
RET.	48B
N.B. NO.	OF
PROJECT NO. 46423350	48
ESSENTIAL NO 54	

LEGEND

PROPOSED DIRECTIONAL DEL. C/L ALIGNMENT

EXISTING UTILITY EASEMENT LINE

ADJACENT PROPERTY LINE

APPROXIMATE LIMITS OF ROAD

PLACED CRITICAL LINE (APPROVED 7-18-14)

RIGHT-OF-WAY LINE

EDGE OF GRAVEL

EDGE OF PAVEMENT (E.O.P.)

MASS

CALCULATED POINT (NO MONUMENT SET)

MONUMENT FOUND (SIZE & TYPE)

NAD 83 (2011 ADJUSTMENT)

POINT	STATIONING	EASTING	NORTHING	LENGTH	BEARING
1	0+00	111.21	12.74	1.00	S 89°50'00" W
2	0+01	111.21	12.74	1.00	S 89°50'00" W
3	0+02	111.21	12.74	1.00	S 89°50'00" W
4	0+03	111.21	12.74	1.00	S 89°50'00" W
5	0+04	111.21	12.74	1.00	S 89°50'00" W
6	0+05	111.21	12.74	1.00	S 89°50'00" W
7	0+06	111.21	12.74	1.00	S 89°50'00" W
8	0+07	111.21	12.74	1.00	S 89°50'00" W
9	0+08	111.21	12.74	1.00	S 89°50'00" W
10	0+09	111.21	12.74	1.00	S 89°50'00" W
11	0+10	111.21	12.74	1.00	S 89°50'00" W
12	0+11	111.21	12.74	1.00	S 89°50'00" W
13	0+12	111.21	12.74	1.00	S 89°50'00" W
14	0+13	111.21	12.74	1.00	S 89°50'00" W
15	0+14	111.21	12.74	1.00	S 89°50'00" W
16	0+15	111.21	12.74	1.00	S 89°50'00" W
17	0+16	111.21	12.74	1.00	S 89°50'00" W
18	0+17	111.21	12.74	1.00	S 89°50'00" W
19	0+18	111.21	12.74	1.00	S 89°50'00" W
20	0+19	111.21	12.74	1.00	S 89°50'00" W
21	0+20	111.21	12.74	1.00	S 89°50'00" W
22	0+21	111.21	12.74	1.00	S 89°50'00" W
23	0+22	111.21	12.74	1.00	S 89°50'00" W
24	0+23	111.21	12.74	1.00	S 89°50'00" W
25	0+24	111.21	12.74	1.00	S 89°50'00" W
26	0+25	111.21	12.74	1.00	S 89°50'00" W
27	0+26	111.21	12.74	1.00	S 89°50'00" W
28	0+27	111.21	12.74	1.00	S 89°50'00" W
29	0+28	111.21	12.74	1.00	S 89°50'00" W
30	0+29	111.21	12.74	1.00	S 89°50'00" W
31	0+30	111.21	12.74	1.00	S 89°50'00" W
32	0+31	111.21	12.74	1.00	S 89°50'00" W
33	0+32	111.21	12.74	1.00	S 89°50'00" W
34	0+33	111.21	12.74	1.00	S 89°50'00" W
35	0+34	111.21	12.74	1.00	S 89°50'00" W
36	0+35	111.21	12.74	1.00	S 89°50'00" W
37	0+36	111.21	12.74	1.00	S 89°50'00" W
38	0+37	111.21	12.74	1.00	S 89°50'00" W
39	0+38	111.21	12.74	1.00	S 89°50'00" W
40	0+39	111.21	12.74	1.00	S 89°50'00" W
41	0+40	111.21	12.74	1.00	S 89°50'00" W
42	0+41	111.21	12.74	1.00	S 89°50'00" W
43	0+42	111.21	12.74	1.00	S 89°50'00" W
44	0+43	111.21	12.74	1.00	S 89°50'00" W
45	0+44	111.21	12.74	1.00	S 89°50'00" W
46	0+45	111.21	12.74	1.00	S 89°50'00" W
47	0+46	111.21	12.74	1.00	S 89°50'00" W
48	0+47	111.21	12.74	1.00	S 89°50'00" W
49	0+48	111.21	12.74	1.00	S 89°50'00" W
50	0+49	111.21	12.74	1.00	S 89°50'00" W
51	0+50	111.21	12.74	1.00	S 89°50'00" W
52	0+51	111.21	12.74	1.00	S 89°50'00" W
53	0+52	111.21	12.74	1.00	S 89°50'00" W
54	0+53	111.21	12.74	1.00	S 89°50'00" W
55	0+54	111.21	12.74	1.00	S 89°50'00" W
56	0+55	111.21	12.74	1.00	S 89°50'00" W
57	0+56	111.21	12.74	1.00	S 89°50'00" W
58	0+57	111.21	12.74	1.00	S 89°50'00" W
59	0+58	111.21	12.74	1.00	S 89°50'00" W
60	0+59	111.21	12.74	1.00	S 89°50'00" W
61	0+60	111.21	12.74	1.00	S 89°50'00" W
62	0+61	111.21	12.74	1.00	S 89°50'00" W
63	0+62	111.21	12.74	1.00	S 89°50'00" W
64	0+63	111.21	12.74	1.00	S 89°50'00" W
65	0+64	111.21	12.74	1.00	S 89°50'00" W
66	0+65	111.21	12.74	1.00	S 89°50'00" W
67	0+66	111.21	12.74	1.00	S 89°50'00" W
68	0+67	111.21	12.74	1.00	S 89°50'00" W
69	0+68	111.21	12.74	1.00	S 89°50'00" W
70	0+69	111.21	12.74	1.00	S 89°50'00" W
71	0+70	111.21	12.74	1.00	S 89°50'00" W
72	0+71	111.21	12.74	1.00	S 89°50'00" W
73	0+72	111.21	12.74	1.00	S 89°50'00" W
74	0+73	111.21	12.74	1.00	S 89°50'00" W
75	0+74	111.21	12.74	1.00	S 89°50'00" W
76	0+75	111.21	12.74	1.00	S 89°50'00" W
77	0+76	111.21	12.74	1.00	S 89°50'00" W
78	0+77	111.21	12.74	1.00	S 89°50'00" W
79	0+78	111.21	12.74	1.00	S 89°50'00" W
80	0+79	111.21	12.74	1.00	S 89°50'00" W
81	0+80	111.21	12.74	1.00	S 89°50'00" W
82	0+81	111.21	12.74	1.00	S 89°50'00" W
83	0+82	111.21	12.74	1.00	S 89°50'00" W
84	0+83	111.21	12.74	1.00	S 89°50'00" W
85	0+84	111.21	12.74	1.00	S 89°50'00" W
86	0+85	111.21	12.74	1.00	S 89°50'00" W
87	0+86	111.21	12.74	1.00	S 89°50'00" W
88	0+87	111.21	12.74	1.00	S 89°50'00" W
89	0+88	111.21	12.74	1.00	S 89°50'00" W
90	0+89	111.21	12.74	1.00	S 89°50'00" W
91	0+90	111.21	12.74	1.00	S 89°50'00" W
92	0+91	111.21	12.74	1.00	S 89°50'00" W
93	0+92	111.21	12.74	1.00	S 89°50'00" W
94	0+93	111.21	12.74	1.00	S 89°50'00" W
95	0+94	111.21	12.74	1.00	S 89°50'00" W
96	0+95	111.21	12.74	1.00	S 89°50'00" W
97	0+96	111.21	12.74	1.00	S 89°50'00" W
98	0+97	111.21	12.74	1.00	S 89°50'00" W
99	0+98	111.21	12.74	1.00	S 89°50'00" W
100	0+99	111.21	12.74	1.00	S 89°50'00" W
101	0+100	111.21	12.74	1.00	S 89°50'00" W
102	0+101	111.21	12.74	1.00	S 89°50'00" W
103	0+102	111.21	12.74	1.00	S 89°50'00" W
104	0+103	111.21	12.74	1.00	S 89°50'00" W
105	0+104	111.21	12.74	1.00	S 89°50'00" W
106	0+105	111.21	12.74	1.00	S 89°50'00" W
107	0+106	111.21	12.74	1.00	S 89°50'00" W
108	0+107	111.21	12.74	1.00	S 89°50'00" W
109	0+108	111.21	12.74	1.00	S 89°50'00" W
110	0+109	111.21	12.74	1.00	S 89°50'00" W
111	0+110	111.21	12.74	1.00	S 89°50'00" W
112	0+111	111.21	12.74	1.00	S 89°50'00" W
113	0+112	111.21	12.74	1.00	S 89°50'00" W
114	0+113	111.21	12.74	1.00	S 89°50'00" W
115	0+114	111.21	12.74	1.00	S 89°50'00" W
116	0+115	111.21	12.74	1.00	S 89°50'00" W
117	0+116	111.21	12.74	1.00	S 89°50'00" W
118	0+117	111.21	12.74	1.00	S 89°50'00" W
119	0+118	111.21	12.74	1.00	S 89°50'00" W
120	0+119	111.21	12.74	1.00	S 89°50'00" W
121	0+120	111.21	12.74	1.00	S 89°50'00" W
122	0+121	111.21	12.74	1.00	S 89°50'00" W
123	0+122	111.21	12.74	1.00	S 89°50'00" W
124	0+123	111.21	12.74	1.00	S 89°50'00" W
125	0+124	111.21	12.74	1.00	S 89°50'00" W
126	0+125	111.21	12.74	1.00	S 89°50'00" W
127	0+126	111.21	12.74	1.00	S 89°50'00" W
128	0+127	111.21	12.74	1.00	S 89°50'00" W
129	0+128	111.21	12.74	1.00	S 89°50'00" W
130	0+129	111.21	12.74	1.00	S 89°50'00" W
131	0+130	111.21	12.74	1.00	S 89°50'00" W
132	0+131	111.21	12.74	1.00	S 89°50'00" W
133	0+132	111.21	12.74	1.00	S 89°50'00" W
134	0+133	111.21	12.74	1.00	S 89°50'00" W
135	0+134	111.21	12.74	1.00	S 89°50'00" W
136	0+135	111.21	12.74	1.00	S 89°50'00" W
137	0+136	111.21	12.74	1.00	S 89°50'00" W
138	0+137	111.21	12.74	1.00	S 89°50'00" W
139	0+138	111.21	12.74	1.00	S 89°50'00" W
140	0+139	111.21	12.74	1.00	S 89°50'00" W
141	0+140	111.21	12.74	1.00	S 89°50'00" W
142	0+141	111.21	12.74	1.00	S 89°50'00" W
143	0+142	111.21	12.74	1.00	S 89°50'00" W
144	0+143	111.21	12.74	1.00	S 89°50'00" W
145	0+144	111.21	12.74	1.00	S 89°50'00" W
146	0+145	111.21	12.74	1.00	S 89°50'00" W
147	0+146	111.21	12.74	1.00	S 89°50'00" W
148	0+147	111.21	12.74	1.00	S 89°50'00" W
149	0+148	111.21	12.74	1.00	S 89°50'00" W
150	0+149	111.21	12.74	1.00	S 89°50'00" W
151	0+150	111.21	12.74	1.00	S 89°50'00" W
152	0+151	111.21	12.74	1.00	S 89°50'00" W
153	0+152	111.21	12.74	1.00	S 89°50'00" W
154	0+153	111.21	12.74	1.00	S 89°50'00" W
155	0+154	111.21	12.74	1.00	S 89°50'00" W
156	0+155	111.21	12.74	1.00	S 89°50'00" W
157	0+156	111.21	12.74	1.00	S 89°50'00" W
158	0+157	111.21	12.74	1.00	S 89°50'00" W
159	0+158	111.21	12.74	1.00	S 89°50'00" W
160	0+159	111.21	12.74	1.00	S 8

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Petition to Request Annexation of Department of Transportation's Maintenance Complex into the Town of St. George

The Town of St. George is requesting annexation of the Department of Transportation's Maintenance Complex at 5225 East Jim Bilton Boulevard into its corporate limits. The Maintenance Complex consists of approximately 3.327 acres. This annexation will increase the area of the Town and make the Town contiguous to more properties the Town could annex in the future. The South Carolina Department of Transportation does not oppose the Town's plans to annex the property and will benefit from 24/7 law enforcement services and municipal water rates. A public hearing was conducted by the Town of St. George on July 9, 2018, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

AUTHORITY ACTION REQUESTED:

Approve the petition to request annexation of the Department of Transportation's Maintenance Complex into the Town of St. George.

ATTACHMENTS:

Agenda item worksheet; Letters from Town of St. George dated May 30, 2018 and July 11, 2018; Letter from Department of Transportation dated June 8, 2018; Letter from Senator John W. Matthews, Jr. dated July 24, 2018; Letter from Representative Patsy G. Knight dated August 10, 2018; Petition for Annexation; Map; Code Section 5-3-140

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Division of Facilities Management
and Property Services



(b) Authorized Official Signature:

Ashlie Lancaster, Director

2. Subject: Petition to Request Annexation of Department of Transportation's Maintenance Complex into the Town of St. George

3. Summary Background Information:

The Town of St. George is requesting annexation of the Department of Transportation's Maintenance Complex at 5225 East Jim Bilton Boulevard into its corporate limits. The Maintenance Complex consists of approximately 3.327 acres. This annexation will increase the area of the Town and make the Town contiguous to more properties the Town could annex in the future. The South Carolina Department of Transportation does not oppose the Town's plans to annex the property and will benefit from 24/7 law enforcement services and municipal water rates. A public hearing was conducted by the Town of St. George on July 9, 2018, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

4. What is Board asked to do? Approve the petition to request annexation of the Department of Transportation's Maintenance Complex into the Town of St. George.

5. What is recommendation of Board Division involved? Approval of the petition to request annexation of the Department of Transportation's Maintenance Complex into the Town of St. George.

6. List of Supporting Documents:

- (a) Letters from Town of St. George dated May 30, 2018 and July 11, 2018
- (b) Letter from Department of Transportation dated June 8, 2018
- (c) Letter from Senator John W. Matthews, Jr. dated July 24, 2018
- (d) Letter from Representative Patsy G. Knight dated August 10, 2018
- (e) Petition for Annexation
- (f) Map
- (g) Code Section 5-3-140

TOWN OF SAINT GEORGE

305 Ridge Street

St. George, South Carolina 29477

843-563-3032

g_town@bellsouth.net

Anne J. Johnston, Mayor

Margie Ladson, Mayor Pro Tem

May 30, 2018

Secretary of Transportation Christy A. Hall

S. C. Department of Transportation

P. O. Box 191

Columbia, SC 29202

Dear Secretary Hall:

The Town of St. George requests permission to annex the property adjacent to our Town limits to the North (TMS#00580000117) belonging to SCDOT to include, also, any other roads, waterways. Easements, railroad tracks, marshlands, utility lines and rights-of-way adjacent to the property. This is the Office of the Resident Engineer, Maintenance Shop and Truck Shed

This annexation will increase the area of the Town and make the Town contiguous to more properties which we then would be in the position to annex in the future.

The annexation would provide SCDOT excellent law enforcement services 24/7, in-town water rates, the option of weekly garbage service for a reasonable fee and a voice in Town government.

This process was begun several years ago. Then Secretary Oakley had agreed to our request. All documents were in place. A Public Hearing and First Reading of an Ordinance to Annex had been held. Shortly after the Second Reading had been approved, our computer system crashed – even the backup was affected -- and we were never able to access the minutes of the Council meeting at which the Second Reading passed. For this reason, we have been advised to repeat the process.

A letter from you requesting to annex into the Town starts the process. I am writing to request your support of this endeavor. We will appreciate your positive response to our request. If you have any questions, please contact me.

Sincerely,

Anne J. Johnston, Mayor

Town of St. George

Town of St. George

Anne J. Johnston.
Mayor

305 Ridge Street

Margie Ladson
Mayor Pro-Tempore

St. George, South Carolina 29477

Annette L. Moore

Phone (843) 563-3032

Clerk & Treasurer

Fax: (843) 563-8238

July 11, 2018

Ms. Linda Gordon
Department of Administration
Division of General Services
Real Property Services
1200 Senate Street Ste. 40
Columbia, SC 29201-3734

Dear Ms. Gordon:

Mr. Richard Lacy has spoken with you about the annexations the Town of St. George has been working on. I am writing to let you know that we have received the two petitions to annex in using the 100% % Petition Method. The First Reading was on June 11, 2018. A Public Notice for a Public Hearing was published in the newspaper and held at 5:00 pm on July 9, 2018. The Second Reading was passed at the Regular Council Meeting on July 9, 2018 at 7:00 pm.

The Town has notified SC Department of Transportation, the SC Department of Public Safety and the SC Secretary of State as required in the State Annexation procedure. Although not required, I also am notifying the other agencies as suggested in the Annexation Handbook.

I am including in this packet copies of the material sent to the three State agencies, a copy of the Public Notice, a list of attendees at the Public Hearing and minutes of the two Council Meetings and the Public Hearing. As I understand, those are the required documents.

We have also been asked by three private property owners and one business to annex them into Town. We are working on those requests. Several years ago when we first attempted to annex the SCDOT Maintenance property, SCDPS also had agreed to annex. We have reopened that conversation.

My hope is that in the next few months we will be sending you the documents on those properties.

In the meantime, if you need further information on the two above annexations, please contact me.

Sincerely,



Anne J. Johnston, Mayor
Town of St. George

Council members

Trumaine Moore
Margie Ladson
Ralph Martino

Mary Wagers
Darrell Hinton
Dustin Lott

June 8, 2018

Ms. Linda M. Gordon
Real Property Services
Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, Room 618, Columbia, SC 29201

Re: Request to Annex SCDOT Property
5225 East Jim Bilton Boulevard
Town of St. George
(TMS# 058-00-00-117)

Dear Ms. Gordon,

On May 30, 2018, the South Carolina Department of Transportation's (SCDOT) received a letter from Anne J. Johnston, Mayor of the Town of St. George, requesting permission to annex SCDOT's Section Shed adjacent to the Town limits. See attached letter. The property is located at 5225 East Jim Bilton Blvd. and is used as the resident maintenance engineer's office, maintenance and truck shed.


According to the SC Department of Administrations Annexation Procedures for State-Owned Property, the Office of Real Property Services is charged with reviewing requests for the annexation of state-owned property and presenting it for approval to the five members of the State Fiscal Accountability Authority. The annexation procedures require that the SCDOT, as owner of the property involved, to provide a letter requesting the proposed annexation and stating the benefits SCDOT expects as a result. Pursuant to those procedures, please be advised that SCDOT has no objection to the annexation of the SCDOT's above described property as requested by Mayor Johnston. The annexation will provide SCDOT 24/7 law enforcement services, municipal water rates, and the option of weekly garbage service.

Attached is a written description of the real property to be annexed, along with a map showing the property adjacent to the municipality's current city/town limits. I have requested letters of support from Senator John W. Matthews, Jr. and Representative Patsy G. Knight in accordance with the annexation procedures.



Ms. Linda M. Gordon
June 7, 2018
Page 2

Thank you for your assistance in this regard. If you have any questions, please contact Richard Lacy, GIS Analyst, at 803.737.1464, Dwight Jones, GIS Manager, at 803.737.3319, or Yelena Kalashnikova, Program Manager, at 803.737.3103 (SCDOTannexations@scdot.org). Thank you.

Sincerely,

Christy A. Hall, P.E.
Secretary of Transportation

CAH:sdb

Enclosures

cc: James J. Fedra, Jr., P.E., Deputy Secretary for Intermodal Planning
R. Todd Anderson, P.E., C.P.M., Road Data Services Engineer
Yelena Kalashnikova, Program Manager, GIS/Mapping
Barbara M. Wessinger, Assistant Chief Counsel

File: RDS/RL



JOHN W. MATTHEWS

SENATOR, ORANGEBURG, BERKELEY, CALHOUN,
COLLETON, AND DORCHESTER COUNTIES
SENATORIAL DISTRICT NO. 39

HOME ADDRESS:

BOX 460
BOWMAN, SC 29018
(803) 829-2383
(803)829-2423



COMMITTEES:

AGRICULTURE AND NATURAL RESOURCES
BANKING AND INSURANCE
EDUCATION
ETHICS
FINANCE
INTERSTATE COOPERATION
FISH, GAME AND FORESTRY

SENATE ADDRESS:

SUITE 613
GRESSETTE SENATE OFFICE BUILDING
P. O. BOX 142
COLUMBIA, SC 29202
(803) 212-6066
FAX: (803) 212-6299
EMAIL: JOHNMATTHEWS@SCSENATE.GOV

FACEBOOK.COM/SENATORJOHNMATTHEWS

July 24, 2018

Ms. Linda Gordon
SC Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, Suite 420
Columbia, SC 29201

Re: Petition for Annexation

Request for consent to annex SCDOT property contiguous to Town of St. George
(TMS 058-00-00-117: 5525 East Jim Bilton Blvd/US-78, St. George, South Carolina)

Dear Ms. Gordon:

Please accept this letter as my support of South Carolina Department of Transportation's (SCDOT) petition to annex SCDOT owned property on East Jim Bilton Blvd. /US-78 into the Town of St. George. The Town has requested this annexation in order to increase the area of the Town and make the Town contiguous to more property for future annexation.

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

Sincerely,

A handwritten signature in cursive script that reads "John W. Matthews, Jr.".

John W. Matthews, Jr.

Cc: Christy A. Hall, P. E.
Secretary of Transportation

Anne J. Johnston
Mayor, Town of St. George

Patsy G. Knight
District No. 97
Colleton & Dorchester Counties
P. O. Box 663
St. George, SC 29477

Cell (843) 560-2200
patsyforhouse97@bellsouth.net

Committees:
Education and Public Works
Operations and Management



House of Representatives
State of South Carolina

306-B Blatt Building
Columbia, SC 29201

P.O. Box 11867
Columbia, SC 29211

Tel. (803) 734-2960
Fax (803) 734-2925

August 10, 2018

Ms. Linda Gordon
SC Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Petition for Annexation
Request for Consent to Annex SCDOT Property Contiguous to Town of St. George
(TMS 058-00-00-117: 5225 East Jim Bilton Blvd./US-78, St. George, South Carolina)

Dear Ms. Gordon:

Please accept this letter as my support of South Carolina Department of Transportation's (SCDOT) petition to annex SCDOT owned property on East Jim Bilton Blvd./US-78 into the Town of St. George. The Town has requested this annexation in order to increase the area of the Town and make the Town contiguous to more property for future annexation.

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

Sincerely,

A handwritten signature in black ink, reading "Patsy G. Knight". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Representative Patsy G. Knight

PGK/jhm/August/10/18/3

cc: Christy A. Hall, P.E., Secretary of Transportation
The Honorable Anne J. Johnston, Mayor, Town of St. George

STATE OF SOUTH CAROLINA

COUNTY OF DORCHESTER

PETITION FOR ANNEXATION

TO THE HONORABLE MAYOR AND TOWN COUNCIL OF ST. GEORGE

WHEREAS, Section 5-3-140 of the Code of Laws of South Carolina provides for the annexation of property owned by the State of South Carolina which is contiguous to a city by filing with the municipal governing body a petition executed by the State Fiscal Accountability Authority requesting annexation; and

WHEREAS, the South Carolina Department of Transportation, an agency of the State of South Carolina, owns the below-described properties and the same is contiguous to the corporate limits of the Town of St. George; and

WHEREAS, the undersigned is hereby requesting that the below-described properties be annexed to the Town of St. George and be zoned Highway Commercial;

NOW, THEREFORE, the undersigned does hereby petition the Town Council of St. George to annex the below-described areas into the Town of St. George, to wit:

All that certain piece, parcel or tract of land, with any improvements thereon, situate, lying, and being near the Town of St. George, County of Dorchester, State of South Carolina, containing 3.327 acres, more or less, being designated as "Parcel 1" on a plat prepared for the South Carolina Department of Transportation by Carl W. Bostick, P.L.S., dated November 22, 2002, and recorded in the Office of the Clerk of Court for Dorchester County in Plat Book L at Page 50. Said property having such metes and bounds as follows: Beginning at an iron pin, thence running S 61°22'04" E for a distance of 711.67 feet; thence turning and running S 30°27'03" W for a distance of 146.05 feet; thence turning and running N 70°43'25" W for a distance of 626.04 feet; thence turning and running N 70°34'00" W for a distance of 91.94 feet; thence turning and running S 28°56'40" W for a distance of 262.45 feet to the point of beginning.

See Deed Reference Book 5936, Page 349

Tax Map No. 058-00-00-117.000

Property Address: 5315 East Jim Bilton Boulevard

WHEREAS, Consent by the State Fiscal Accountability Authority to annexation of State property is conditioned upon a waiver by the municipality, 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.

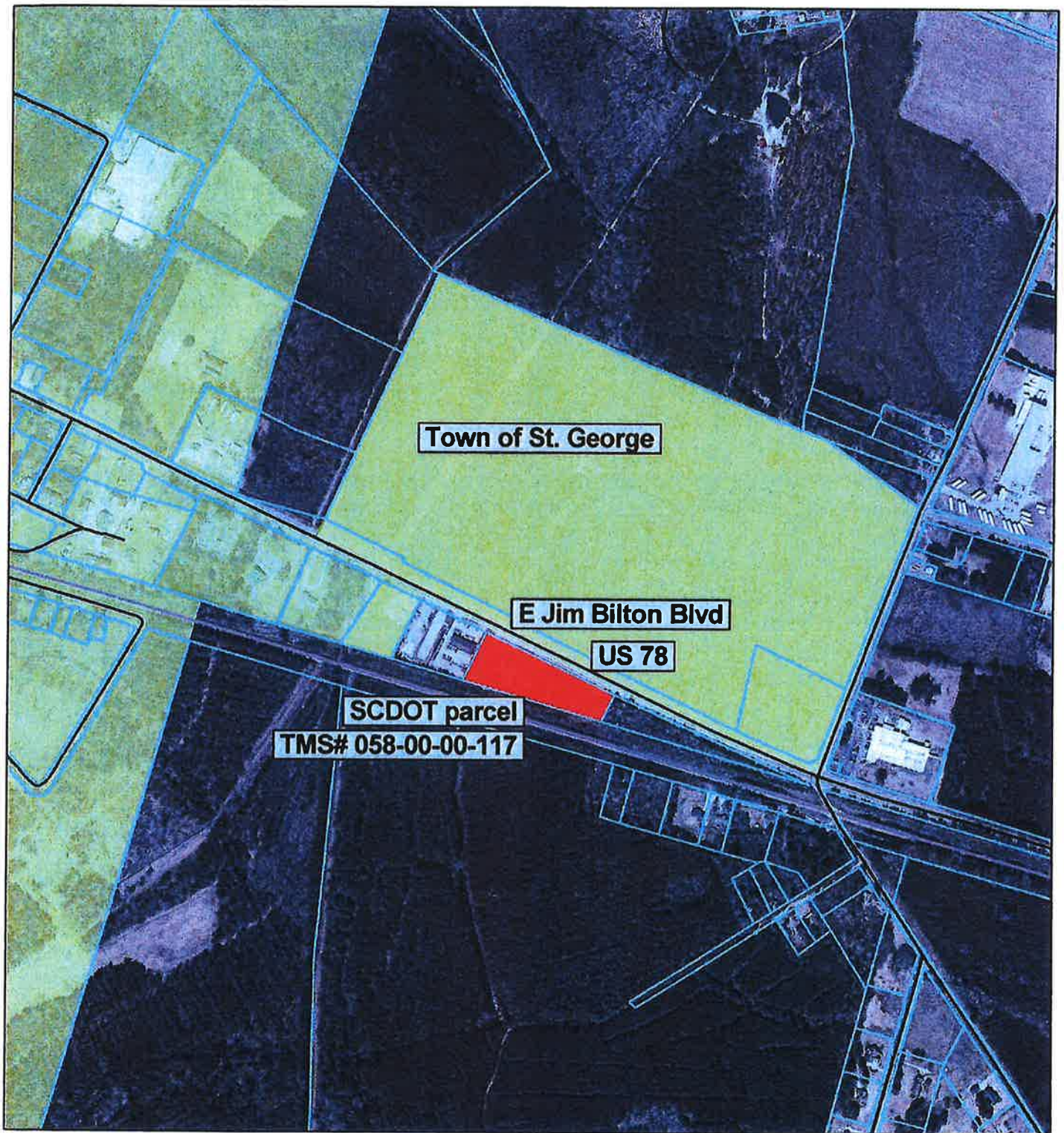
This annexation request was approved by the State Fiscal Accountability Authority at its meeting held on August 21, 2018.

STATE OF SOUTH CAROLINA,
BY AND THROUGH THE
STATE FISCAL ACCOUNTABILITY AUTHORITY

By: _____

Delbert H. Singleton
Secretary for the Authority

Town of St. George request to annex SCDOT TMS# 058-00-00-117



St. George town limits

Parcel to be annexed

Dorchester Co. parcels

0.00 0.05 0.10 0.15 0.20
Miles



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 Fiscal Accountability Authority. 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.

HISTORY: 1962 Code Section 47-19.2; 1967 (55) 952; 1971 (57) 798; 2000 Act No. 250, Section 3.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

A. In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has audited the following agencies and recommends certification within the parameters described in the audit reports for the following agency for a period of three years.

1. **Office of the Adjutant General:** supplies and services, \$100,000* per commitment; information technology, \$50,000* per commitment; construction contract award, \$100,000* per commitment.

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

The internal controls of the Office of the Adjutant General's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. The Division recommends the State Fiscal Accountability Authority certify the Office of the Adjutant General's procurement authority at the limits above.

2. **Department of Corrections:** supplies and services, \$1,000,000* per commitment; food products, \$1,500,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment; construction contract award, \$100,000* per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

The internal controls of the Department of Corrections' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuring regulations as described in the audit report. The Division recommends the State Fiscal Accountability Authority recertify the Department of Corrections' procurement authority at the limits noted above.

3. **Department of Labor, Licensing and Regulation:** supplies and services, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

The internal controls of Department of Labor, Licensing and Regulation's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

Procurement Code and ensuring regulations as described in the audit report. The Division recommends the State Fiscal Accountability Authority recertify the Department of Labor, Licensing and Regulation's procurement authority certification limits noted above.

- B. In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina **Department of Insurance** to determine whether, in all material respects, the internal controls of the Agency's procurement system were adequate to ensure compliance with the Code and ensuring regulations.

The internal controls of the South Carolina Department of Insurance' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Procurement Code and ensuing regulations as described in the audit report.

The Department of Insurance has not requested procurement certification. Therefore, the audit report is submitted as information only.

AUTHORITY ACTION REQUESTED:

- A. Grant procurement certifications, in accord with Section 11-35-1210, for the following agency within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

1. Office of the Adjutant General: supplies and services, \$100,000* per commitment; information technology, \$50,000* per commitment; construction contract award, \$100,000* per commitment.

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

2. Department of Corrections: supplies and services, \$1,000,000* per commitment; food products, \$1,500,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment; construction contract award, \$100,000* per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

3. Department of Labor, Licensing and Regulation: supplies and services, \$100,000* per commitment; consultant services, \$100,000* per commitment..

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

- B. Receive as information only the audit report of the SC Department of Insurance. The Department has not requested procurement certification.

ATTACHMENTS:

Agenda item worksheets and attachments

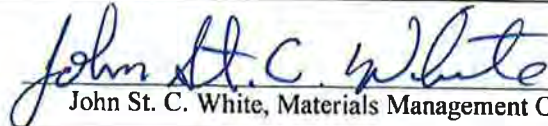
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Office of the Adjutant General

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Office of the Adjutant General to determine whether, in all material respects, the internal controls of the Agency's procurement system were adequate to ensure compliance with the Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services	*\$ 50,000 Per Commitment	*\$ 100,000 Per Commitment
II. Information Technology	*\$ 50,000 Per Commitment	*\$ 50,000 Per Commitment
III. Construction Contract Award	\$ 50,000 Per Commitment	\$ 100,000 Per Commitment

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

The internal controls of the South Carolina Office of the Adjutant General's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority certify the South Carolina Office of the Adjutant General's procurement authority at the limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Office of the Adjutant General by approval of the Blue Agenda.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

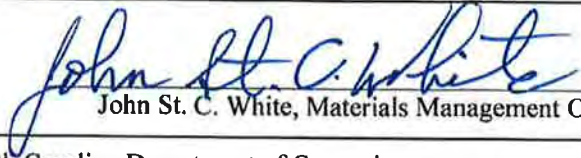
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Corrections

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Corrections to determine whether, in all material respects, the internal controls of the Agency's procurement system were adequate to ensure compliance with the Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services	*\$ 1,000,000 Per Commitment	*\$ 1,000,000 Per Commitment
II. Food Products	*\$ 1,500,000 Per Commitment	*\$ 1,500,000 Per Commitment
III. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
V. Construction Contract Award	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
VI. Construction Contract Change Order	\$ 100,000 Per Commitment	\$ 100,000 Per Change Order
VII. Architect/Engineer Contract Amendment	\$ 50,000 Per Commitment	\$ 50,000 Per Amendment

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

The internal controls of the South Carolina Department of Corrections' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority recertify the South Carolina Department of Corrections' procurement authority at the limits noted above.

4. What is Authority asked to do?

Grant continued procurement certification for the South Carolina Department of Corrections by approval of the Blue Agenda.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

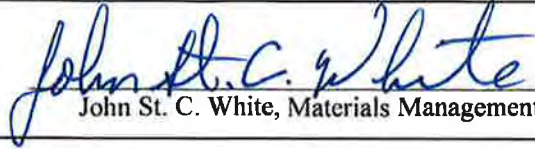
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Labor, Licensing and Regulation

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Labor, Licensing and Regulation to determine whether, in all material respects, the internal controls of the Agency's procurement system were adequate to ensure compliance with the Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
II. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment

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

The internal controls of the South Carolina Department of Labor, Licensing and Regulation's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority recertify the South Carolina Department of Labor, Licensing and Regulation's procurement authority at the limits noted above.

4. What is Authority asked to do?

Grant continued procurement certification for the South Carolina Department of Labor, Licensing and Regulation by approval of the Blue Agenda.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:



John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Insurance

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Insurance to determine whether, in all material respects, the internal controls of the Agency's procurement system were adequate to ensure compliance with the Code and ensuing regulations.

The internal controls of the South Carolina Department of Insurance' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report.

The Department of Insurance has not requested procurement certification. Therefore, the audit report is submitted as information only.

4. What is Authority asked to do?

Receive the audit report as information only.

5. What is recommendation of Authority division involved?

We recommend the report be received as information only.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

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

§ 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: State Fiscal Accountability Authority

SUBJECT: Notice of Drafting for Procurement Regulations

The Division of Procurement Services proposes to publish a Notice of Drafting in the State Register. Such a notice is required to begin the process of promulgating regulations.

The Division of Procurement Services proposes to amend the South Carolina Procurement Regulations, which were last amended in 2007. The proposed amendments will apply only to government officials; they do not regulate the business community.

The Division will focus on three substantive areas: acquisition planning, proposal analysis, and organizational conflicts of interest. These regulations will provide procurement staff at both Division and agency levels important tools, enabling them to work more closely with the private sector and to implement best practices for public procurement. There are also a number of technical amendments required by restructuring and to clarify the intent of existing regulations.

AUTHORITY ACTION REQUESTED:

Approve submission of the attached Notice of Drafting to the State Register for publication.

ATTACHMENTS:

Agenda item worksheet; Proposed Notice of Drafting

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Blue Agenda

1. Submitted by:

- (a) Agency: State Fiscal Accountability Authority
- (b) Authorized Official Signature:


John St. C. White
Materials Management Officer

2. Subject:

Notice of Drafting for Procurement Regulations.

3. Summary Background Information:

The Division of Procurement Services proposes to publish a Notice of Drafting in the State Register. Such a notice is required to begin the process of promulgating regulations.

The Division of Procurement Services proposes to amend the South Carolina Procurement Regulations, which were last amended in 2007. The proposed amendments will apply only to government officials; they do not regulate the business community.

The Division will focus on three substantive areas: acquisition planning, proposal analysis, and organizational conflicts of interest. These regulations will provide procurement staff at both Division and agency levels important tools, enabling them to work more closely with the private sector and to implement best practices for public procurement. There are also a number of technical amendments required by restructuring and to clarify the intent of existing regulations.

4. What is Authority asked to do?

Approve submission of the attached Notice of Drafting to the State Register for publication.

5. What is recommendation of Agency/Division involved?

Approve.

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

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

7. List of Supporting Documents:

- (a) Proposed Notice of Drafting

STATE FISCAL ACCOUNTABILITY AUTHORITY

CHAPTER 19

Statutory Authority: 1976 Code Sections 11-35-10 et seq.

Notice of Drafting:

The State Fiscal Accountability Authority proposes to amend Regulation 19-445. Interested persons may submit comments to Office of General Counsel, Attn: Keith McCook, 1201 Main Street, Suite 420, Columbia, S.C. 29201 or to regulations@ogc.sc.gov.

Synopsis:

The Consolidated Procurement Code authorizes the State Fiscal Accountability Authority to promulgate regulations relating to implementation of Title 11, Chapter 35 (Sections 11-35-60 & -540(1)). The proposed regulation will address various matters regarding Regulation 19-445 and procurement in general.

Legislative review of this proposal will be required.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required review on the following proposal to issue mortgage indebtedness has been completed with satisfactory results. The project requires approval under State law.

Issuing Authority:	Medical University Hospital Authority
Amount of Issue:	Not Exceeding \$38,000,000 Mortgage Indebtedness
Allocation Needed:	-0-
Name of Project:	Land Acquisition for and construction of consolidated service center as well as land acquisition for an approximate 128 bed hospital
Employment Impact:	net reduction of approximately 30 FTE's due to consolidation
Project Description:	defraying (i) a portion of the costs of the purchase of land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area, (ii) the cost of land in Berkeley County upon which will be constructed an emergency department facility and an approximate 128 bed hospital, and (iii) to the extent available, to defray the costs associated with the issuance of the obligations.
Bond Counsel:	Charlton deSaussure, Jr., Haynworth Sinkler Boyd, P.A.

AUTHORITY ACTION REQUESTED:

Adopt the resolution approving the referenced proposal to issue not exceeding \$38,000,000 Mortgage Indebtedness for the Medical University Hospital Authority.

ATTACHMENTS:

Resolution with attachments

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Jr.,
State Fiscal Accountability Authority
601 Wade Hampton Building
Columbia, SC 29201

DATE: July 10, 2018

Submitted for SFAA Meeting on
August 21, 2018

OR P.O. Box 12444, Columbia, SC 29211

FROM:

Haynsworth Sinkler Boyd, P.A.

RE:

Not Exceeding \$38,000,000

Name of Law Firm

134 Meeting Street, Third Floor (P.O. Box 340, 29402)

Amount of Issue

Medical University Hospital Authority (An Agency
of the State of South Carolina)

Street Address/Box Number

Charleston, SC 29401

Name of Issuing Authority

Mortgage Indebtedness

City, State, Zip Code

(843) 722-3366

Type of Bonds or Notes

October 1, 2018

Area Code/Telephone Number

Projected Issue Date

Project Name: Land Acquisition for and construction of consolidated service center as well as land
acquisition for an approximate 128 bed hospital

Project Description: Defraying (i) a portion of the costs of the purchase of land and the building to be
constructed thereon constituting a consolidated service center including a sterile
processing center in the North Charleston area, (ii) the cost of land in Berkeley
County upon which will be constructed an emergency department facility and an
approximate 128 bed hospital and (iii) to the extent available, to defray the costs
associated with the issuance of the obligations.

Employment as a result of the project:

Net reduction of approximately 30 FTE's due to consolidation

Ceiling Allocation Required

Refunding Involved

Project Approved Previously

Yes \$ X No

Yes \$ X No

Yes \$ X No

Amount

Amount

Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. X Petition
- B. Inducement Agreement
- C. X Resolution
- D. Department of Health and Environmental Control Certificate (see attached letter from DHEC)
- E. X SFAA Resolution and Public Notice (original)
Plus 5 copies for certification and return to bond counsel
- F. X Draft bond counsel opinion letter
- G. n/a Processing Fee

Amount: \$ _____ Check No: _____

Payor: _____

Bond Counsel:

Charlton deSaussure, Jr.
Haynsworth Sinkler Boyd, P.A.

By:

134 MEETING STREET, THIRD FLOOR (29401-2240)
POST OFFICE BOX 340 (29402-0340)
CHARLESTON, SOUTH CAROLINA
TELEPHONE 843 722 3366
FACSIMILE 843 722 2266
WEBSITE www.hsblawfirm.com

CHARLTON DESAUSSURE, JR.
DIRECT DIAL NUMBER 843 720 4420
EMAIL cdesaussure@hsblawfirm.com

July 9, 2018

Delbert H. Singleton, Jr.
South Carolina State Fiscal Accountability Authority
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

Re: Not Exceeding \$38,000,000 Mortgage Indebtedness of the Medical University Hospital
Authority (an Agency of the State of South Carolina), Series 2018

Dear Delbert:

The Medical University Hospital Authority requests that the captioned borrowing initially requested to be considered by the State Fiscal Accountability Authority at its March 8 meeting now be considered at its meeting scheduled for August 21. As mentioned in my previous transmittal letter of January 30, the Medical University Hospital Authority expects to incur indebtedness for two separate projects in the coming months. The first is the purchase of land and the building to be constructed thereon to constitute a consolidated service center including a sterile processing center in North Charleston. The second is acquisition of land to be purchased in Berkeley County upon which will be constructed an emergency department facility and an approximate 128-bed hospital.

The anticipated cost of the consolidated service center is approximately \$28,000,000 while the land for the hospital site is expected to cost approximately \$10,000,000. The projects may be combined or the borrowings may be funded separately as described in the attached documents. Those documents are: the Transmittal Form, the Petition, SFAA Resolution and draft bond counsel opinion. Please note the Resolution in the Transmittal Form authorizing MUHA to seek SFAA approval is being adopted by the Board of Trustees on July 10 as mentioned in our e-mails dated May 22, 2018.

The Medical University Hospital Authority would appreciate it if this matter could be included on the agenda for the August 21, 2018 meeting of the State Fiscal Accountability Authority. Thank you very much for all your help. Please let me know if you have any questions or if I may provide any additional information.

Sincerely yours,



Charlton deSaussure, Jr.

Enclosures

cc: Lisa Goodlett, CFO
Annette Drachman, General Counsel

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

**TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA**

P E T I T I O N

This Petition of the Board of Trustees of the Medical University Hospital Authority (the "**Board of Trustees**") respectfully shows:

1. The Medical University Hospital Authority, an Agency of the State of South Carolina (the "**Authority**") is an entity created by Act of the General Assembly of South Carolina, codified as Section 59-123-60, Code of Laws of South Carolina 1976, as amended (the "**Act**"). The Act at paragraph (E)(3)(a) grants the Board of Trustees the power to "make contracts and have, hold, purchase and lease real estate and personal property for corporate purposes." The Act at paragraph (E)(3)(b) also grants the Board of Trustees the power to "sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate." The Act at paragraph (E)(5) further grants the Board of Trustees the power to "construct, operate and maintain the hospital and related premises, buildings and facilities, and infrastructure."

2. In fulfilling these powers, the Act at paragraph (E)(3)(c) permits the Authority to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority." In addition, the Act provides at paragraph (E)(3)(d) that for purposes of effectuating the provisions of (E)(3)(c), the Board of Trustees of the Authority shall utilize the provisions of Section 44-7-1410 to 44-7-1720, Code of Laws of South Carolina, 1976, as amended (the "**Hospital Revenue Bond Act**").

3. In furtherance of these powers and responsibilities, paragraph (E)(3)(d) of the Act also provides that the Authority's "obligations or indebtedness...shall be subject to the approval thereof by resolution of the State Fiscal Accountability Authority."

4. In its meeting on July 10, 2018, the Board of Trustees determined that the purchase of land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area as well as land in Berkeley County upon which will be constructed an emergency department facility and an approximate 128 bed hospital (such land and building to be constructed thereon to constitute a consolidated service center as well as the land to be purchased in Berkeley County is collectively referred to as the "**Project**") should be financed in part with the proceeds of a borrowing not exceeding \$38,000,000.

5. The Board of Trustees estimates that the cost of the Project requires, in addition to other funds, the incurring of mortgage indebtedness in a principal amount not exceeding \$38,000,000 (the "**Mortgage Indebtedness**").

6. The Board of Trustees determined in its meeting on July 10, 2018, that the Authority should enter into such documents and agreements to take all action as shall be required to finance a portion of the Project by the incurrence of Mortgage Indebtedness, and has authorized the Executive Director and Chief Financial Officer, upon advice received and in consultation with the Office of the

State Treasurer, to execute such documents and agreements and to take all action required to incur such Indebtedness for the purpose of financing a portion of the Project, including without limitation, all such documents as may be appropriate and/or required under State or Federal law including specifically the Act and the Hospital Revenue Bond Act. Pursuant to such authorization, this Petition is presented to request approval for the incurrence by the Authority pursuant to the Hospital Revenue Bond Act and the Act of Mortgage Indebtedness in an aggregate principal amount of not exceeding \$38,000,000 at an interest rate not to exceed 5.00% and for a term not to exceed the statutory limit of 40 years set forth at Section 44-7-1450 of the Hospital Revenue Bond Act, which Indebtedness will be used to (i) defray and finance a portion of the costs of the Project, and (ii) to the extent available, defray and finance the costs associated with incurrence of the Mortgage Indebtedness.

7. In connection with the incurrence of the Mortgage Indebtedness, the Board of Trustees expects that the Authority will execute and deliver documents and agreements, and take such actions as are necessary or desirable, in connection with such a borrowing. As permitted by the Hospital Revenue Bond Act and paragraph (E)(3)(b), (c) and (d) of the Act, the Board of Trustees expects that the Authority will execute one or more mortgages granting a lien on the Authority's interest in certain real property and a security agreement granting or spreading a security interest in certain of the Authority's fixtures, equipment and other assets.

8. For the reasons above set forth and hereinafter disclosed and as contemplated by Section 44-7-1480 and required by Section 44-7-1590 of the Hospital Revenue Bond Act, the Board of Trustees has determined that

(a) the Project entails the purchase of (i) land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area and (ii) land upon which, as noted above, will be constructed an emergency department facility and an approximate 128-bed hospital;

(b) a Certificate of Need is not required for either of the items described in (a)(i) and (ii) above; the Authority has submitted to the South Carolina Department of Health and Environmental Control a request for a Certificate of Need for the hospital described in (a)(ii), any financing of which will be subject to approval by the State Fiscal Accountability Authority;

(c) the terms and conditions of the Mortgage Indebtedness shall contain those provisions customary in connection with such financings; and

(d) neither the Mortgage Indebtedness nor any provision securing such mortgage shall create a pecuniary liability or charge upon the Authority's or the State of South Carolina's general credit or taxing powers.

9. The Mortgage Indebtedness will be incurred by the Authority pursuant to a resolution, and authorizations provided therein, which will impose upon the Authority the obligation to pay, in addition to the moneys required for the repayment of the Mortgage Indebtedness, all other costs and expenses relating thereto and the transactions contemplated to take place in connection therewith.

Upon the basis of the foregoing, the Board of Trustees hereby respectfully petitions the State Fiscal Accountability Authority to (i) accept the filing of the Petition presented herewith; (ii) find that the proposed financing is intended to promote the purposes of the Hospital Revenue Bond Act; (iii) on the basis of such finding, approve the incurrence of the Mortgage Indebtedness by the Authority in such final form as may be approved by the Office of State Treasurer; and (iv) cause to be published notice of its approval in the manner set forth in the Act in substantially the form attached hereto as Exhibit A.

Respectfully Submitted,

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

Patrick J. Cawley, MD
Executive Director
Medical University Hospital Authority

By: 
Its: Executive Director

Lisa M. Goodlett
Chief Financial Officer

By: 
Its: Chief Financial Officer

July 10, 2018

NOTICE PURSUANT TO THE PROVISIONS OF
SECTION 44-7-1590, OF THE CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "**Act**"), that the State Fiscal Accountability Authority of South Carolina, pursuant to Petition filed by the Medical University Hospital Authority (the "**Authority**"), has given its approval for the incurrence by the Authority of mortgage indebtedness in an aggregate principal amount of not exceeding \$38,000,000 (the "**Indebtedness**") for the purpose of defraying and financing a portion of the costs of the purchase of (i) land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area as well as land upon which will be constructed an emergency department facility and an approximate 128-bed hospital and (ii) to the extent available, the costs associated with incurrence of the Mortgage Indebtedness.

Notice is further given that any interested party may, within 20 days after the date of the publication of this notice, but not afterwards, challenge the validity of the action taken by the State Fiscal Accountability Authority or the Authority, by action *de novo* instituted in the Court of Common Pleas for Charleston County, South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY

By: Delbert H. Singleton, Jr., Secretary

Dated: August 22, 2018

A RESOLUTION

MAKING APPLICATION TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA FOR APPROVAL OF THE INCURRENCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF MORTGAGE INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$38,000,000, PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 AND TITLE 44, CHAPTER 7, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, FOR THE PURPOSE OF DEFRAYING THE COSTS OF HOSPITAL FACILITIES; AUTHORIZING THE EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER TO EXECUTE SUCH DOCUMENTS AND AGREEMENTS AND TO TAKE ALL ACTION NECESSARY IN CONNECTION THEREWITH; AND OTHER MATTERS RELATING THERETO.

As an incident to the adoption of this Resolution, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, makes the following findings:

WHEREAS, the Authority has been authorized at Section 59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the stated purpose of the Hospital Revenue Bond Act is to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing of hospital facilities to serve the people of the State of South Carolina (the "**State**") and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at Section 59-123-60(E)(3)(b) of the Act to "purchase and acquire interest in real property and improvements thereon and to sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(c) of the Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(d) of the Act "for the purpose of effectuating the provisions of subsection (c) above, [to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area as well as land in Berkeley County upon which will be constructed an emergency department facility and an approximate 128 bed hospital (such land and building to be constructed thereon to constitute a consolidated service center as well as the land to be purchased in Berkeley County is collectively referred to as the "**Project**") should be financed in part with the proceeds of one or more

borrowings not exceeding \$38,000,000 at an interest rate not to exceed 5.00%, and if such indebtedness is to be secured, it shall be secured, as provided by Section 59-123-60(E)(3)(c) above, "by one or more mortgages in a manner to be in the best interest of the Authority," and

WHEREAS, the Board of Trustees has determined that the incurrence of such indebtedness is in the best interest of the Authority; and

WHEREAS, it is now deemed advisable by the Board of Trustees, pursuant to Section 59-123-60(c) and (d) of the Act, to file with the State Fiscal Accountability Authority, and in compliance with Section 44-7-1590 of the Hospital Revenue Bond Act, the petition of the Board requesting approval of the proposed incurrence of the mortgage indebtedness by the State Fiscal Accountability Authority, and

WHEREAS, it is further deemed advisable that in the event such approval is granted to authorize the incurrence of such mortgage indebtedness on certain of the Authority's property;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The mortgage indebtedness incurred by the Authority (the "**Mortgage Indebtedness**") will defray and finance a portion of the costs of the Project, including to the extent available, costs associated with the issuance of Mortgage Indebtedness, which Project constitutes "Hospital Facilities" as defined in the Hospital Revenue Bond Act and defray and finance the costs associated with issuance of the Mortgage Indebtedness.

(b) The Authority is a hospital agency as defined in the Hospital Revenue Bond Act with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the documents governing the Mortgage Indebtedness.

(c) Adequate provisions shall be made for the repayment of the Mortgage Indebtedness, all other costs relating thereto, the transactions contemplated to take place in connection therewith, and for the operation, repair and maintenance of the Hospital Facilities, a portion of the cost of which is defrayed and financed by the Mortgage Indebtedness.

(d) Public facilities, including utilities and public services necessary for the Hospital Facilities, will be made available to the Hospital Facilities, a portion of the cost of which is defrayed and financed by the Mortgage Indebtedness.

(e) The Mortgage Indebtedness will subserve the purposes and in all respects conform to the provisions and requirements of the Act and the Hospital Revenue Bond Act.

(f) Neither the Hospital Facilities, a portion of the cost of which is defrayed and financed by the Mortgage Indebtedness, nor any documents or agreements entered into by the Authority in connection therewith, will constitute an indebtedness of the Authority within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing powers of either.

(g) The incurrence of the Mortgage Indebtedness in the aggregate principal amount of not exceeding \$38,000,000 and at an interest rate not to exceed 5.00% will be required in order to defray and finance a portion of the cost of the Project.

Section 2. There is hereby authorized and directed to be submitted, on behalf of the Authority, a petition of this Board of Trustees requesting the approval of the Mortgage Indebtedness by the State Fiscal Accountability Authority pursuant to the provisions of Section 44-7-1590 of the Act, said petition to be in substantially the form attached hereto as Exhibit A with such changes, insertions and omissions as may be approved by the Chairman of the Board of Trustees, said execution being conclusive evidence of such approval.

Section 3. The Chairman of the Board of Trustees is hereby authorized and directed to execute said petition in the name and on behalf of the Authority and the Secretary is hereby authorized and directed to attest the same and thereafter to submit an executed copy of this resolution along with said petition to the State Fiscal Accountability Authority in Columbia, South Carolina.

Section 4. The Executive Director and Chief Financial Officer, upon advice received and in consultation with the Office of the State Treasurer, to execute such documents and agreements and to take all action required to incur such Mortgage Indebtedness for the purpose of financing a portion of the Project, including without limitation, all such documents as may be appropriate and/or required under State or Federal law including specifically the Act and the Hospital Revenue Bond Act.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved this 10th day of July, 2018.

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

Chairman, Board of Trustees

ATTEST:

Secretary

A RESOLUTION APPROVING THE INCURRENCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF MORTGAGE INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$38,000,000 PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 AND TITLE 44, CHAPTER 7 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, FOR THE PURPOSE OF DEFRAYING THE COSTS OF HOSPITAL FACILITIES AND OTHER MATTERS RELATED THERETO.

As an incident to the adoption of this Resolution, the State Fiscal Accountability Authority of the State of South Carolina (the "**State Fiscal Accountability Authority**") makes the following findings:

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at Section 59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at Section (E)(3)(a) to "make contracts and have, hold, purchase and lease real estate and personal property for corporate purposes;" and

WHEREAS, the Act at paragraph (E)(3)(b) grants the Board of Trustees the power to "purchase and acquire interest in real property and improvements thereon and to sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(c) of the Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(d) of the Act "for the purpose of effectuating the provisions of subsection (c) above, [to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of land and the building to be constructed thereon constituting a consolidated service center including a sterile processing center in the North Charleston area as well as land in Berkeley County upon which will be constructed an emergency department facility and an approximate 128 bed hospital (such land and building to be constructed thereon to constitute a consolidated service center as well as the land to be purchased in Berkeley County is collectively referred to as the "**Project**") should be financed in part with the proceeds of a borrowing secured, as provided by Section 59-123-60(E)(3)(c) above, "by a mortgage...in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees has determined that incurrence by the Authority of not exceeding \$38,000,000 mortgage indebtedness for this purpose is in the best interest of the Authority; 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 Fiscal Accountability Authority a petition attached hereto as Exhibit A (the "**Petition**"); and

WHEREAS, in order to effect the financing of the 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 defray the cost of the Project; and

WHEREAS, the proceeds of mortgage indebtedness incurred by the Authority by virtue of entering into such documents and agreements will finance a portion of the Project; and

WHEREAS, the Authority under and pursuant to the provisions of the Hospital Revenue Bond Act and the Act has petitioned the State Fiscal Accountability Authority for its approval of the incurrence by the Authority pursuant to the Hospital Revenue Bond Act and the Act of mortgage indebtedness in an aggregate amount of not exceeding \$38,000,000 (the "**Mortgage Indebtedness**") at an interest rate not exceeding 5% and for a term not to exceed 40 years set forth at Section 44-7-1450 of the Hospital Revenue Bond Act, the proceeds of which Mortgage Indebtedness will (i) defray and finance a portion of the costs of the Project, and (ii) to the extent available, defray and finance the costs associated with issuance of Mortgage Indebtedness.

NOW, THEREFORE, BE IT RESOLVED, by the State Fiscal Accountability Authority of the State of South Carolina as follows:

Section 1. It is hereby found, determined and declared by the State Fiscal Accountability Authority 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 Fiscal Accountability Authority 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 incur Mortgage Indebtedness as described herein is hereby approved.

Section 3. Approval is hereby given for (i) the incurrence of not exceeding \$38,000,000 of Mortgage Indebtedness for the purposes described herein and as set forth in the Petition, such Mortgage Indebtedness to be in such principal amounts and subject to such terms as the Office of State Treasurer shall approve; provided, however, the interest rate does not exceed 5% and the term of the Mortgage Indebtedness 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 as may be necessary or desirable in connection with the incurrence of the Mortgage Indebtedness. It is specifically provided that the not exceeding sum of \$38,000,000 may be issued in one or several series of borrowings. The aggregate of such borrowings shall not exceed \$38,000,000.

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.

_____, 2018

Board of Trustees of Medical University Hospital Authority

Re: \$_____ Mortgage Indebtedness of the Medical University Hospital Authority
(an Agency of the State of South Carolina), Series 2018 (the "Obligation")

Ladies and Gentlemen:

We have acted as bond counsel to the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina established by Act 116 of the 1999 Acts and Joint Resolutions of the General Assembly of South Carolina, codified as Section 59-123-60 of the Code of Laws of South Carolina 1976, as amended (the "**Act**"), in connection with the incurrence by the Authority of the captioned Obligation. To effect the purchase of land and constructed thereon a consolidated service center including a sterile processing center in the North Charleston area as well as to purchase land upon which will be constructed an emergency department facility and an approximate 128 bed hospital (the "**Project**"), the Authority is entering into a mortgage loan in the original principal amount of \$_____ (the "**Mortgage Loan**"). The Mortgage Loan will be funded by _____ (the "**Lender**"). The proceeds of the Mortgage Loan will be used, together with other funds, to acquire the Project (the "**Acquisition**").

The Obligation is secured by a note and mortgage dated _____, 2018 in the original principal amount of \$_____ (the "**Note**" and the "**Mortgage**," respectively).

In our capacity as bond counsel to the Authority, we have prepared or reviewed the following:

- A. The proceedings relating to the Acquisition.
- B. The Act together with a certified copy of the resolution of the Board of Trustees of the Authority adopted July 10, 2018 (the "**Resolution**") authorizing the Acquisition and the Obligation and the incumbency certificate of the Authority and the Certificate of the Executive Director and the Chief Financial Officer required by such Resolution.
- C. Section 44-7-1590 of the Hospital Revenue Bond Act, together with the resolution of the State Fiscal Accountability Authority approving the Acquisition and the Obligation (the items set forth in paragraphs B and C are collectively referred to as the "**Organizational Documents**").
- D. The Note.
- E. The Mortgage.

The documents listed in D through E above are referred to collectively as the "**Loan Documents**."

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be

Board of Trustees of Medical University
Hospital Authority
_____, 2018
Page 2

affected by actions taken or omitted or events occurring after the date hereof. As to questions of fact material to our opinion, we have relied upon representations of the Authority, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of the Authority without undertaking to verify the same by independent investigation.

In preparation for the issuance of these opinions, we have examined (i) the Constitution and laws of the State of South Carolina; (ii) the form of the Loan Documents, the Note and the Mortgage; (iii) certified or duplicate executed copies of the Organizational Documents; and (iv) such other papers, instruments and documents in this matter as we have deemed necessary or advisable.

Based on the foregoing, we are of the opinion that:

1. The Authority is duly created and validly existing as a public body corporate and politic and an agency of the State of South Carolina with the corporate power to enter into and perform the Loan Documents. The Loan Documents have been duly authorized, executed and delivered by the Authority and each constitutes a valid and binding agreement of the Authority enforceable in accordance with its terms.

2. The Authority is in good standing under the laws of the State of South Carolina.

3. The Organizational Documents have been duly authorized, executed and delivered and are in full force and effect.

4. The Acquisition has been duly authorized. The Organizational Documents and the Loan Documents executed and delivered by the Authority are valid and binding special obligations of the Authority, payable in accordance with their terms and are not a general obligation or indebtedness of the Authority within the meaning of any constitutional or statutory limitation, but are payable solely from the sources and other property pledged thereto under the Loan Documents.

5. Interest on the Obligation is excludable from gross income of the registered owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Obligation in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Obligation to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Obligation. The Authority has covenanted to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Obligation.

6. The Obligation and the interest thereon is exempt from all State, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate,

Board of Trustees of Medical University
Hospital Authority

_____, 2018

Page 3

transfer or certain franchise taxes. It should be noted, however, that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State of South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Obligation.

It is to be understood that the rights of the parties under the Loan Documents and the documents contemplated by the Organizational Documents are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State of South Carolina and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally. In addition, we express no opinion as to the validity of any indemnification obligation upon the Authority or any provisions of the Loan Documents that purport to excuse a party from liability for its own acts or that authorize a party to act in its sole discretion.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely yours,



ALAN WILSON
ATTORNEY GENERAL

July 17, 2018

Delbert H. Singleton, Jr., Esquire
South Carolina State Fiscal Accountability Authority
612 Wade Hampton Office Building
P. O. Box 12444
Columbia, South Carolina 29211

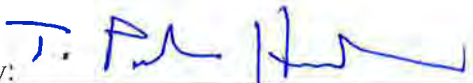
Re: Medical University Hospital Authority
Not Exceeding \$38,000,000 Mortgage Indebtedness
Land Acquisition for construction of consolidated service center as well
as land acquisition for an approximate 128 bed hospital project

Dear Mr. Singleton:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the South Carolina State Fiscal Accountability Authority (Authority). The documents appear to comply with the requirements of the referenced Code sections in the submitted material that certain specific information be addressed in these documents and, also, when validly executed as required and delivered, should be legally adequate.

This opinion addresses only the fact that the documents appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By: 
T. Parkin Hunter
Senior Assistant Attorney General

TPH/shb



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

August 8, 2018

Mr. Delbert H. Singleton, Jr., Authority Secretary
South Carolina State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: Not Exceeding \$38,000,000 Mortgage Indebtedness; Medical University Hospital Authority

Dear Mr. Singleton:

In accordance with South Carolina Regulation 19-102.03, we have reviewed financial information for Medical University Hospital Authority (MUHA) to evaluate its financial condition.

We understand that the proceeds of the mortgage will be used to acquire land and to construct a building which will serve as a consolidated service center, including a sterile processing center. The proceeds will also be used to acquire land in Berkeley County for the site of a future hospital and emergency facility.

Based on our review of audited financial information for fiscal years 2015 through 2017, internally prepared financial statements for fiscal year 2018, internally prepared projections for fiscal year 2019 as well as our discussions with key entity management and consultants, MUHA appears to have sufficient financial resources to meet the future debt requirements of the mortgage indebtedness.

If you have questions or need for additional information, please contact me at 803-253-8929 or gkennedy@osa.sc.gov.

Sincerely yours

George L. Kennedy, III, CPA
State Auditor



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/21/18

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Medical University Hospital Authority Series: 2018
 Borrower (if not Issuer): _____
 Bond Caption: Hospital Revenue Bonds
 Bond Resolution Amount: \$38,000,000.00 Est. Production/Par Amt: \$38,000,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

ENTITY: Medical University Hospital Authority
 BY: Lisa M. Goodlett
 ITS: Chief Financial Officer
 Tel: 843.792.4775
 Email: goodlett@mus.edu

Final Production/Par Amt: \$0.00

Transaction Type/Method of Sale:

☐ Public Offering: Competitive: _____ Negotiated: _____
☒ Direct Placement: Competitive: ☒ Negotiated: _____
☐ Governmental Loan/Governmental Purchaser
☐ Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): No
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: CSC / Nexton Land Purchase
 Project Address/Location: 7775 Palmetto Comm Pkwy / Newton Pkwy Amount: \$37,752,000.00
 Project Type: Construction / Land Acquisition County: Charleston / Berkeley
 Projected Avg Interest Rate: 4.32% Final Maturity: est. 05/24; 30 year terms

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Kaufman Hall Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Annette Drachman (MUHA Corp. Counsel)
 Bank: UCB Trustee: Bank of New York
 FHA Advisor: Armada Capital Inc. FHA Counsel: Harris Beach PLLC

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

**** Please see the supplemental NDIF attachment which describes this transaction ****

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/10/18	MUHA BoT
JBRC Approval:	00/00/00	N/A
SFAA Approval:	08/21/18	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	N/A
JBRC Approval:	00/00/00	N/A
SFAA Approval:	00/00/00	N/A

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes No
☐ ☒

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

☐ ☒

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage - Not Applicable
 Cost Estimate - \$0

Est. Expenditures - Through 6 Months
 Est. Expenditures - Through 12 Months
 Est. Expenditures - Through 18 Months
 Est. Expenditures - Through 24 Months
 Est. Expenditures - Through 36 Months
 Est. Expenditures - Through 48 Months
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYF	Spend Down Schedule Notes
\$ 10,000,000.00	06/30/2019	Purchase of land at beginning of project, COI, Other
\$ 28,000,000.00	06/30/2019	MUHA pays agreed fee for construction of building upon completion
\$		
\$		
\$		
\$		
\$ 38,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 38,000,000.00	\$ 37,752,000.00	Project Fund
(b) Premium/Accr. Int.	\$	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 248,000.00	Cost of Issuance
(5) Other (Specify) Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Additional Proceeds
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 38,000,000.00	\$ 38,000,000.00	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Kaufman Hall			\$ 50,000.00	\$	\$ 50,000.00
Bond Counsel	Haynsworth Sinkler Boyd			\$ 38,000.00	\$	\$ 38,000.00
Disclosure Counsel	Howell Linkous			\$ 10,000.00	\$	\$ 10,000.00
Issuer's Counsel	MUHA internal			\$	\$	\$
Underwriter's Counsel	N/A			\$	\$	\$
FHA Counsel	Harris Beach PLLC			\$ 40,000.00	\$	\$ 40,000.00
FHA Advisor	Armada Capital			\$ 25,000.00	\$	\$ 25,000.00
Bank Counsel	Parker Poe			\$ 40,000.00	\$	\$ 40,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation					\$	\$
Trustee	Bank of NY			\$ 1,500.00	\$	\$ 1,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Bank Fee				\$	\$	\$
Contingency				\$ 43,500.00	\$	\$ 43,500.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 248,000.00	\$	\$ 248,000.00

Est. / Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction
 Bond Counsel: % of Transaction
 Total Legal Costs: % of Transaction
 Rating Agencies: % of Transaction

0.13%	#DIV/0!
0.10%	#DIV/0!
0.40%	#DIV/0!
0.00%	#DIV/0!

UW Comp: % of Transaction
 Other COI: % of Transaction
 Total COI: % of Transaction

0.00%	#DIV/0!
0.12%	#DIV/0!
0.65%	#DIV/0!



South Carolina Office of State Treasurer New Debt Information Form Attachment

***08.21.18 – Medical University Hospital Authority – Hospital Revenue Bonds
- \$38,000,000***

Supplemental Response to Section 5:

\$28,000,000 Consolidated Service Center

The Medical University Hospital Authority (“MUHA”) plans to develop and build an approximate 106,500 sf Consolidated Service Center (“CSC”) that will house a central storage facility, sterile processing department, mechanical building support, and administrative offices. The address for this facility is 7775 Palmetto Commerce Parkway, Ladson/North Charleston, SC 29456.

MUHA will contract with SENSUSONE to develop the CSC and payment of the agreed upon fee for approximately \$28 million will be made upon completion of the facility. The projected cost of \$28 million is based on the schematic package of the facility provided by the developer and vetted by MUSC Health internal cost comparisons.

Steps have been taken to allow this project to be eligible for HUD financing after a 2-year “seasoning” period. Currently, MUHA is in the process of filing the necessary paper for HUD approval for “step in rights” for this property. The project is expected to be in conformity with zoning and environmental requirements for this location.

\$10,000,000 Nexton Land Acquisition

MUHA has also identified land in Nexton, SC that will be used to construct a 128-bed hospital. Construction is scheduled to begin December, 2019 and is expected to be operational by May, 2022, depending on CON process. The address for this property is Parcel D, Nexton Parkway, located at the crossroads of I-26 and 17A.

The cost of the land is expected to be approximately \$10 million and will be paid upon closing of the sale. The cost basis for the land purchase is the FMV at the time of the sale.

As a part of the due diligence process, MUHA will be obtaining the phase 1 environment, appraisal and necessary zoning and building requirements. When the new hospital is approved, it is anticipated this land cost will be rolled into a future debt issuance.



South Carolina Office of State Treasurer New Debt Information Form Attachment

***08.21.18 – Medical University Hospital Authority – Hospital Revenue Bonds
- \$38,000,000***

Financing Plans

To obtain this financing, an RFP was issued by MUHA. The parameters of the existing HUD financing structure of MUHA influenced the design of this financing structure limited to the collateral options and guarantees.

The preferred plan is for an upfront financing of the entire amount at a locked rate of 4.32% with the first draw at closing for the \$10 million and the remaining \$28 million to be held with Bank of New York as Trustee.

The issuance is callable within 5 years at which time MUHA anticipates wrapping into a larger HUD issuance, funding through reserves, or refinancing at market rates. A private placement route was selected vs issuing bonds due to the flexibility need of the potential HUD refinancing.

Seven banks were approached with one responding back with a proposal. The lack of response was largely driven by the restrictions in the structure due to the complexities of a HUD financing.

Related to the cost of issuance, the HUD dynamic drives the need for additional financial and legal advisors. Overall, the cost of issuance for the placement are low and in line with expectations of the Treasurer's Office. Additional verification of the rate offered was performed and also in line with the STO's expectations.

Key Notes

The closing commitments are scheduled as follows:

- Land: 10/01 – 10/15
- CSC: 05/15 – 05/31

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease - 300 Arbor Lake Drive in Columbia

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 27,500 SF of space located at 300 Arbor Lake Drive in Columbia from DRV Fontaine, LLC. The agency currently leases 10,424 SF at 1628 Browning Road, where it houses approximately 85 employees as well as training and conference room space. That lease expires February 5, 2019.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 26,000 SF in the Columbia area to house approximately 330 employees along with training and meeting space.

Seven (7) proposals were received in response to the solicitation. One (1) location was eliminated due to long-term planned future construction at the site, one (1) based on insufficient square footage, one (1) due to security concerns and two (2) based on space configuration. Of the remaining two (2) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning on February 6, 2019 at a rate of \$15.50/SF for the first year. Thereafter, the rent increases by two (2) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 426,250	\$ 15.50
YEAR 2	\$ 434,775	\$ 15.81
YEAR 3	\$ 443,575	\$ 16.13
YEAR 4	\$ 452,375	\$ 16.45
YEAR 5	\$ 461,450	\$ 16.78
YEAR 6	\$ 470,525	\$ 17.11
YEAR 7	\$ 480,150	\$ 17.46
YEAR 8	\$ 489,500	\$ 17.80
YEAR 9	\$ 499,400	\$ 18.16
YEAR 10	\$ 509,300	\$ 18.52
TOTAL	\$4,667,300	

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease - 300 Arbor Lake Drive in Columbia

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 78 SF/person.

The following chart represents comparable lease rates of similar space in the Columbia area:

Tenant	Location	Rate
Vacant	1813 Main Street	\$18.00/SF*
Vacant	1410 Colonial Village	\$15.75/SF*
Adjutant General	810 Dutch Square Blvd.	\$17.43/SF

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

AUTHORITY ACTION REQUESTED:

As requested by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Health and Human Services at 300 Arbor Lake Drive in Columbia.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; SCDHHS letter dated August 1, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Health and Human Services Lease- 300 Arbor Lake Drive in Columbia

3. Summary Background Information:

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 27,500 SF of space located at 300 Arbor Lake Drive in Columbia from DRV Fontaine, LLC. The agency currently leases 10,424 SF at 1628 Browning Road, where it houses approximately 85 employees as well as training and conference room space. That lease expires February 5, 2019.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 26,000 SF in the Columbia area to house approximately 330 employees along with training and meeting space.

Seven (7) proposals were received in response to the solicitation. One (1) location was eliminated due to long-term planned future construction at the site, one (1) based on insufficient square footage, one (1) due to security concerns and two (2) based on space configuration. Of the remaining two (2) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning on February 6, 2019 at a rate of \$15.50/SF for the first year. Thereafter, the rent increases by two (2) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 426,250	\$ 15.50
YEAR 2	\$ 434,775	\$ 15.81
YEAR 3	\$ 443,575	\$ 16.13
YEAR 4	\$ 452,375	\$ 16.45
YEAR 5	\$ 461,450	\$ 16.78
YEAR 6	\$ 470,525	\$ 17.11
YEAR 7	\$ 480,150	\$ 17.46
YEAR 8	\$ 489,500	\$ 17.80
YEAR 9	\$ 499,400	\$ 18.16

YEAR 10	\$ 509,300	\$ 18.52
TOTAL	\$4,667,300	

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 78 SF/person.

The following chart represents comparable lease rates of similar space in the Columbia area:

Tenant	Location	Rate
Vacant	1813 Main Street	\$18.00/SF*
Vacant	1410 Colonial Village	\$15.75/SF*
Adjutant General	810 Dutch Square Blvd.	\$17.43/SF

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

4. What is the Authority asked to do? Approve the proposed lease for the Department of Health and Human Services at 300 Arbor Lake Drive in Columbia.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Health and Human Services at 300 Arbor Lake Drive in Columbia.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- SCDHHS Letter Dated August 1, 2018

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, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration 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 Division of General Services of its requirement on rental request forms prepared by the division. 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 division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department 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 department 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 Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

(A) The Division of General Services of the Department of Administration, 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 a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department'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 multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.8, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.8, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

August 1, 2018

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: Lease for 300 Arbor Lake, Columbia

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) is the single state agency in South Carolina responsible for the administration of the Medicaid Program under Title XIX of the Social Security Act and makes final decisions and determinations about eligibility for individuals' applying for Medicaid services. SCDHHS receives approximately 1,200 Medicaid applications per day. In addition to processing applications, SCDHHS' Medicaid eligibility staff must maintain and annually review all beneficiary information.

SCDHHS is also in the next phase of the complex Medicaid Eligibility Determination System replacement that will impact both work volume and productivity and require a significant increase in staff to maintain state and federal timeliness and accuracy standards for processing and reviewing Medicaid applications. Further, this system implementation will require statewide staff retraining and rigorous quality assurance during system transition. To provide the statewide infrastructure necessary to house additional eligibility application processors, training, and support staff in a manner that affords the state both flexibility and timeliness, SCDHHS has opted to procure several regional processing sites, the first and largest of which is to be located at 300 Arbor Lake in Columbia, SC.

Therefore, SCDHHS requests approval by the Joint Bond Review Committee of a 10-year lease with DRV Fontaine, LLC, for approximately 26,000 square feet of office space located at 300 Arbor Lake Drive in Columbia. This location will be the Medicaid application processing center for the Midlands region to house approximately 330 employees and provide training and conference room space. SCDHHS' current Midlands application processing center is in leased space at 1628 Browning Road in Columbia and houses approximately 85 employees, plus training and conference room space. However, this lease will expire on February 5, 2019 and is not sufficient space to house the significantly increased staff SCDHHS will hire to process Medicaid applications for the Midlands region. The current leased space is 10,424 square feet.

Ms. Lancaster
August 1, 2018
Page Two


The new space requested will replace the Browning Road lease and meet SCDHHS' space needs for housing its' additional staff and future growth. This space will also allow SCDHHS to eliminate other leased space as those leases expire, particularly at 7499 Parklane Drive, and move staff to the 300 Arbor Lake Drive location.

We received seven proposals in response to our solicitation and conducted site visits to five of the locations. After evaluations, we concluded the 300 Arbor Lake Drive property best meets our needs. We considered the following in our decision-making: security, cost, parking availability, and proximity to other SCDHHS office locations (SCDHHS is currently leasing space at 200 Arbor Lake Drive and 400 Arbor Lake Drive).

We request the maximum lease of 10 years to provide consistent location for staff and minimize relocation costs.

Thank you for your consideration of our request and let us know if you need any additional information.

Sincerely,



Joshua D. Baker
Director

cc: Caroline Hulett

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease - 101 North Pine Street in Spartanburg

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 19,667 SF of space located at 101 North Pine Street in Spartanburg from Johnson Development Associates, Inc.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 19,450 SF in the Spartanburg area to create a new regional processing center to house approximately 180 employees along with training and meeting space.

Four (4) proposals were received in response to the solicitation, and the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$12.50/SF for the first year. Thereafter, the rent increases annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 245,837.50	\$ 12.50
YEAR 2	\$ 245,837.50	\$ 12.50
YEAR 3	\$ 251,737.60	\$ 12.80
YEAR 4	\$ 257,637.70	\$ 13.10
YEAR 5	\$ 265,504.50	\$ 13.50
YEAR 6	\$ 273,371.30	\$ 13.90
YEAR 7	\$ 281,238.10	\$ 14.30
YEAR 8	\$ 289,104.90	\$ 14.70
YEAR 9	\$ 296,971.70	\$ 15.10
YEAR 10	\$ 304,838.50	\$ 15.50
TOTAL	\$2,712,079.30	

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Health and Human Services Lease - 101 North Pine Street in Spartanburg

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate space for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 102 SF/person.

The following chart represents comparable lease rates of similar space in the Spartanburg area:

Tenant	Location	Rate
Vacant	1000 N. Pine Street	\$13.75/SF*
Vacant	1650 Skylyn Drive	\$27.00/SF*
Vacant	141 Fernwood Drive	\$14.00/SF*

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

AUTHORITY ACTION REQUESTED:

As requested by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Health and Human Services at 101 North Pine Street in Spartanburg.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; SCDHHS letter dated August 1, 2018


STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
(b) Authorized Official Signature:


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Health and Human Services Lease- 101 North Pine Street in Spartanburg

3. Summary Background Information:

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 19,667 SF of space located at 101 North Pine Street in Spartanburg from Johnson Development Associates, Inc.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 19,450 SF in the Spartanburg area to create a new regional processing center to house approximately 180 employees along with training and meeting space.

Four (4) proposals were received in response to the solicitation, and the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$12.50/SF for the first year. Thereafter, the rent increases annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 245,837.50	\$ 12.50
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YEAR 10	\$ 304,838.50	\$ 15.50
TOTAL	\$2,712,079.30	

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate space for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 102 SF/person.

The following chart represents comparable lease rates of similar space in the Spartanburg area:

Tenant	Location	Rate
Vacant	1000 N. Pine Street	\$13.75/SF*
Vacant	1650 Skylyn Drive	\$27.00/SF*
Vacant	141 Fernwood Drive	\$14.00/SF*

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

4. What is the Authority asked to do? Approve the proposed lease for the Department of Health and Human Services at 101 North Pine Street in Spartanburg.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Health and Human Services at 101 North Pine Street in Spartanburg.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- SCDHHS Letter Dated August 1, 2018

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, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration 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 Division of General Services of its requirement on rental request forms prepared by the division. 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 division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department 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 department 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 Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

(A) The Division of General Services of the Department of Administration, 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 a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department'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 multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

August 1, 2018

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: Lease for 101 North Pine Street, Spartanburg

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) is the single state agency in South Carolina responsible for the administration of the Medicaid Program under Title XIX of the Social Security Act and makes final decisions and determinations about eligibility for individuals' applying for Medicaid services. SCDHHS receives approximately 1,200 Medicaid applications per day. In addition to processing applications, SCDHHS' Medicaid eligibility staff must maintain and annually review all beneficiary information.

SCDHHS is also in the next phase of the complex Medicaid Eligibility Determination System replacement that will impact both work volume and productivity and require a significant increase in staff to maintain state and federal timeliness and accuracy standards for processing and reviewing Medicaid applications. Further, this system implementation will require statewide staff retraining and rigorous quality assurance during system transition. To provide the statewide infrastructure necessary to house additional eligibility application processors, training, and support staff in a manner that affords the state both flexibility and timeliness, SCDHHS has opted to procure several regional processing sites, the first and largest of which is to be located at 300 Arbor Lake Drive in Columbia, SC. This second regional processing center will be located in the Upstate.

Therefore, SCDHHS requests approval by the Joint Bond Review Committee of a 10-year lease with Johnson Development Associates, Inc. for 19,667 square feet of office space located at 101 North Pine Street in Spartanburg. This location will be the Medicaid application processing center for the Upstate region to house approximately 180 employees and provide training and conference room space. This will be a new application processing center for this region as SCDHHS currently does not have an application processing center in the Upstate. The new space requested meets SCDHHS' space needs for housing its' additional staff and future growth. This space will also allow SCDHHS to eliminate other leased space in the Upstate area, particularly

Ms. Lancaster
August 1, 2018
Page Two


the 5229 square feet of leased space at 945 East Main Street, Suite 3, in Spartanburg, and move this staff to the 101 North Pine Street location. This lease will be terminated following the completion of the build-out and renovation of the 101 North Pine Street property.

We received four proposals in response to our solicitation and conducted site visits of two locations. After evaluations, we concluded the 101 North Pine Street property best meets our needs. We considered the following in our decision-making: security, new HVAC, minimal up fit needed, and cost.

We request the maximum lease of 10 years to provide consistent location for staff and minimize relocation costs.

Thank you for your consideration of our request and let us know if you need any additional information.

Sincerely,



Joshua D. Baker
Director

cc: Caroline Hulett

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Motor Vehicles Lease - 946 Orleans Road in Charleston

The SC Department of Motor Vehicles (DMV) is requesting approval to lease 5,040 SF of space located at 946 Orleans Road in Charleston from Continental Realty Corporation. The agency currently leases 3,000 SF at 1757 Ashley River Road. That lease expired on June 30, 2018 and the landlord has indicated they can no longer accommodate the DMV as a tenant. The additional space at the new location is necessary to serve the significant growth of customers in the Charleston area.

Two solicitations were conducted and four (4) proposals were received. Two additional locations were also identified and reviewed but the Landlords at those locations were unwilling to submit a proposal. One (1) proposal was eliminated based on location. Of the remaining three (3) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$28.00/SF for the first year. Thereafter, the rent increases by three (3) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 141,120	\$ 11,760	\$ 28.00
YEAR 2	\$ 145,354	\$ 12,113	\$ 28.84
YEAR 3	\$ 149,714	\$ 12,476	\$ 29.71
YEAR 4	\$ 154,206	\$ 12,850	\$ 30.60
YEAR 5	\$ 158,832	\$ 13,236	\$ 31.51
YEAR 6	\$ 163,597	\$ 13,633	\$ 32.46
YEAR 7	\$ 168,505	\$ 14,042	\$ 33.43
YEAR 8	\$ 173,560	\$ 14,463	\$ 34.44
YEAR 9	\$ 178,767	\$ 14,897	\$ 35.47
YEAR 10	\$ 184,130	\$ 15,344	\$ 36.53
TOTAL	\$1,617,783		

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Motor Vehicles Lease - 946 Orleans Road in Charleston

The rent includes all common area maintenance and operations costs with the exception of janitorial and utilities which are estimated to be \$6,300 annually. The lease includes full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 119 SF/person.

The following chart represents comparable lease rates of similar space in the Charleston area:

Tenant	Location	Rate
Vacant	176 Croghan Spur Road	\$35.00/SF
Vacant	1014 St. Andrews Blvd.	\$27.00/SF
Vacant	2000 Sam Rittenberg Blvd.	\$21.50/SF

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

AUTHORITY ACTION REQUESTED:

As requested by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Motor Vehicles at 946 Orleans Road in Charleston.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; DMV letter dated July 20, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
(b) Authorized Official Signature:



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Motor Vehicles Lease- 946 Orleans Road in Charleston

3. Summary Background Information:

The SC Department of Motor Vehicles (DMV) is requesting approval to lease 5,040 SF of space located at 946 Orleans Road in Charleston from Continental Realty Corporation. The agency currently leases 3,000 SF at 1757 Ashley River Road. That lease expired on June 30, 2018 and the landlord has indicated they can no longer accommodate the DMV as a tenant. The additional space at the new location is necessary to serve the significant growth of customers in the Charleston area.

Two solicitations were conducted and four (4) proposals were received. Two additional locations were also identified and reviewed but the Landlords at those locations were unwilling to submit a proposal. One (1) proposal was eliminated based on location. Of the remaining three (3) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$28.00/SF for the first year. Thereafter, the rent increases by three (3) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 141,120	\$ 11,760	\$ 28.00
YEAR 2	\$ 145,354	\$ 12,113	\$ 28.84
YEAR 3	\$ 149,714	\$ 12,476	\$ 29.71
YEAR 4	\$ 154,206	\$ 12,850	\$ 30.60
YEAR 5	\$ 158,832	\$ 13,236	\$ 31.51
YEAR 6	\$ 163,597	\$ 13,633	\$ 32.46
YEAR 7	\$ 168,505	\$ 14,042	\$ 33.43
YEAR 8	\$ 173,560	\$ 14,463	\$ 34.44
YEAR 9	\$ 178,767	\$ 14,897	\$ 35.47
YEAR 10	\$ 184,130	\$ 15,344	\$ 36.53
TOTAL	\$1,617,783		

The rent includes all common area maintenance and operations costs with the exception of janitorial and utilities which are estimated to be \$6,300 annually. The lease includes full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 119 SF/person.

The following chart represents comparable lease rates of similar space in the Charleston area:

Tenant	Location	Rate
Vacant	176 Croghan Spur Road	\$35.00/SF
Vacant	1014 St. Andrews Blvd.	\$27.00/SF
Vacant	2000 Sam Rittenberg Blvd.	\$21.50/SF

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

4. What is the Authority asked to do? Approve the proposed lease for the Department of Motor Vehicles at 946 Orleans Road in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Motor Vehicles at 946 Orleans Road in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DMV Letter Dated July 20, 2018

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, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration 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 Division of General Services of its requirement on rental request forms prepared by the division. 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 division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department 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 department 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 Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

(A) The Division of General Services of the Department of Administration, 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 a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department'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 multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

Henry McMaster
Governor



Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

July 20, 2018

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Lease for West Ashley Shoppes, 946 Orleans Road

Dear Ms. Lancaster:

The South Carolina Department of Motor Vehicles (DMV) requests approval by the State Fiscal Accountability Authority to enter into a 10-year lease with Continental Realty Corporation for approximately 5,040 square feet of space at West Ashley Shoppes, 946 Orleans Road, Charleston, South Carolina 29407. New space is required as the property owner did not renew DMV's current lease located at 1119 Wappoo Road in Charleston (our Ashley Oaks location).

DMV, in conjunction with the SC Department of Administration, reviewed an estimated six locations in response to our multiple solicitations and conducted site visits to each location. After evaluations, DMV concluded that the West Ashley Shoppes property best meets the Agency's requirements. We considered building accessibility for our citizens, security, office design, parking, and costs in our decision-making process.

DMV requests the maximum lease period of 10 years to maintain a secure site to protect citizens, employees, and sensitive customer data. A longer lease period will provide a consistent location for constituents and minimized office relocation costs in the future, especially given that locations are becoming much more difficult to procure in the Charleston area. The cost of the lease in its entirety is \$1,617,783.00.

Thank you for your assistance and for your consideration of SCDMV's request.

Sincerely,


Kevin A. Shwedo
Executive Director

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 2070 Northbrook Boulevard in North Charleston

The SC Department of Revenue (DOR) is requesting approval to lease 11,336 SF of space located at 2070 Northbrook Boulevard in North Charleston from Northbrook, LTD, a Florida Limited Partnership. The agency currently leases 10,791 SF at 2 South Park Circle. That lease expires December 31, 2018.

A solicitation was conducted and ten (10) proposals were received. Three (3) proposals were deemed non-responsive to the solicitation based on location and two (2) based on insufficient square footage. Of the remaining five (5) proposals, the selected location represents the lowest bid and will accommodate new DOR security protocols for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors. The term will be for ten (10) years beginning on January 1, 2019 at a rate of \$20.36/SF for a total of \$230,800.92 annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 2	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 3	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 4	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 5	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 6	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 7	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 8	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 9	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 10	\$ 230,800.92	\$ 19,223.41	\$ 20.36
TOTAL	\$2,308,009.20		

The rent includes an allocation of \$2.40/SF for maintenance and operations costs. At the conclusion of the second year of the term, DOR will be responsible for its pro rata share of any operating costs exceeding the allocation subject to a three (3) percent cap annually. As such, the maximum payable by DOR over the term for rent and maintenance and operations costs is \$2,347,482. The lease includes full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will up fit the space to the agency's

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 2070 Northbrook Boulevard in North Charleston

specifications and will reimburse DOR up to \$50,000 for moving costs. The lease meets the state space standards with a density of 130 SF/person.

The following chart represents comparable lease rates of similar space in the North Charleston area:

Tenant	Location	Rate
Vacant	4400 Leeds Avenue	\$29.75/SF
Vacant	5895 Core Road	\$24.50/SF
Vacant	4390 Belle Oaks	\$24.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on August 7, 2018.

AUTHORITY ACTION REQUESTED:

As requested by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Revenue at 2070 Northbrook Boulevard in North Charleston.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; DOR letter dated July 9, 2018

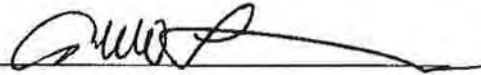
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 21, 2018

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Revenue Lease- 2070 Northbrook Boulevard in North Charleston

3. Summary Background Information:

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A solicitation was conducted and ten (10) proposals were received. Three (3) proposals were deemed non-responsive to the solicitation based on location and two (2) based on insufficient square footage. Of the remaining five (5) proposals, the selected location represents the lowest bid and will accommodate new DOR security protocols for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors. The term will be for ten (10) years beginning on January 1, 2019 at a rate of \$20.36/SF for a total of \$230,800.92 annually as follows:

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4. What is the Authority asked to do? Approve the proposed lease for the Department of Revenue at 2070 Northbrook Boulevard in North Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Revenue at 2070 Northbrook Boulevard in North Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DOR Letter Dated July 9, 2018

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(4) The department 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 Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

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

(A) The Division of General Services of the Department of Administration, 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 a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department'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 multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

300A OUTLET POINTE BOULEVARD
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile : (803) 896-0023
Director@dor.sc.gov

July 9, 2018

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 292201

RE: Lease for 2070 Northbrook Boulevard, North Charleston

Dear Ms. Lancaster:

The South Carolina Department of Revenue requests approval by the Joint Bond Review committee of a 10-year lease with Northbrook LTD, a Florida Limited Partnership for approximately 11,400 square feet of office space at 2070 Northbrook Boulevard, North Charleston, SC. This space is required as our current lease at 2 South Park Circle expires on December 1, 2018. The current office design prohibits the required level of security mandated for all DOR locations; therefore, we considered other properties that best meet our requirements.

DOR's security program requires an on-site security officer in each office lobby, security cameras, metal detectors, and other security equipment to screen all visitors of DOR and ensure that taxpayers and DOR employees are protected and safe. In addition, DOR protects highly sensitive State and Federal Taxpayer Information with a sophisticated badge access and camera surveillance system, and an intruder detection system to achieve maximum-security protection and cyber-attack prevention.

We received ten proposals in response to our solicitation and conducted site visits to six locations. After evaluations, we concluded the 2070 Northbrook Boulevard property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, interior office design, and building accessibility for the taxpayers.

Ms. Lancaster
July 9, 2018
Page Two

We request the maximum lease of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information from intruders and fraudsters. Moving the DOR highly sophisticated security systems is a significant cost. A longer lease provides a consistent location for taxpayers and minimizes office re-location costs.

Thank you for your assistance in this process and for your consideration of our request.

Yours very truly,

A handwritten signature in blue ink, appearing to read "W. Hartley Powell", with a stylized flourish at the end.

W. Hartley Powell
Director

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

State Fiscal Accountability Authority approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 1-2019: JBRC Item 1. (H27) University of South Carolina - Columbia
 Project: 6126, LeConte College Maintenance Renovation
 Included in Annual CIP: Yes – 2017 CIP Priority 6 of 9 in FY18
 (estimated at \$15,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 6/7/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Institutional Capital Project	0.00	0.00	0.00	225,000.00	225,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>225,000.00</u>	<u>225,000.00</u>

Funding Source: \$225,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital projects.

Request: Establish project and budget for \$225,000 (Other, Institutional Capital Project Funds) for the comprehensive building renovation of the LeConte College facility. This 77,103 square foot 66 year old building is a contributing structure to the old campus district which is on the National Historic Registry. The last comprehensive renovation was completed in 1979. Since that renovation, only limited capital project work has been done. This comprehensive building renovation will include, but not limited to, a new HVAC system with fresh air intake, partial plumbing replacement, an entirely new electrical system, upgraded restrooms for ADA accessibility, an elevator replacement and life safety improvements. Hazardous material abatement on areas affected by renovations will also be accomplished. This project responds to maintenance needs identified in a building condition assessment. This building is utilized by the Department of Mathematics and Statistics which has a population of 500 students. The building has classrooms, faculty offices, and administration space. The building

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

serves a larger population of other undergraduate majors who take math in their curriculum. The agency estimates total project costs at \$15,000,000.

- (b) Summary 1-2019: JBRC Item 2. (H29) University of South Carolina - Aiken
Project: 9555, USC Aiken Scholars Academy Renovation
Included in Annual CIP: Yes – 2017 CIP Priority 2 of 2 in FY21
(estimated at \$2,500,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 6/7/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, USC Aiken Institutional	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>37,500.00</u>

Funding Source: \$37,500 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Establish project and budget for \$37,500 (Other, USC Aiken Institutional Funds) to repurpose the existing 40 year old single-story Supply Maintenance Building to serve an academic mission for the Aiken campus. This renovation project continues a strategic planning effort to relocate maintenance activities to the campus periphery. Specifically, the 12,520 gross square foot building, constructed in 1978, will be internally reconfigured to accommodate the Aiken Scholars Academy and provide general academic space for the campus. No other space exists on the campus to permanently accommodate the Scholars Academy. The building is expected to accommodate up to 200 students and approximately 20 faculty members will use the space. The agency estimates total project costs at \$2,500,000.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (c) Summary 1-2019: JBRC Item 4. (H59) Northeastern Technical College
 Project: 6142, NETC – Cheraw Campus Renovation
 Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 1 in FY21
 (estimated at \$4,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 8/2/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, NETC Reserves	0.00	0.00	0.00	160,000.00	160,000.00
Other, NETC Capital Fees	0.00	0.00	0.00	25,147.29	25,147.29
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>185,147.29</u>	<u>185,147.29</u>

Funding Source: \$160,000 Other, NETC Reserves and \$25,147.29 Other, NETC Capital Fees.

Request: Establish project and budget for \$185,147.29 (Other, NETC Reserves and Other, NETC Capital Fee Funds) to fulfill critical industry training needs. NETC will relocate departments, construct a new maintenance facility, and renovate existing space for critical industry training. The maintenance department is located in Academic Building 600; A 5,000 square foot pre-engineered building would be constructed for maintenance, allowing them to relocate from Academic Building 600. Upon relocation of the maintenance department, Building 600 would be remodeled and expanded to create an industrial training center. Also, auxiliary services and the student lounge would vacate Academic Building 200, thereby, freeing up this space for industrial training. Auxiliary services would relocate to the current library space, in Academic Building 500. Renovations are required in this building to house auxiliary services and the student lounge. Renovations to Buildings 300, 400, 700 and/or 800 are also possible, if funds permit. The agency estimates total project costs at \$3,685,147.29. (See attachment 1 for additional annual operating costs.)

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

(d) Summary 1-2019: JBRC Item 5. (E24) Office of the Adjutant General

Project: 9812, Statewide Readiness Center Female Latrines

Included in Annual CPIP: Yes – 2017 CPIP Priority 8 of 21 in FY18

(estimated at \$900,000)

JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State	0.00	0.00	0.00	12,500.00	12,500.00
Federal, National Guard Bureau	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>	<u>50,000.00</u>

Funding Source: \$12,500 Appropriated State. \$37,500 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau

Request: Establish project and budget for \$50,000 (Appropriated State & Federal, National Guard Bureau Funds) to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway and Rock Hill. The Phase I pre-design budget is requested at 2.23% of the estimated project cost due to the age of the armories and the level of detail needed in the mechanical, electrical, and plumbing systems for additional latrine space for the female soldiers. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work. When these armories were constructed the amount of female soldiers was significantly lower than it is now. Therefore, due to the rising number of female soldiers, due in part to all branches now allowing females, adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

need to conduct training. Over 50 female soldiers assigned to each of the 12 armories, will utilize the space. The facilities will also be used by females when the armory is rented or when it is being used for other public functions. The facilities range in age from 31 years to 62 years old and vary in size from 72 square feet to 339 square feet. The agency estimates total project costs at \$159,077 per facility for a total of \$2,233,435 for all 12 facilities. (See attachment 2 for additional annual operating costs.)

Establish Construction Budget

- (e) Summary 1-2019: JBRC Item 8. (H59) Greenville Technical College
Project: 6136, Greenville – Benson Campus Amphitheater and Student Plaza
Included in Annual CIP: Yes – 2017 CIP Priority 3 of 3 in FY20
(estimated at \$1,326,335)
JBRC/SFAA Phase I Approval: January 2018 (estimated at \$2,500,000)

CHE Recommended Approval: 8/2/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>		<u>Current Budget</u>	<u>Total Budget After Current Adjustment</u>
		<u>Original Budget</u>	<u>Current Budget</u>		
Other, Private Citizen Donation	37,500.00	0.00	37,500.00	2,864,201.00	2,901,701.00
All Sources	<u>37,500.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>2,864,201.00</u>	<u>2,901,701.00</u>

Funding Source: \$2,901,701 Other, Private Citizen Donation Funds, which have been received specifically for the development and construction of this project.

Request: Increase budget to \$2,901,701 (add \$2,864,201 Other, Private Citizen Donation Funds) to establish Phase II, design development, construction documents and bidding to construct an amphitheater and student plaza on approximately 4 acres, in an outside lawn area between buildings 301 and 302, alongside Building 301 and the main entrance drive on Benson Campus. The total estimated cost of the project in the Phase II request is \$401,701 higher than the Phase I amount due to the construction bid pricing climate. It is anticipated that the project will be bid around the November to December timeframe and the architects and cost estimators firmly believe the cost

AGENCY: Department of Administration, Capital Budget Office

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for the project will be in the \$2.9 million range. The facility will include tiered natural and bench seating, a stage, audio/visual, wireless internet, stage lighting, electrical panel service, band-shell pavilion, restroom facilities, native plant landscaping, and canopy trees. Nature trails, landscaping, and a small parking area along the main driveway into campus will also be a part of the project. The college states that an aesthetically pleasing outdoor learning environment without walls or a ceiling in the fresh air, sunshine and relaxed setting will foster an environment to enhance creative thought processes by students. The college further states that the outdoor learning experience will be valuable to artists, theatrics, language arts, humanities, and various science programs, and community activities. A small art pavilion structure of approximately 3,000 square feet will be constructed. The amphitheater and terraced seating will provide approximately 185 seats for performances and a large lawn beyond the tiered seating for blanket seating. The area will be utilized by an estimated 900 students, 50 faculty, 30 staff and 1,000 outside visitors. The project contingency exceeds 10% of the total project budget due to anticipated construction cost escalation, based on consultation with OSE of recent state bid projects and consultation by A&E with general contractors. The agency estimates total project costs at \$2,901,701. (See attachment 3 for additional annual operating costs.) The agency anticipates execution of the construction contract in November 2018 and completion of construction in August 2019.

- (f) Summary 1-2019: JBRC Item 9. (J12) Department of Mental Health
Project: 9737, State Veterans' Nursing Home Construction Central Region
Included in Annual CPIP: Yes – 2017 CPIP Priority 10 of 12 in FY20
(estimated at \$40,296,165)
JBRC/SFAA Phase I Approval: January 2015 (estimated at \$58,000,000)
JBRC/SFAA Revise Scope Approval: March 2015 (estimated at \$37,000,000)
JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$40,300,000)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, VA State Home Construction Grant Program	0.00	0.00	0.00	28,811,758.00	28,811,758.00
Other, Capital Improv. & Maint.	500,000.00	500,000.00	1,000,000.00	13,103,658.00	14,103,658.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	11,184,584.00	11,184,584.00
All Sources	<u>500,000.00</u>	<u>500,000.00</u>	<u>1,000,000.00</u>	<u>53,100,000.00</u>	<u>54,100,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$54,100,000, the state's share would be \$25,288,242. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$28,811,758 Federal, VA State Home Construction Grant Program.

\$14,103,658 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$11,184,584 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$54,100,000 (add \$28,811,758 Federal, VA State Home Construction Grant Program and \$13,103,658 Other, Capital Improvement & Maintenance Funds and up to \$11,184,584 to be requested) to establish the full Phase II design and construction budget in order to complete all requirements necessary to receive a federal funding grant from VA in early 2019 for the construction of a veterans nursing

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

home in the central South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility will adapt the design to the northeast and northwest South Carolina region sites. The design on which the cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$54,100,000. (See attachment 4 for additional annual operating costs.) The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (g) Summary 1-2019: JBRC Item 10. (J12) Department of Mental Health
Project: 9739, State Veterans' Nursing Home Construction Northeast Region
Included in Annual CIP: Yes – 2017 CIP Priority 8 of 12 in FY20 (estimated at \$39,914,915)
JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)
JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$39,900,000)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, VA State Home Construction Grant Program	0.00	0.00	0.00	28,539,164.00	28,539,164.00
Other, Capital Improv. & Maint.	250,000.00	1,000,000.00	1,250,000.00	12,720,220.00	13,970,220.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	12,790,616.00	12,790,616.00
All Sources	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>	<u>54,050,000.00</u>	<u>55,300,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$55,300,000, the state's share would be \$26,760,836. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$28,539,164 Federal, VA State Home Construction Grant Program.
\$13,970,220 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$12,790,616 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$55,300,000 (add \$28,539,164 Federal, VA State Home Construction Grant Program and \$12,720,220 Other, Capital Improvement & Maintenance Funds and up to \$12,790,616 to be requested) to establish the full Phase II design and construction budget in order to complete all requirements necessary to receive a federal funding

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grant from VA in early 2019 for the construction of a veterans nursing home in the northeast South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility for the central region will adapt the design to the northeast and northwest South Carolina region sites. The design on which the cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$55,300,000. (See attachment 5 for additional annual operating costs.) The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (h) Summary 1-2019: JBRC Item 11. (J12) Department of Mental Health
Project: 9740, State Veterans' Nursing Home Construction Northwest Region
Included in Annual CIP: Yes – 2017 CIP Priority 9 of 12 in FY20
(estimated at \$41,135,915)
JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)
JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$41,100,000)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, VA State Home Construction Grant Program	0.00	0.00	0.00	29,412,179.00	29,412,179.00
Other, Capital Improv. & Maint.	250,000.00	1,000,000.00	1,250,000.00	13,147,571.00	14,397,571.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	12,990,250.00	12,990,250.00
All Sources	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>	<u>55,550,000.00</u>	<u>56,800,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$56,800,000, the state's share would be \$27,387,821. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$29,412,179 Federal, VA State Home Construction Grant Program.

\$14,397,571 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$12,990,250 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$56,800,000 (add \$29,412,179 Federal, VA State Home Construction Grant Program and \$13,147,571 Other, Capital Improvement & Maintenance Funds and up to \$12,990,250 to be requested) to establish the full Phase II design and construction budget in

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order to complete all requirements necessary to receive a federal funding grant from VA in early 2019 for the construction of a veterans nursing home in the northwest South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained sufficient to provide federal grant funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility for the central region will adapt the design to the Northeast and Northwest South Carolina region sites. The design on which the cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$56,800,000. (See attachment 6 for additional annual operating costs.) The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (i) Summary 1-2019: JBRC Item 12. (N12) Department of Juvenile Justice
Project: 9606, Coastal Regional Center
Included in Annual CIP: Yes – 2018 CIP Priority 3 of 4 in FY19
(estimated at \$3,676,286)
JBRC/SFAA Phase I Approval: December 2017 (estimated at \$3,676,286)
JBRC/SFAA Phase I Budget Increase Approval: June 2018 (estimated at \$3,676,286)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>		<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY18 Carryforward	142,500.00	171,712.50	314,212.50	3,362,073.50	3,362,073.50	3,676,286.00
All Sources	<u>142,500.00</u>	<u>171,712.50</u>	<u>314,212.50</u>	<u>3,362,073.50</u>	<u>3,362,073.50</u>	<u>3,676,286.00</u>

Funding Source: \$3,676,286 Appropriated State, FY18 Carryforward Funds.

Request: Increase budget to \$3,676,286 (add \$3,362,073.50 Appropriated State, FY18 Carryforward Funds) to proceed with Phase II to implement regionalization across the state. This project will address the needs at the Coastal Regional Center located in Ridgeville, which will accommodate the programs needed for juveniles in the coastal area of SC. Regionalization represents a fundamental shift in how committed youth will be served by the juvenile justice system. It will allow youth to be housed closer to their home communities instead of committing them to distant state facilities. Regionalization brings neighboring counties together to share resources and services to better serve youth close to their homes. Other advantages of regionalization include increased family engagement, transitional programming and contact with other providers, community resources, and parole and probation proficiency. A smaller population of youth in each center may also reduce gang issues and behavior issues. This project will include the construction of a multi-purpose building for clinical, program and security staff, vocational classrooms for the juveniles; security upgrades to include the expansion/new construction of perimeter fencing; and expanding the footprint of the property by creating new recreational space. Even though this project request is for the Coastal Center, all 3 current evaluation centers will eventually be included in this reorganization as separate projects. The new regional center building to be constructed will be an 11,000 square foot pre-engineered building and will house the programmatic activities. The existing housing already on-site accommodates 175 juveniles. The project will be designed for maximum energy efficiency for its intended use. However, under the 2018 edition of the OSE Manual, Chapter 5, section 5.10, lines 5.10.3, exemptions are listed on B for any public school building K-12, and on line C, any correctional facility constructed. This building will have a masonry base and metal wall panels with a standing-seam

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sloped metal roof. The recreation space will include indoor and outdoor space to include a soccer field with running track and basketball courts. There is an existing Coastal Evaluation Center, constructed in 2002, located on the 11 acre property that will also continue to be used as part of the Coastal Regional Center but it will not be renovated in this project. The agency estimates total project costs at \$3,676,286. The agency anticipates execution of the construction contract is September 2018 and completion of construction in September 2021.

- (j) Summary 1-2019: JBRC Item 13. (N12) Department of Juvenile Justice
 Project: 9607, Upstate Regional Center
 Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 4 in FY19
 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Approval: December 2017 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Budget Increase Approval: June 2018 (estimated at \$3,676,286)
 CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY18 Carryforward	142,500.00	171,712.50	314,212.50	3,362,073.50	3,676,286.00
All Sources	<u>142,500.00</u>	<u>171,712.50</u>	<u>314,212.50</u>	<u>3,362,073.50</u>	<u>3,676,286.00</u>

Funding Source: \$3,676,286 Appropriated State, FY18 Carryforward Funds.

Request: Increase budget to \$3,676,286 (add \$3,362,073.50 Appropriated State, FY18 Carryforward Funds) to proceed with Phase II to implement regionalization across the state. This project will address the needs at the Upstate Regional Center located in Union, which will accommodate the programs needed for juveniles in the upstate area of SC. Regionalization represents a fundamental shift in how committed youth will be served by the juvenile justice system. It will allow youth to be housed closer to their home communities instead of committing them to distant state facilities. Regionalization brings neighboring counties together to share resources and services to better serve youth close to their homes. Other advantages of regionalization include increased family engagement, transitional programming and contact with other providers, community resources, and parole and probation proficiency. A smaller population of youth in each center may also reduce gang

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issues and behavior issues. This project will include the construction of a multi-purpose building for clinical, program and security staff, vocational classrooms for the juveniles; security upgrades to include the expansion/new construction of perimeter fencing; and expanding the footprint of the property by creating new recreational space. Even though this project request is for the Upstate Center, all 3 current evaluation centers will eventually be included in this reorganization as separate projects. The new regional center building to be constructed will be an 11,000 square foot pre-engineered building and will house the programmatic activities. The existing housing on-site accommodates 190 juveniles. The project will be designed for maximum energy efficiency for its intended use. However, under the 2018 edition of the OSE Manual, Chapter 5, section 5.10, lines 5.10.3, exemptions are listed on B for any public school building K-12, and on line C, any correctional facility constructed. This building will have a masonry base and metal wall panels with a standing-seam sloped metal roof. The recreation space will include indoor and outdoor space to include a soccer field with running track and basketball courts. There is an existing Upstate Evaluation Center, constructed in 1997, located on the 17 acre property that will also continue to be used as part of the Upstate Regional Center but it will not be renovated in this project. The agency estimates total project costs at \$3,676,286. The agency anticipates execution of the construction contract is September 2018 and completion of construction in September 2021.

Establish Construction Budget & Revise Scope

- (k) Summary 1-2019: JBRC Item 14. (H73) Vocational Rehabilitation Department Project: 9614, Oconee Pickens VR Center Expansion & Roof Replacement
Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 5 in FY19 (estimated at \$1,900,000) &
2018 CPIP Priority 1 of 2 in FY19 (estimated at \$3,069,358)
Admin. Phase I Approval: October 2017

CHE Recommended Approval: N/A

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<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY16-17 Capital Reserve	28,500.00	0.00	28,500.00	771,500.00	800,000.00
Federal, State Vocational Rehabilitation Grant	0.00	0.00	0.00	2,269,358.00	2,269,358.00
All Sources	<u>28,500.00</u>	<u>0.00</u>	<u>28,500.00</u>	<u>3,040,858.00</u>	<u>3,069,358.00</u>

Funding Source: \$28,500 FY16-17 Capital Reserve Funds. \$2,269,358 Federal, State Vocational Rehabilitation Funds, which are grant funds received to be used in the provision of VR services.

Request: Revise the scope of work and increase budget to \$3,069,358 (add \$771,500 FY16-17 Capital Reserve Funds and \$2,269,358 Federal, State Vocational Rehabilitation Grant Funds) for the design and construction of a 8,200 square foot addition and a 1,407 square foot renovation to the existing VR Center with production area space, offices, classrooms, and a renovated conference room. The Phase I scope of work included the design and construction of an 8,100 square foot addition to the existing Work Training Center with production area space, clean work room, offices, and storage. The Phase II request includes an additional 100 square feet for the addition, and renovations to 1,407 square feet of the existing VR Center. Additional offices and classroom spaces are now also needed to expand their services under WIOA (Workforce Innovation and Opportunity Act), which is their new federal regulation. One of the existing classrooms is presently being used as offices. It is now necessary to renovate a portion of the existing area office and to add the needed offices and classrooms in addition to the production space increase. Adequate space does not presently exist to perform the increase in contract work and to provide the required training. The addition is needed to increase capacity to serve the growing client population in this region, as well as, to increase the types of subcontract work necessary to train clients for competitive employment. The Job Readiness Training Center has experienced significant growth over the last 10 years and several contracts with local companies had to be turned down due to the

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

limited floor space available to stage and perform contract work. Average client daily attendance has gone from just over 38 clients to 55 clients a day. The number of clients served has gone from 191 to 253. Limited office space has resulted in sharing offices for the 26 staff, and the center needs classroom spaces for adult education and job preparedness instruction. A total roof replacement of the existing 29 year old 20,000 square foot built up roof and application of roof insulation and styrene-butadiene-styrene (SBS) smooth granular surfaced modified bitumen roofing system with associated flashings and metal work remains part of this project. Removal of asbestos roofing and flashing materials may be required. The new roofing system will include a 20 year warranty. The agency estimates total project costs at \$3,069,358. (See attachment 7 for additional annual operating costs.) The agency anticipates execution of the construction contract in January 2019 and completion of construction in November 2019.

Phase II Increase

- (1) Summary I-2019: JBRC Item 15. (H09) The Citadel
 Project: 9612, Bastin Hall – School of Business
 Included in Annual CIP: Yes – 2018 CIP Priority 1 of 4 in FY19
 (estimated at \$25,840,000)
 JBRC/SFAA Phase I Approval: October 2014 (estimated at \$17,000,000)
 JBRC/SFAA Phase II Approval: August 2016 (estimated at \$20,200,000)
 CHE Recommended Approval: 8/2/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Citadel Foundation Gift	250,000.00	19,950,000.00	20,200,000.00	5,640,000.00	25,840,000.00
All Sources	<u>250,000.00</u>	<u>19,950,000.00</u>	<u>20,200,000.00</u>	<u>5,640,000.00</u>	<u>25,840,000.00</u>

AGENCY: Department of Administration, Capital Budget Office

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Funding Source: \$25,840,000 Other, Citadel Foundation Gift Funds, which are a combination of donations and bonds issued by The Citadel Foundation. The source of repayment for the bonds will be donations received by The Citadel Foundation.

Request: Increase budget to \$25,840,000 (Other, Citadel Foundation Gift Funds) to cover higher than expected market costs in Charleston to complete the project. This market condition produced three (3) contractor bids that exceeded the project budget, and also exceeded the 10% which would have allowed The Citadel to negotiate with the lowest responsible bidder. The project will construct a new 45,320 square foot facility to house the Tommy & Victoria Baker School of Business, which is currently housed in Bond Hall. The new building will be located to the south of Bond Hall and The Citadel's Human Resources building. The project has been designed to meet Two Green Globes Certification with anticipated energy savings of \$610,263.95 over a 30 year period. The facility will be a three-story steel frame building constructed on Citadel property along Haygood Avenue as you approach Haygood Gate. The facility will include 6 flat classrooms, 2 tiered classrooms, group study rooms, financial services lab, innovation technology lab, 40 administration and faculty offices, and a 2,100 square foot common area to support collaboration among students, faculty, and visitors. The building is the first completely new academic facility to be constructed on the campus since 1974 and will comply with all standards for a 21st century academic facility. The School of Business houses the largest undergraduate major and a graduate program with an approximate 668 day and 69 evening undergraduate students, 210 MBA students, and 40 faculty and staff. Once the School of Business currently housed in Bond Hall relocates to the new building, it is planned for the Zucker School of Education to move out of Capers Hall and backfill the vacated space in Bond Hall. The agency estimates total project costs at \$25,840,000. (See attachment 8 for additional annual operating costs.) The agency anticipates execution of the construction contract in November 2018 and completion of construction in June 2020.

- (m) Summary 1-2019: JBRC Item 16. (P24) Department of Natural Resources
Project: 9966, Richland-Wateree Range Improvements
Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 15 in FY19 (estimated at \$1,522,274)
JBRC/SFAA Phase I Approval: April 2017 (estimated at \$900,000)
JBRC/SFAA Phase II Approval: August 2017 (estimated at \$957,829)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative</u>	<u>Current Budget</u>	<u>Current</u>	<u>Total Budget After Current Adjustment</u>
		<u>Changes Since Original Budget</u>		<u>Budget Adjustment Requested</u>	
Federal	13,500.00	944,329.00	957,289.00	564,445.00	1,522,274.00
All Sources	<u>13,500.00</u>	<u>944,329.00</u>	<u>957,289.00</u>	<u>564,445.00</u>	<u>1,522,274.00</u>

Funding Source: \$1,552,284 Federal Grant Funds from the US Fish Wildlife Service – Wildlife Restoration funds as provided for through the Pittman Robertson Act

Request: Increase the project budget by \$564,445 to \$1,552,274. The agency originally completed pre-design and design work based on estimates from a similar project constructed in Charleston County (Twin Ponds Rifle Range) in fiscal year 2016-17. Bids for the project were higher than originally estimated: \$106,385 versus original estimate of \$63,500 in professional services fees; \$1,326,158 versus original estimate of \$774,040 in site development costs; and \$132,616 versus original estimate of \$77,404 as a contingency. The agency attributes the increase in costs to a business climate with significant demand for construction services, along with an abundance of work that has resulted from natural disasters in recent years. The project is designed to provide a safe area for constituents to participate in recreational shooting or to practice shooting prior to hunting, an area that the agency can utilize for training for hunter education students, and recruitment for hunters and recreational shooters. The project involves the renovation of the existing 100-yard rifle range; 25-yard pistol range that includes construction of impact and containment berms; covered firing line sheds; range office; road and parking lot improvements; trap bunkers; and ADA access to each range and skeet/trap fields. All components are designed to bring the facility into compliance with ADA requirements and safety standards of the National Rifle Association and the South Carolina Department of Natural Resources. The agency expects to begin construction in October, 2018 with completion in March, 2019, and estimates total project costs at \$1,522,274.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (n) Summary 1-2019: JBRC Item 17. (P28) Department of Parks, Recreation & Tourism
Project: 9762, Welcome Center Rebuild - Dillon
Included in Annual CPIP: Yes – 2016 CPIP Priority 2 of 10 in FY18 (estimated at \$4,500,000)
Admin. Phase II Approval: February 2017 (estimated at \$4,000,000)
Admin. Phase II Budget Increase (Transfer from Projects 9669 & 9741) Approval: June 2017 (estimated at \$4,138,498.34)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY16 Capital Reserve	4,000,000.00	0.00	4,000,000.00	0.00	4,000,000.00
Appropriated State, Tourism Sales	0.00	96,305.60	96,305.60	0.00	96,305.60
Other, Motion Picture Incentive	0.00	42,192.74	42,192.74	1,038,045.00	1,080,237.74
All Sources	<u>4,000,000.00</u>	<u>138,498.34</u>	<u>4,138,498.34</u>	<u>1,038,045.00</u>	<u>5,176,543.34</u>

Funding Source: \$4,000,000 FY16 Capital Reserve. \$96,305.60 Appropriated State, Tourism Sales. \$1,080,237.74 Other, Welcome Center Restricted, which are funds provided by Proviso 49.8 from FY14, and can be used by the department for capital improvements to the state's Welcome Centers, for deferred maintenance and capital projects at state parks, and for marketing/advertising.

Request: Increase budget to \$5,176,543.34 (FY16 Capital Reserve, Appropriated State, Tourism Sales and Other-Motion Picture Incentive Funds) to cover the lowest bid plus three alternates provided in the original bid, with allowances for IT infrastructure and furnishings. The scope of work for this project is to replace the existing Welcome Center in Dillon County along with associated site work. The Dillon center was built in 1971 and is 5,000 square feet. It is one of the busiest centers in the state. In 2003 a new section of restrooms were added to accommodate the visitors; work and storage areas were reconfigured and enlarged and the reception area was remodeled. SCPRT hopes to keep the center open during the construction process,

AGENCY: Department of Administration, Capital Budget Office

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however that will have to be determined during the planning, development and construction process. The new facility will be 8,323 square feet. This center was selected due to the visitation numbers and evaluation by staff for much needed changes in the reception area. New facilities will better meet the needs of the travelers and staff assisting with information and reservation services. The agency estimates total project costs at \$5,176,543.34. (See attachment 9 for additional annual operating costs.) The agency anticipates execution of the construction contract in October 2018 and completion of construction in August 2019.

- (o) Summary 1-2019: JBRC Item 18. (P28) Department of Parks, Recreation & Tourism
 Project: 9764, State Park Piers Repair
 Included in Annual CIP: Yes – 2016 CIP Priority 3 of 10 in FY18
 (estimated at \$2,200,000)
 Admin. Phase II Approval: May 2017 (estimated at \$2,200,000)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY17 Appropriated State, Proviso 118.16 nonrecurring	2,200,000.00	0.00	2,200,000.00	0.00	2,200,000.00
Other, Insurance Reserve	0.00	0.00	0.00	890,525.88	890,525.88
All Sources	<u>2,200,000.00</u>	<u>0.00</u>	<u>2,200,000.00</u>	<u>890,525.88</u>	<u>3,090,525.88</u>

Funding Source: \$2,200,000 FY16-17 Appropriated State, Proviso 118.16 (nonrecurring). \$890,525.88 Other, Insurance Reserve, which are funds received for facility damages.

Request: Increase budget to \$3,090,525.88 (FY17 Appropriated State & Other, Insurance Reserve Funds) to add insurance proceeds due to damage incurred to the facilities from hurricane impact. The pier project repairs are also now projected to cost more due to damages sustained during

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

the storm events. What was initially a repair of the dock at Edisto Beach is now completely replacing the entire structure that has been damaged beyond repair due to storm damage. Also, upon beginning the project, it was discovered that pilings at Myrtle Beach that had previously appeared to be adequate, have now been found to be infected with sea worms upon inspection, and will have to be replaced, as well as, the need to replace more hardware than originally believed. As this project progresses, there will also be future budget increases requested for this project as project repairs are completed that are eligible for approximately \$700,000 to \$800,000 in FEMA reimbursements. Age and usage have deteriorated these facilities making repairs necessary for continued operation and visitor safety. The agency estimates total project costs at \$3,090,525.88. The agency anticipates execution of the construction contract in August 2018 and completion of construction in June 2019.

AUTHORITY ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet and attachments

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H59 Name Northeastern Technical College

2. PROJECT Project # 6130 Name NETC - Cheraw Campus Renovations

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)	\$	\$	\$ 12,000.00	\$ 12,000.00
2)	\$	\$	\$ 12,000.00	\$ 12,000.00
3)	\$	\$	\$ 12,000.00	\$ 12,000.00

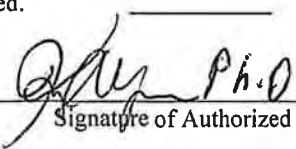
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 Tuition Revenue

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. Utilities		\$12,000.00
2.		
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$12,000.00

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:  Ph.D. 05/21/2018
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code E24 Name Office of the Adjutant General
2. PROJECT 9812 Project # Name Statewide Female Latrine Renovations

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) 2018	\$ 1,500.00	\$ 1,500.00	\$ 0.00	\$ 3,000.00
2) 2019	\$ 1,500.00	\$ 1,500.00	\$ 0.00	\$ 3,000.00
3) 2020	\$ 1,500.00	\$ 1,500.00	\$ 0.00	\$ 3,000.00

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

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

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

COST FACTORS		AMOUNT
1. Utilities (per facility)		\$2,000.00
2. Maintenance & Repairs (per facility)		1,000.00
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$3,000.00

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

9. Submitted By: Michael J Young Michael J Young, State Contracting Officer
 Signature of Authorized Official and Title

June 28, 2018
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H59 Name Greenville Technical College
2. PROJECT Project # 6136 Name Greenville - Benson Campus Amphitheater and Student Plaza

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) 18 - 19	\$ 3,000.00	\$	\$	\$ 3,000.00
2) 19 - 20	\$ 3,000.00	\$	\$	\$ 3,000.00
3) 20 - 21	\$ 3,000.00	\$	\$	\$ 3,000.00

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

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

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. Utilities and grounds maintenance.		\$3,000.00
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$3,000.00

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: Bill Tripp Bill Tripp Eng./Assoc. Eng. III 6-29-2018
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code J12 Name South Carolina Department of Mental Health

2. PROJECT Project # 9737 Name State Veterans' Nursing Home Construction Central Region

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) 2022	\$ 4,901,715.00	\$ 6,172,934.00	\$ 1,055,306.00	\$ 12,129,955.00
2) 2023	\$ 5,048,767.00	\$ 6,358,122.00	\$ 1,086,965.00	\$ 12,493,854.00
3) 2024	\$ 5,200,229.00	\$ 6,548,866.00	\$ 1,119,574.00	\$ 12,868,669.00

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?

Additional State appropriations.

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

COST FACTORS

AMOUNT

1. Contractor Operation Costs	\$12,129,955.00
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____

TOTAL

\$12,129,955.00

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

Signature of Authorized Official and Title

06/28/2018

Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code J12 Name South Carolina Department of Mental Health

2. PROJECT Project # 9739 Name State Veterans' Nursing Home Construction Northeast Region

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) 2022	\$ 4,973,282.00	\$ 6,172,934.00	\$ 983,739.00	\$ 12,129,955.00
2) 2023	\$ 5,122,480.00	\$ 6,358,122.00	\$ 1,013,252.00	\$ 12,493,854.00
3) 2024	\$ 5,276,154.00	\$ 6,548,866.00	\$ 1,043,649.00	\$ 12,868,669.00

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

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

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.	Contractor Operation Costs	\$12,129,955.00
2.		
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$12,129,955.00

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 06/28/2018
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code J12 Name South Carolina Department of Mental Health

2. PROJECT Project # 9740 Name State Veterans' Nursing Home Construction Northwest Region

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) 2022	\$ 4,973,282.00	\$ 6,172,934.00	\$ 983,739.00	\$ 12,129,955.00
2) 2023	\$ 5,122,480.00	\$ 6,358,122.00	\$ 1,013,252.00	\$ 12,493,854.00
3) 2024	\$ 5,276,154.00	\$ 6,548,866.00	\$ 1,043,649.00	\$ 12,868,669.00

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

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



YES



NO

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. Contractor Operation Costs	\$12,129,955.00
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$12,129,955.00

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
Signature of Authorized Official and Title

06/28/2018

Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H73 Name SC Vocational Rehabilitation Department
2. PROJECT Project # 9614 Name Oconee/Pickens VR Center Expansion & Reroofing

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) 2020	\$	\$ 8,000.00	\$	\$ 8,000.00
2) 2021	\$	\$ 12,000.00	\$	\$ 12,000.00
3) 2022	\$	\$ 12,000.00	\$	\$ 12,000.00

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. Utilities		\$8,000.00
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$8,000.00

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

9. Submitted By: Denise F. King, CFO 6-27-18
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H09 Name The Citadel

2. PROJECT Project # 9612 Name Bastin Hall - School of Business

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) 2021-2022	\$ 135,520.00	\$	\$	\$ 135,520.00
2) 2022-2023	\$ 150,870.00	\$	\$	\$ 150,870.00
3) 2023-2024	\$ 170,000.00	\$	\$	\$ 170,000.00

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?
 If no, how will additional funds be provided?



YES



NO

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. Utilities		\$41,650.00
2. Insurance		18,870.00
3. Maintenance		50,000.00
4. Supplies		25,000.00
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$135,520.00

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

9. Submitted By: *Charles Cansler* FOX
 Signature of Authorized Official and Title

6-25-18
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code P28 Name South Carolina Department of Parks, Recreation & Tourism
2. PROJECT Project # 9762 Name Welcome Center Rebuild-Dillon

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) 2019/2020	\$	\$	\$ 18,000.00	\$ 18,000.00
2) 2020/2021	\$	\$	\$ 18,000.00	\$ 18,000.00
3) 2021/2022	\$	\$	\$ 18,000.00	\$ 18,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 SCPRT manages the operations of the state's nine welcome centers on behalf of the SCDOT through a MOU. The funds transferred from SCDOT to SCPRT for this purpose are the financing source.

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. Improved building efficiency and updated HVAC		\$12,000.00
2. Updated plumbing fixtures decrease water/sewer usage		6,000.00
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$18,000.00

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: Ashley Berry Ashley Berry - Chief of Budget and Revenue
 Signature of Authorized Official and Title

6/21/18
 Date

Permanent Improvement Project Information for August 21, 2018 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Phase I		Included in CIP	Total Projected Project Cost
		Approved Budget	Original Approval	Original Approval	Phase I Amount	Phase I Approval	Phase I Amount		
H27-6126	LeConte College Maintenance Renovation	N/A	N/A	N/A	\$225,000.00	N/A		Yes	\$15,000,000.00
H29-9555	USC Aiken Scholars Academy Renovation	N/A	N/A	N/A	\$37,500.00	N/A		Yes	\$2,500,000.00
H59-6142	NETC - Cheraw Campus Renovation	N/A	N/A	N/A	\$185,147.29	N/A		Yes	\$3,685,147.29
E24-9812	Statewide Readiness Center Female Latrines	N/A	N/A	N/A	\$500,000.00	N/A		Yes	\$2,233,435.00
H59-6136	Greenville - Benson Campus Amphitheater and Student Plaza	\$37,500.00	1/30/18	1/30/18	\$37,500.00	1/30/18		Yes	\$2,901,701.00
J12-9737	State Veterans' Nursing Home Construction Central Region	\$1,000,000.00	1/27/15	1/27/15	\$1,000,000.00	1/27/15		Yes	\$54,100,000.00
J12-9739	State Veterans' Nursing Home Construction Northeast Region	\$1,250,000.00	3/18/15	3/18/15	\$1,250,000.00	3/18/15		Yes	\$55,300,000.00
J12-9740	State Veterans' Nursing Home Construction Northwest Region	\$1,250,000.00	3/18/15	3/18/15	\$1,250,000.00	3/18/15		Yes	\$56,800,000.00
N12-9606	Coastal Regional Center	\$142,500.00	12/12/17	12/12/17	\$314,212.50	12/12/17		Yes	\$3,676,286.00
N12-9607	Upstate Regional Center	\$300,000.00	12/12/17	12/12/17	\$300,000.00	12/12/17		Yes	\$3,676,286.00
H73-9614	Oconee/Pickens VR Center Expansion & Reroofing	\$28,500.00	10/23/17	10/23/17	\$28,500.00	10/23/17		Yes	\$3,069,358.00
H09-9612	Bastin Hall - School of Business	\$250,000.00	10/14/14	10/14/14	\$250,000.00	10/14/14		Yes	\$25,840,000.00
P24-9966	Richland - Wateree Range Improvements	\$13,500.00	5/1/17	5/1/17	\$13,500.00	5/1/17		Yes	\$1,522,274.00
P28-9762	Welcome Center Rebuild - Dillon	\$4,000,000.00	2/13/17	2/13/17	\$4,000,000.00	2/13/17		Yes	\$5,176,543.34
P28-9764	State Park Piers Repair	\$2,200,000.00	5/16/17	5/16/17	\$2,200,000.00	5/16/17		Yes	\$3,090,525.88

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

Item (a) – University of South Carolina - Columbia – LeConte College Maintenance Renovation

The source of funds for pre-design is Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital projects.

The source of funds for construction is anticipated to be Institutional Capital Project Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (b) – University of South Carolina – Aiken – USC Aiken Scholars Academy Renovation

The source of funds for pre-design is Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

The source of funds for construction is anticipated to be State Appropriations and Institutional Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (c) – Northeastern Technical College – NETC – Cheraw Campus Renovation

The source of funds for pre-design is NETC Reserves and NETC Capital Fees.

The source of funds for construction is anticipated to be State Appropriations.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (e) – Greenville Technical College – Greenville-Benson Campus Amphitheater and Student Plaza

The source of funds for construction is Private Citizen Donation Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (l) – The Citadel – Bastin Hall – School of Business

The source of funds for construction is Citadel Foundation Gift Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Exemption for Locum Tenens Providers of Dentists, Medical Doctors, Psychiatrists, Nurses (APRNs, RNs, and LPNs), Pharmacists, Physical Therapists, and Physician's Assistants

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code (Code).

On September 13, 1982, the Budget and Control Board (Board) exempted the procurement of Dentists, Medical Doctors, Psychiatrists, Optometrists, RNs, and LPNs from the purchasing procedures of the Code. On March 22, 1983, the Board exempted the procurement of Physical Therapists from the purchasing procedures of the Code. Since the inception of these exemptions, the manner in which licensed health professionals seek jobs has changed. For a variety of personal reasons (travel opportunities, varied clinical experience, schedule flexibility, extra income, etc.) many of these professionals work for Locum Tenens providers (temporary healthcare employment agencies). Moreover, they move from agency to agency for better employment opportunities. As a result of these dynamics, healthcare providers may end up calling multiple Locum Tenens providers to find qualified staff to meet their needs.

The Division of Procurement Services has investigated the possibility of statewide contracts with Locum Tenens providers for these services but has determined that due to the variety of and differing needs of the various State agencies that use these services, the reasons set forth above, and the resulting fluctuating market volatility, such a contract is not practical. For the same reasons, it is not practical for each agency to individually solicit and contract with Locum Tenens providers using the purchasing procedures of the Code.

For the forgoing reasons, the Departments of Mental Health, Corrections, Juvenile Justice, and Education request an exemption from the purchasing procedures of the Code for the procurement of the services of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants through Locum Tenens providers. The agencies requests are included as part of this agenda item.

AUTHORITY ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, approve the requests of the Departments of Mental Health, Corrections, Juvenile Justice, and Education for an exemption from the purchasing procedures of the Code for the procurement of the services of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants through temporary healthcare employment agencies (e.g. *Locum Tenens* providers).

Agencies shall submit annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall expire in five years unless reauthorized by the Authority.

ATTACHMENTS: Agenda item worksheet; Sections 11-35-710; Requests from the Departments of Mental Health, Corrections and Juvenile Justice, the Department of Education

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: August 21, 2018

Green Agenda

1. Submitted by:

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


John St. C. White
Materials Management Officer

2. Subject:

Procurement Exemption for Locum Tenens providers of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants.

3. Summary Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code (Code).

On September 13, 1982, the Budget and Control Board (Board) exempted the procurement of Dentists, Medical Doctors, Psychiatrists, Optometrists, RNs, and LPNs from the purchasing procedures of the Code. On March 22, 1983, the Board exempted the procurement of Physical Therapists from the purchasing procedures of the Code. Since the inception of these exemptions, the manner in which licensed health professionals seek jobs has changed. For a variety of personal reasons (travel opportunities, varied clinical experience, schedule flexibility, extra income, etc.) many of these professionals work for Locum Tenens providers (temporary healthcare employment agencies). Moreover, they move from agency to agency for better employment opportunities. As a result of these dynamics, healthcare providers may end up calling multiple Locum Tenens providers to find qualified staff to meet their needs.

The Division of Procurement Services has investigated the possibility of statewide contracts with Locum Tenens providers for these services but has determined that due to the variety of and differing needs of the various State agencies that use these services, the reasons set forth above, and the resulting fluctuating market volatility, such a contract is not practical. For the same reasons, it is not practical for each agency to individually solicit and contract with Locum Tenens providers using the purchasing procedures of the Code.

For the forgoing reasons, the Departments of Mental Health, Corrections, Juvenile Justice, and Education request an exemption from the purchasing procedures of the Code for the procurement of the services of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants through Locum Tenens providers. The agencies requests are included as part of this agenda item.

4. What is Authority asked to do?

Under authority of S.C. Code Section 11-35-710, the Departments of Mental Health, Corrections, Juvenile Justice, and Education ask the Authority to approve their request for an exemption from the purchasing procedures of the Code for the procurement of the services of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants through temporary healthcare employment agencies (e.g. *Locum Tenens* providers).

Agencies shall submit annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall expire in five years unless reauthorized by the Authority.

5. What is recommendation of Authority division involved?

As requested by the Departments of Mental Health, Corrections, Juvenile Justice, and Education , approve an exemption from the purchasing procedures of the Code for the procurement of the services of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants through Locum Tenens providers.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

A - Sections 11-35-710

B – Requests from the Departments of Mental Health, Corrections and Juvenile Justice, the Department of Education

Exhibit A

SECTION 11-35-710. Exemptions.

The board, upon the recommendation of the designated board office, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:

- (1) the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by the Department of Transportation or the Department of Public Safety;
- (2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;
- (3) South Carolina State Ports Authority;
- (4) Division of Public Railways of the Department of Commerce;
- (5) South Carolina Public Service Authority;
- (6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;
- (7) livestock, feed, and veterinary supplies;
- (8) articles for commercial sale by all governmental bodies;
- (9) fresh fruits, vegetables, meats, fish, milk, and eggs;
- (10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;
- (11) published books, periodicals, and technical pamphlets;
- (12) South Carolina Research Authority;
- (13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;
- (14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision.

HISTORY: 1981 Act No. 148, Section 1; 1984 Act No. 309, Section 4; 1993 Act No. 181, Section 94; 1995 Act No. 7, Part II, Section 51; 1996 Act No. 459, Section 7; 1997 Act No. 153, Section 1; 2000 Act No. 264, Section 4; 2006 Act No. 376, Section 13.



State of South Carolina *Department of Mental Health*

MENTAL HEALTH COMMISSION:

Alison Y. Evans, PsyD, Chair
Everard Rutledge, PhD, Vice Chair
Beverly Cardwell
Louise Haynes
Bob Hiott, MEd
J. Buxton Terry
Sharon L. Wilson

2414 Bull Street • P.O. Box 485
Columbia, SC 29202
Information: (803) 898-8581

John H. Magill
State Director of Mental Health

May 29, 2018

State Fiscal Accountability Authority
Procurement Services Division
C/o John White- Office Director
1201 Main Street, Suite 600
Columbia, SC 29201

Mr. White,

The South Carolina Department of Mental Health (SCDMH) provides care and treatment to over 100,000 patients annually, through its network of community mental health centers, licensed hospitals, and nursing care facilities. As one of the largest healthcare systems in South Carolina, the agency requires a large number of licensed professional medical staff to include physicians (Psychiatrists, General Practitioners), nurses (APRNs, RNs, and LPNs), and ancillary medical staff (Pharmacists, Physical Therapists, Dentists, Physicians Assistants). As you know, the direct procurement of these services is considered exempt from the regulations of the South Carolina Consolidated Procurement Code under various exemptions that have been in place for many years.

Since the inception of these exemptions, the manner in which licensed health professionals seek jobs has changed. For a variety of personal reasons -- schedule flexibility, variety of experiences, travel, or income -- many of these professionals work for temporary employment agencies or Locum Tenens providers. In practice, the Materials Management and Audit and Certification Offices have for many years permitted the use of the existing exemptions by SCDMH and other State agencies to contract for medical personnel through companies which provide health professionals on a temporary and as needed basis. SCDMH now depends upon the health professionals provided through agreements with temporary medical staff providers -- in addition to its full, part-time and temporary employees, and individual health professional

MISSION STATEMENT

To support the recovery of people with mental illnesses.

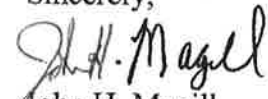


contractors -- in order to have sufficient types and numbers of clinical staff to care for the over 850 patients and residents within its State hospitals and directly operated nursing homes, and meet the needs of the tens of thousands of patients of its 60 outpatient mental health clinics. As the need for, and the number of, contracts with companies which supply temporary health professionals continues to increase, the Department requests that Procurement Services seek exemptions to expressly cover these services agreements.

The Statewide and nationwide shortages of psychiatrists and other physicians, nurses and many other licensed health care professionals has already adversely affected a number of State agencies. Given the current and increasing disparity between the number of needed psychiatrists, nurses and other health professionals and their availability, it is critical that State agencies have continued flexibility in utilizing all available options to recruit needed health professionals, including contracting with temporary medical staffing agencies and Locum Tenens providers.

Please advise of any further information that you may need from SCDMH and of any assistance that I or my staff can provide.

Sincerely,


John H. Magill,
State Director

cc: Mark W. Binkley, Deputy Director, Division of Administrative Services
Robert Bank, M.D., Director, Medical Affairs
Stephen Pullie, Procurement Director



HENRY McMASTER, Governor
BRYAN P. STIRLING, Director

June 21, 2018

Mr. John White, Office Director and State Engineer
State Fiscal Accountability Authority
Procurement Service Division
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Mr. White,

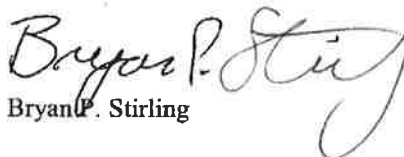
The South Carolina Department of Corrections (SCDC) provides medical care and treatment to over 19,000 inmates that are housed throughout SCDC's twenty-one institutions. SCDC respectfully requests that the current Procurement Code Exemption for Professional Services for Medical Services be expanded to include temporary staffing agencies for psychiatrists, general practitioners, registered nurses, licensed practical nurses, certified nursing assistants, dentist and dental assistants. Expanding this exemption will allow our agency to provide medical services to our inmates while maintaining oversight and accountability of contract providers.

Since the inception of these exemptions, the manner in which licensed health professionals seek employment has changed. Many of these medical professionals work for temporary agencies due to: schedule flexibility, variety of experiences, insurance, billing, clinical supervision, travel and income. SCDC and other state agencies now depend upon the health professionals provided through agreements with temporary staffing agencies in order to provide medical services to SCDC inmates. Approximately 32% of SCDC medical professionals are provided through agreements with temporary staffing agencies.

If the current exemption is expanded SCDC would establish a standard medical services contract and will use this base contract to establish agreements with each temporary staffing agency for medical professionals that will provide services at SCDC institutions. An expanded exemption would allow SCDC both the flexibility to obtain services in a timely manner, when and where the services are needed, while also holding contractors accountable with a consistent set of requirements for all agencies.

Thank you in advance for your consideration of this request.

Sincerely,


Bryan P. Stirling

BPS/ndh



South Carolina
DEPARTMENT OF
JUVENILE JUSTICE
Freddie B. Pough, Director

P.O. Box 21069
Columbia, SC 29221-1069

www.state.sc.us/djj



Henry McMaster
Governor
State of South Carolina

May 30, 2018

Mr. John White, PE
Office Director and State Engineer
State Fiscal Accountability Authority – Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

**RE: EXPANSION OF PROCUREMENT CODE EXEMPTION
FOR PROFESSIONAL SERVICES**

Dear Mr. White:

The South Carolina Department of Juvenile Justice (DJJ) respectfully requests that the current Procurement Code exemptions for Professional Services for medical services be expanded to include temporary staffing agencies for nurses. Expanding this exemption will allow our agency to provide required medical services to our youth, while maintaining oversight and accountability of contract providers.

Current Procurement Code exemptions apply only to direct contracts with physicians and other licensed healthcare providers. However; unlike physicians, it is not feasible to contract with individual nurses; due to a variety of reasons such as insurance, billing, and clinical supervision. Therefore; state agencies must obtain nursing services through temporary staffing agencies for nurses. DJJ utilizes contracted nurses to fill between 20-40 percent of required nursing hours. This percentage of utilization is consistent with other state agencies, such as S.C. Department of Corrections and S.C. Department of Mental Health.

In January 2018, DJJ Procurement and Health Services staff met with the State Procurement Office, along with representatives from S.C. Department of Corrections, S.C. Department of Mental Health, and other state agencies. During this meeting, State Procurement officials determined that establishing a statewide nursing services contract was not in the best interest of the State; due to the varied requirements of the different state agencies requiring contracted nursing services.

Office of the Director
Synergy Business Park, Winthrop Building
220 Executive Center Drive, Columbia, SC 29210
Telephone: 803-896-5940

Mr. John White, PE
May 30, 2018
Page Two

If this exemption is approved, DJJ will establish a standard nursing services contract, and will use this base contract to establish agreements with each temporary staffing agency for nurses that will provide services at DJJ facilities. An expanded exemption will allow DJJ both the flexibility to obtain services in a timely manner, when and where services are needed, while also holding contractors accountable with a consistent set of requirements.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Freddie B. Pough", enclosed within a blue oval.

Freddie B. Pough
Director

FBP/pt

Attachment

White, John

From: Montgomery, Elsie S <EMontgomery@ed.sc.gov>
Sent: Thursday, April 19, 2018 3:14 PM
To: White, John
Subject: FW: Justification for Procurement Code Exemption for Nursing Services

See request below for exemption justification from the SC Governor's School for the Arts and Humanities

From: John Warner [<mailto:johnwarner@scgsah.org>]
Sent: Thursday, April 19, 2018 2:44 PM
To: Montgomery, Elsie S
Cc: Ginny Wurz; Burns, Matthew; Allen, Julie
Subject: Justification for Procurement Code Exemption for Nursing Services

Hello Elsie,

The SC Governor's School for the Arts and Humanities (SCGSAH) supports obtaining an exemption to the Procurement Code for contracts for nursing services. We believe contracts for nursing services for our residential high schools should be exempted in the same manner as professional services for individual nurses and many other professional services. Additionally, SCGSAH believes contracting with nursing service providers for our residential schools is analogous, with many of the same considerations, to the current DHEC exemption for Home Health Services (1995.01.10).

SCGSAH enrollment is about 240 resident sophomore, junior and senior high school students, mostly minors, living in our residence hall and on campus day and night during the residential school year. We have a full time employee nurse on duty during the weekday work hours. We wish to contract with a nursing service of our choice for weekday evening and weekend nurses. SCGSAH requests the exemption to choose the nursing services contractor due to the health, safety, confidentiality, continuity and often sensitive issues that arise with health services, particularly among high school students.

Specifically some of the needs are:

- Registered nurses only
- Knowledge of general first aid
- Some emergency medical treatment, and ability to readily obtain such treatment
- Pediatric experience
- Dealing with adolescents
- Must have some knowledge and experience with mental health issues
- Good problem solving skills and ability to work without supervision
- No new nursing graduates
- Emergency coverage if a regular nurse is absent

Low or no turnover. Students benefit from continuity and familiarity with the nurses.

SCGSAH believes that competitive bidding for nursing service contract will not result in quality, consistent care for our students, and requests the exemption.

John J. Warner
Vice President, Finance and Administration

SC Governor's School for the Arts and Humanities
15 University Street
Greenville, SC 29601
(864) 282-3738
JohnWarner@scgsah.org

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STATE OF SOUTH CAROLINA

DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN

STATE SUPERINTENDENT OF EDUCATION

August 9, 2018

John White
Office Director and State Engineer
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia SC 29201me»

Dear Mr. White:

Per our conversation via email on July 13, 2018, I am requesting to change/amend the request from John Warner of the Governor's School for Arts and Humanities (GSAH) to exempt from the procurement code services of Locum Tenens providers of dentists, medical doctors, psychiatrists, nurses (APRNs, RNs, and LPNs), pharmacists, physical therapists, and physician's assistants. I would like the Department of Education to exempt; to include the Governor's School for Arts and Humanities (GSAH), the Governor's School for Science and Mathematics (GSSM) and the Office of First Steps (OFS).

I feel that SCDE as a whole would benefit greatly from this exemption. The change will allow our agency to provide the medical services required for our youth in a timely manner to include weekends and/or holidays if needed.

Sincerely,

Elsie Montgomery
Director of Procurement

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 21, 2018

REGULAR SESSION
ITEM NUMBER 7

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, October 23, 2018, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, October 23, 2018, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: