

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, December 13, 2022 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

<i>AGENDA INDEX</i>		
<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A. ADOPTION OF PROPOSED AGENDA		
B. MINUTES OF PREVIOUS MEETINGS		
C. REGULAR SESSION		
1.	State Treasurer's Office	Bond Counsel Selection
2.	SC Department of Commerce	Final Land Acquisition to acquire Campus three (3) at the Camp Hall Industrial Park in Berkeley County and Ground Lease of Real Property
3.	SC Department of Commerce	N/E \$226,000,000 General Obligation State Economic Development Bonds of the State of South Carolina and the issuance and sale of notes in anticipation of the issuance of the bonds
4.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
5.	Department of Administration, Facilities Management and Property Services	South Carolina Election Commission Lease at 1122 Lady Street, Columbia SC
6.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Social Services Lease of 3346 Rivers Avenue, North Charleston, SC 29405
7.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Social Services Lease of 1628 Browning Road, Suite 100, Columbia, SC
8.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Social Services Lease of 1628 Browning Road, Suite 200, Columbia, SC

STATE FISCAL ACCOUNTABILITY AUTHORITY
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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
9.	Department of Administration, Real Property Services	Coastal Carolina University Emergency Housing Leases
10.	Division of Procurement Services	Audit and Certification – Midlands Technical College
11.	Patriots Point Development Authority	Legal - Approval of settlement of Robert Patterson d/b/a Top Shelf Catering Company, LLC and Jefferey C. Swank Jr. d/b/a Vidorra Productions, LLC vs. Patriots Point Development Authority, 2021CP1000297
12.	Executive Director	Bank Account Transparency and Accountability
13.	Executive Director	Request for Carryforward Allocation of 2022 Private Activity Bond Ceiling
14.	State Fiscal Accountability Authority	Future Meeting

MEETING OF December 13, 2022

ITEM NUMBER 1, Page 1AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection**CONDUIT/OTHER ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$35,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2022; Bishop Gadsden Episcopal Retirement Community	Bishop Gadsden Episcopal Retirement Community Conduit: SCJEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Howell Linkous & Nettles – Alan Linkous and Sam Howell	10/19/2022
\$80,000,000; SC JEDA; SC Jobs-Economic Development Authority Revenue Bonds, Series 2023 - Affordable Housing Partners, Inc. - Lake Station, LLC	Affordable Housing Partners, Inc. - Lake Station, LLC Conduit: SCJEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Haynsworth Sinkler Boyd, P.A. – Kathy McKinney and Suyash Raiborde	11/2/2022
\$45,000,000; SC JEDA; Jobs-Economic Development Authority Revenue Bonds, Series 2022; Greenville Housing Fund - The Ivy Apartments	Greenville Housing Fund - The Ivy Apartments Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Nexsen Pruet – Laurie Becker	11/8/2022
\$35,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2022; Opportunity South Carolina - Windsor Shores Apartments	Opportunity South Carolina - Windsor Shores Apartments Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Joe Lucas	11/16/2022
\$35,000,000; SC JEDA; Jobs-Economic Development Authority Educational Facilities Revenue Bonds, Series 2022; Libertas Academies - Libertas Boiling Springs	Libertas Academies - Libertas Boiling Springs Conduit: SC JEDA	Howell Linkous & Nettles – Alan Linkous and Sam Howell	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	11/17/2022

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$226,000,000; General Obligation State Economic Development Bonds; Series 2023	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose	South Carolina Attorney General	11/2/2022

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 December 13, 2022 meeting:**

CONDUIT/OTHER ISSUES:

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\$226,000,000; General Obligation State Economic Development Bonds; Series 2023	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose	South Carolina Attorney General	11/2/2022

AGENCY: Department of Commerce

SUBJECT: Final Land Acquisition to acquire Campus three (3) at the Camp Hall Industrial Park in Berkeley County and Ground Lease of Real Property

South Carolina Department of Commerce (“Commerce”) and its Division of Public Railways (“Palmetto Railways”) request approval for two transactions in connection with a significant confidential economic development project known as “Project Drift”.

Palmetto Railways intends to acquire approximately 607 acres of real property known as Campus 3, Camp Hall Commerce Park in Berkeley County (the “Subject Property”) and subsequently lease the Subject Property to Project Drift for nominal consideration for development of a facility that processes components produced and used in the automotive and other industries. In addition to the foregoing, Commerce intends to fund certain related improvements and infrastructure as **outlined** in Attachment A-1 of the Certificate of the Secretary of the South Carolina Department of Commerce.

Commerce intends to fund the costs of the acquisition of the Subject Property, and to defray the costs of the related improvements and infrastructure from proceeds of the issuance and sale of not exceeding \$226,000,000 General Obligation State Economic Development Bonds (“State Bonds”), or notes issued in anticipation thereof.

Permanent Improvement Project

Commerce and Palmetto Railways request Phase II permanent improvement authorization for the project totaling \$225,000,000 to (1) fund acquisition of the Subject Property from the South Carolina Public Service Authority, at a negotiated purchase price of \$40,000,000; and (2) defray the costs of the related improvements and infrastructure. Funding for the permanent improvements will be made from the proceeds of the proposed State Bonds, or notes issued in anticipation thereof.

The property will be made available to Project Drift for implementation of the project pursuant to the terms of a ground lease more fully described below.

Ground Lease of Campus 3 in Berkeley County

Palmetto Railways requests approval of the proposed lease of the Subject Property to Project Drift pursuant to the terms of a nominal, long-term ground lease, the final terms of which will be subject to approval of the Real Property Services Division of the Department of Administration, provided the terms are not inconsistent with those set for the in this agenda item.

The initial term of the ground lease will begin after approval of the documents by Real Property Services and end on the second December 31 following the date of maturity of the Economic

AGENCY: Department of Commerce

SUBJECT: Final Land Acquisition to acquire Campus three (3) at the Camp Hall Industrial Park in Berkeley County and Ground Lease of Real Property

Development Bonds, or on December 31, 2043, should funding be made available in lieu of issuance of the Bonds. Project Drift will have one or more options to extend the ground lease for up to a maximum of 30 additional years; however, the ground lease will not extend beyond December 31, 2073, for a maximum term of 50 years.

The ground lease includes an option for Project Drift to purchase the property after the expiration of the initial term, provided Project Drift is not in default and has met or exceeded and maintained certain job and investment requirements. If the State Bonds are issued and Project Drift exercises the option to purchase, Project Drift will pay the purchase price paid by Palmetto Railways for the property without regard to the value of any improvements or increased property value over time. Alternatively, if funding is made available in lieu of issuing the State Bonds, the purchase price will be \$1.

The ground lease will be assignable by Project Drift so long as the assignee assumes Project Drift's job and investment requirements. The property subject to the ground lease may not be mortgaged; however, Project Drift may enter into one or more financing arrangements secured by Project Drift's interest in the ground lease. Such assignments or financing arrangements will require consent by the Division of Public Railways, not to be unreasonably withheld.

A pre-acquisition Phase I Environmental Assessment identified no evidence of recognized environmental conditions with respect to the Subject Property, and Project Drift must maintain liability insurance, including coverage for any release of contaminants or hazardous substances while the ground lease is effective. Upon expiration or termination of the ground lease and prior to surrender of the property, Palmetto Railways may perform a Phase I Environmental Site Assessment, and Project Drift will remain responsible for the property's compliance with all environmental laws, including any required remediation regarding the environmental condition of the property, for which Palmetto Railways assumes no liability. Project Drift must indemnify Palmetto Railways for any and all reasonable attorney's fees incurred in connection with defending any claims related to the environmental condition of the property.

Palmetto Railways and Project Drift have further agreed that, subject to requisite State approvals, Palmetto Railways may grant easements or rights of way necessary for road construction, utilities, or in such other instances as are necessary in the connection with the project.

Subsequent Approval Required

AGENCY: Department of Commerce

SUBJECT: Final Land Acquisition to acquire Campus three (3) at the Camp Hall Industrial Park in Berkeley County and Ground Lease of Real Property

Project Drift contemplates the construction of a rail spur from the to-be constructed Camp Hall Rail Line to the Project site and has expressed interest in additional acreage at the Camp Hall Industrial Park. Any future phases or property acquisitions will be subject to requisite State approvals prior to implementation.

AUTHORITY ACTION REQUESTED:

1. Pursuant to Chapter 47 of Title 2, approve Phase II of a Permanent Improvement Project for (a) final land acquisition by Palmetto Railways of title to an approximately 607-acre parcel owned by Santee Cooper and designated as Campus 3 in Camp Hall Industrial Park in Berkeley County and (b) for certain improvements and infrastructure as more fully described in the Description of Infrastructure included as Attachment A-1 of the Certificate of the Secretary of the South Carolina Department of Commerce.
2. Pursuant to Chapter 11 of Title 1, approve a nominal long-term ground lease by Palmetto Railways of Campus 3 to Project Drift, subject to approval by Real Property Services of the terms of a ground lease agreement between Palmetto Railways and Project Drift, provided the terms are not materially inconsistent with those set forth in the JBRC or SFAA agenda items.

ATTACHMENTS:

1. Agenda Item Worksheet for Permanent Improvement Project Phase II Land Acquisition and Full Construction Budget.
2. Agenda Item Worksheet for Ground Lease.
3. Letter dated November 23, 2022, of Ms. Karen Blair Manning, Chief Legal Counsel, South Carolina Department of Commerce.
4. Certificate of Secretary of Commerce Harry M. Lightsey III.

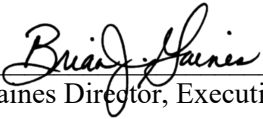
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted By:

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


Brian J. Gaines Director, Executive Budget Office

2. Subject:

Department of Commerce – Project Drift – ED Bonds

3. Summary Background Information:

Project: JBRC Separate Item: Department of Commerce
P32.9535: Project Drift – ED Bonds

Project: Department of Commerce
P32.9535: Project Drift – ED Bonds

Request: Establish Phase II Authorization for a Final Land Acquisition of 607 acres known as Campus 3 at the Camp Hall Industrial Park in Berkeley County, and for certain improvements and infrastructure reflected in the Description of Infrastructure included as Attachment A-1 of the Certificate of the Secretary of the South Carolina Department of Commerce.

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Economic Development Bonds				225,000,000	225,000,000
All Sources				<u>225,000,000</u>	<u>225,000,000</u>

Rationale: Acquisition of the property, and the infrastructure and improvements, will support an economic development project in Berkeley County.

Financial Impact: Acquisition of the property and the infrastructure and improvements will be funded from the issuance of \$225 million in Economic Development Bond Funds. The project is not expected to result any change in annual operating expenses because it will be leased to the project.

Full Project Estimate: \$225,000,000 (internal) funded by Economic Development Bond Funds.

4. What is SFAA asked to do?

Consider approval of the Permanent Improvement Project Phase II.

5. What is the recommendation of the Department of Administration?

The item is complete and ready for SFAA review.

6. List of Supporting Documents:

1. Permanent Improvement Project Drift – ED Bonds
2. Department of Commerce Bond Information Report

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

RECEIVED*By Kim Sharpe at 9:37 am, Nov 15, 2022***(For Department Use Only)**

3-2023 (A)

SUMMARY NUMBER**FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY

Code _____ Name _____

Contact Person _____ Phone _____

2. PROJECT

Project # _____ Name _____

Facility # _____ Facility Name _____

County Code**New/Revised Budget****Project Type****Facility Type**

3. CIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR

CIP priority number _____ of _____ for FY _____.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project**Decrease Budget****Close Project****Establish Project - CIP****Change Source of Funds****Change Project Name****Increase Budget****Revise Scope****Cancel Project**

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered.
 Attach supporting documentation/maps to fully convey the need for the request.)

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: _____ Estimated Completion Date: _____

Estimated Expenditures: Thru Current FY: \$ _____ After Current FY: \$ _____

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

1. _____ Land Purchase ---->
2. _____ Building Purchase ---->
3. _____ Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. _____ New Construction ---->
7. _____ Renovations - Building Interior ---->
8. _____ Renovations - Utilities
9. _____ Roofing - Roof Age
10. _____ Renovations - Building Exterior
11. _____ Other Permanent Improvements
12. _____ Landscaping
13. _____ Builders Risk Insurance
14. _____ Other Capital Outlay
15. _____ Labor Costs
16. _____ Bond Issue Costs
17. _____ Other:
18. _____ Contingency

Land: _____ Acres
 Floor Space: _____ Gross Square Feet

Information Technology \$ _____

Floor Space: _____ Gross Square Feet

Floor Space: _____ Gross Square Feet

\$ _____ TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc..) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____

Monitoring \$ _____

Abate/Remed \$ _____

Total Costs \$ _____

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group					8115		3043	3043
(1) Dept. CIB, Group					8115		3143	3143
(2) Institution Bonds								3235
(3) Revenue Bonds								3393
(4) Excess Debt Service								3497
(5) Capital Reserve Fund					8895		3603	3603
(6) Appropriated State					8895	68800100	1001	3600
(7) Federal						78800100		5787
(8) Athletic						88800100		3807
(9) Other (Specify)						98800100		3907
TOTAL BUDGET	\$ _____	\$ _____	\$ _____					

10. SUBMITTED BY:

Chris Huffman

Signature of Authorized Official and Title

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY
 Code _____ Name _____

2. PROJECT
 Project # _____ Name _____

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)	\$	\$	\$	\$
2)	\$	\$	\$	\$
3)	\$	\$	\$	\$

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.

COST FACTORS

AMOUNT

1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____

TOTAL

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

9. Submitted By: Chris Huffman
 Signature of Authorized Official and Title

_____ Date

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR PRELIMINARY LAND ACQUISITION/ INVESTIGATIVE STUDIES PROJECTS

1. Provide the total projected cost of the project, including acquisition cost.

Commerce is requesting \$225M in ED Bonds related to this Project

2. Identify the source(s) of funds to be used for investigative studies for the acquisition.

State General Obligation Economic Development Bonds

3. Describe and define each fund source to be used for the investigative land studies. Cite any statutory authority, including the code section other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

Same as Above

4. Provide the current uncommitted balance of funds for each source described above.

According to the STO, there is sufficient authority for this acquisition.

5. Identify the source(s) of funds to be used for the acquisition.

State General Obligation Economic Development Bonds

6. Describe and define each fund source to be used for the acquisition. Cite any statutory authority, including the code section other provision of law for use of funds, for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

Same as Above

7. Provide the current uncommitted balance of funds for each source described above.

Same as Above

8. Indicate whether or not the use of any funds for the acquisition require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

N/A

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR
PRELIMINARY LAND ACQUISITION/
INVESTIGATIVE STUDIES PROJECTS

9. If a student fee is used to fund an acquisition, provide the current amount of the fee collected annually or by semester. Specify which.

N/A

10. Provide the total acreage and/or square footage of the land and/or building to be acquired.

Approximately 600 acres

11. If a building is involved in the acquisition, identify whether it will have to be renovated and if so, provide the projected cost. Explain.

Commerce is requesting \$225M in ED Bonds related to this Project

12. Identify program(s) that will use the land and/or building to be acquired.

Project Drift

13. Provide the current age of the building to be acquired, if applicable.

N/A

14. Provide demand and usage data to support the need for the acquisition.

Project Drift

15. Provide an estimate of the numbers of students, faculty, staff and clients that are expected to utilize the space associated with the acquisition.

N/A

16. Indicate whether or not the acquisition project has been included in a previous year's CPIP. If so, provide the last year the project was included and year for which it was proposed.

N/A

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR PRELIMINARY LAND ACQUISITION/ INVESTIGATIVE STUDIES PROJECTS

17. Provide the economic impact of the project or project request, including job creation and retention. If there is no economic impact, provide an explanation.

Project Drift

TO BE PROVIDED FOR HIGHER EDUCATION PROPOSALS

1. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

2. If the use of any funds for construction includes any student fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

3. Provide a nine-year history of each component within the institution's tuition and fee structure designated or utilized for permanent improvements. Identify the tuition or fee component per student, per semester; the total revenue collected during the academic year; and the fund balance at fiscal year end, all delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the fee is projected to increase. Use the following format in responding to this question and provide as many tables as are necessary to promote a clear understanding of the relationship of tuition and fee revenue designated by the institution for permanent improvements, maintenance and other facility-related expense, including debt service.

Academic Year	Amount per student per semester	Total Revenue Collected During Academic Year	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20				
2020-21				
2021-22				
2022-23*				

*Projection



PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR
PRELIMINARY LAND ACQUISITION/
INVESTIGATIVE STUDIES PROJECTS

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR PRELIMINARY LAND ACQUISITION/ INVESTIGATIVE STUDIES PROJECTS

4. Identify any other funds not specifically designated that may be utilized or redirected for permanent improvements, maintenance and other facility-related expense, including debt service. Provide a nine-year history of total collections, by fund; amounts applied to or for permanent improvements, maintenance and other facility-related expense, including debt service; and the fund balance at fiscal year end, delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the revenue is projected to increase. Describe any portion of the source that originates from any tuition or fee component. Include all permanent improvements without regard to Joint Bond Review Committee or State Fiscal Accountability approval requirements. Use the following format in responding to this question and provide as many tables as are necessary to provide a complete and comprehensive response for each fund.

Fund Source or Name:
Description:

Academic Year	Total Revenue Collected During Academic Year	Portion Collected From Tuition or Fee Revenues	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20				
2020-21				
2021-22				
2022-23*				

*Projection

5. Describe the fund sources reflected above that will be utilized to support the project that is the subject of this Phase I proposal.

**DEPARTMENT OF ADMINISTRATION
EXECUTIVE BUDGET OFFICE
APPROVAL OF PROJECT INVOLVING LAND ACQUISITION
FOR LIMITED PURPOSES ONLY**

AGENCY: _____

PROJECT NAME: _____

PROJECT NUMBER: _____ DATE SUBMITTED: _____



The approval of this project, which involves the acquisition of land, is for establishment only for the limited purposes of securing: (1) any appraisals which may be required; (2) any land surveying services which may be required; (3) a Phase One Building Condition Assessment on any structures included in the acquisition which may be required; (4) an asbestos survey on any structures included in the acquisition; (5) a Level One Environmental Study for detection of hazardous materials; and (6) any other information desired by the Joint Bond Review Committee or the State Fiscal Accountability Authority which describes further the land proposed to be acquired and the purposes it would serve if acquired.

The agency should forward originals of the appraisal, environmental study and building condition assessment reports to the **Executive Budget Office, Capital Budgeting Unit, 1205 Pendleton Street, Suite 529, Columbia, South Carolina 29201**. We will ensure that the building condition assessment is forwarded and reviewed by the Office of State Engineer.

No authority is given by this approval to acquire any land or to enter into any agreement to acquire land until the required studies have been reviewed by staff and an A-1 form which fully details the project has been reviewed by the Joint Bond Review Committee and approved by the State Fiscal Accountability Authority.

Submission of the A-1 form to finalize the land acquisition, information supplied on the attached format and a letter requesting approval of the acquisition, stating the date by which this approval is required, should be submitted to the Capital Budgeting Unit as noted above.

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number:
2. County:
3. Description of Property:
4. Grantor(s) Name and Address:
5. Grantee(s) Name and Address:
6. County Location:
7. Acreage:
8. Purpose for Acquisition:
9. Demonstrate the need to acquire the property:
10. Purchase Price: \$
11. Current Year Property Tax Amount: \$

PART II

1. How many sites were evaluated?
2. Please list the selection criteria used to evaluate sites.
3. How was the final selection of the site made?

4. Why was this specific site selected?
5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?
6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

November 23, 2022

Mr. F. Richard Harmon, Jr.
Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Ms. Ashlie Lancaster
Department of Facilities Management & Real Estate
Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Rick, Delbert & Ashlie:

The purpose of this letter is to notify the Joint Bond Review Committee (JBRC), the State Fiscal Accountability Authority (SFAA) and the Department of Administration, Division of Facilities Management and Real Estate ("Real Property Services") of requests by the Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to authorize and approve transactions related to the proposed acquisition and improvement of real property and the proposed issuance of state general obligation economic development bonds ("Economic Development Bonds") contemplated in connection with a significant confidential economic development project known as "Project Drift."

Project Drift is engaged in the recycling of components used in the automotive and other industries and the production thereby of materials used in the automotive industry (the "Project") and proposes to locate on an approximately 607-acre parcel owned by the Public Service Authority ("Santee Cooper") and designated as Campus 3 in the Camp Hall Industrial Park in Berkeley County. In light of the substantial public benefits anticipated in connection with the Project, Santee Cooper proposes to sell Campus 3 to Palmetto Railways for a purchase price of \$40 million, and Palmetto Railways simultaneously proposes to ground lease the property for nominal consideration to Project Drift. The ground lease is anticipated to be in final, or substantially final, form by or before the JBRC and SFAA meetings scheduled for December 7 and December 13, respectively.

In addition to the foregoing, Commerce has committed to fund certain improvements and the construction of related infrastructure as more fully described in the Description of Infrastructure included in the attached Certificate of the Secretary of the South Carolina Department of Commerce.

To fund these costs, Secretary Harry M. Lightsey III has certified in the attached certificate that the Project meets all statutory requirements of a qualifying project under the State General Obligation Economic Development Bond Act and is requesting that JBRC and SFAA authorize the issuance of Economic Development Bonds in an amount not to exceed \$226 million (including up to \$1 million for costs of issuance) to defray the costs of eligible items of infrastructure, as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Code"). In order to fund the cost of certain eligible items of infrastructure prior to the issuance of long-term Economic Development Bonds, the bond resolution authorizes the issuance of both long-term bonds and notes in anticipation thereof. The resolution also includes a declaration of intent to reimburse expenditures to allow Commerce to use other agency funds available on a short-term basis, subject to reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, once they are issued.

As further information, a rail spur from the to-be-constructed Camp Hall Rail Line to the Project site is contemplated by Project Drift to support future phases of the Project and will be subject to requisite approvals prior to implementation. Additionally, Project Drift has expressed an interest in additional acreage at the Camp Hall Industrial Park; any acquisition of such additional acreage, if it becomes available, will be subject to requisite approvals at the time of the proposed acquisition.

Commerce and Palmetto Railways respectfully request that JBRC and/or SFAA, as appropriate, take the following actions:

1. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase II of a Permanent Improvement Project for (a) final land acquisition by Palmetto Railways of title to an approximately 607-acre parcel owned by Santee Cooper and designated as Campus 3 in the Camp Hall Industrial Park in Berkeley County and (b) for certain improvements and infrastructure as more fully described in the Description of Infrastructure included as Attachment A-1 of the Certificate of the Secretary of the South Carolina Department of Commerce, all for the purpose of facilitating Project Drift, a confidential economic development project with substantial public benefits.
2. Pursuant to Chapter 11 of Title 1 of the Code, approve a nominal long-term ground lease by Palmetto Railways of Campus 3 to Project Drift, subject to approval by Real Property Services of the terms of a ground lease agreement between Palmetto Railways and Project Drift, provided the terms are not materially inconsistent with those set forth in the JBRC or SFAA agenda items, in order to facilitate implementation of the Project and the substantial public benefits associated therewith.
3. Pursuant to Chapter 41, Title 11 of the Code, authorize and approve the issuance of State General Obligation Economic Development Bonds, and notes in anticipation thereof, in an amount not to exceed \$226,000,000 (including up to \$1 million in costs of issuance) to support Project Drift, to include provision for reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, should Commerce use other agency funds available on a short-term basis to fund eligible items of infrastructure prior to issuance of the bonds.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

Attachment

CERTIFICATE OF THE SECRETARY
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Harry M. Lightsey III, Do Hereby Certify as Follows:

1. I am, as of this date, the duly qualified and acting Secretary of Commerce of the State of South Carolina. I am authorized to execute this certificate on behalf of the South Carolina Department of Commerce (the "Department"), and I am knowledgeable with respect to the matters set forth herein.

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project known as "Project Drift", which consists of an investment in the State of South Carolina (the "State") by a firm (the "Sponsor") engaged in the recycling of components used in the automotive and other industries and the production thereby of materials for use in the automotive industry (the "Project").

3. Based upon my independent investigation and review, I hereby certify that the improvements to be financed with the proceeds of the Economic Development Bonds requested hereby for the benefit of the Project constitutes "infrastructure" as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Infrastructure"). The Infrastructure is further described in Attachment A-1 hereto.

4. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, is Two Hundred Twenty-Five Million Dollars (\$225,000,000), and, in addition thereto, not exceeding One Million Dollars (\$1,000,000) to be allocated to the Office of the State Treasurer for payment of issuance costs.

5. Based upon my independent investigation and review, I hereby certify that the Project consists of an "investment" (as defined in Section 11-41-30(4) of the Code of Laws of South Carolina, 1976, as amended) by the Sponsor in the Project of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of no fewer than four hundred (400) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). A tentative time schedule setting forth the period of time during which the sum requested hereby is to be expended is shown in Attachment A-2 hereto.

6. A table showing the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding is shown at Attachment A-3(i). Attachment A-3(ii) shows the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby requested for issuance. Shown in Attachment A-3(iii) for purposes of information are the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding, pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby proposed for issuance, and pro forma annual principal and interest requirements, as of the date hereof, for General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority but not yet issued.

7. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of \$776,910,000.

8. Based on my independent investigation and review of the Project, the proposed Infrastructure and the Project Sponsor, I hereby certify: that I have determined that the construction of the Infrastructure for the benefit of the Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that such benefits are reasonably expected to be realized and are not speculative; and that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this ____ day of November, 2022.

SOUTH CAROLINA DEPARTMENT OF COMMERCE



Harry M. Lightsey III, Secretary
South Carolina Department of Commerce

DESCRIPTION OF INFRASTRUCTURE

Infrastructure Eligible under S.C. Code § 11-41-30(3):

<u>Description</u>	<u>Projected Amounts</u>
Site Purchase	\$40,000,000
Mass Grading and Site Preparation	133,363,031
On-site Roads	16,673,468
Off-site Road Improvements	25,000,000
Water System Improvements	6,902,931
Wastewater Improvements	3,060,570
TOTAL	\$225,000,000

TENTATIVE TIME SCHEDULE
SETTING FORTH THE PERIOD OF TIME DURING WHICH
THE SUM REQUESTED IS TO BE EXPENDED

PRELIMINARY – SUBJECT TO CHANGE

12/15/2022- 06/30/2023	\$63,650,000
07/01/2023-12/30/2023	102,705,061
01/01/2024-06/30/2024	48,411,471
07/01/2024-12/30/2024	10,233,468

**DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING**

<u>Fiscal Year Ending</u>	<u>Debt Service*</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
June 30, 2023	\$ 12,290,000	\$ 2,301,525	\$ 14,591,525
June 30, 2024	43,615,000	3,675,300	47,290,300
June 30, 2025	22,850,000	1,754,675	24,604,675
June 30, 2026	3,615,000	609,300	4,224,300
June 30, 2027	3,790,000	437,350	4,227,350
June 30, 2028	3,910,000	318,650	4,228,650
June 30, 2029	4,105,000	123,150	4,228,150
Total	\$ 94,175,000	\$ 9,219,950	\$ 103,394,950

* Preliminary, subject to change.

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service*						
Fiscal Year	Existing Debt Service			Proposed Issue		Composite Debt Service
	11-41-50A	11-41-50B	11-41-50C	Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 2,510,000	\$ 2,624,883	\$ 19,726,408
6/30/2024	4,215,425	29,960,250	13,114,625	8,450,000	8,671,299	64,411,599
6/30/2025	4,224,175	18,049,500	2,331,000	8,720,000	8,401,744	41,726,419
6/30/2026	4,224,300	-	-	9,000,000	8,120,960	21,345,260
6/30/2027	4,227,350	-	-	9,295,000	7,828,460	21,350,810
6/30/2028	4,228,650	-	-	9,600,000	7,523,584	21,352,234
6/30/2029	4,228,150	-	-	9,915,000	7,204,864	21,348,014
6/30/2030	-	-	-	10,250,000	6,872,711	17,122,711
6/30/2031	-	-	-	10,600,000	6,523,186	17,123,186
6/30/2032	-	-	-	10,965,000	6,156,426	17,121,426
6/30/2033	-	-	-	11,355,000	5,768,265	17,123,265
6/30/2034	-	-	-	11,780,000	5,343,588	17,123,588
6/30/2035	-	-	-	12,240,000	4,881,812	17,121,812
6/30/2036	-	-	-	12,735,000	4,387,316	17,122,316
6/30/2037	-	-	-	13,260,000	3,862,634	17,122,634
6/30/2038	-	-	-	13,815,000	3,304,388	17,119,388
6/30/2039	-	-	-	14,405,000	2,715,869	17,120,869
6/30/2040	-	-	-	15,030,000	2,093,573	17,123,573
6/30/2041	-	-	-	15,690,000	1,432,253	17,122,253
6/30/2042	-	-	-	16,385,000	734,048	17,119,048
Totals	<u>\$ 28,989,950</u>	<u>\$ 56,527,750</u>	<u>\$ 17,877,250</u>	<u>\$ 226,000,000</u>	<u>\$ 104,451,860</u>	<u>\$ 433,846,810</u>

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND \$70,300,000
PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT PREVAILING AND ANTICIPATED
RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*								
Fiscal Year	Existing Debt Service			Authorized but Unissued	Proposed Issue		Composite Debt Service	
	11-41-50A	11-41-50B	11-41-50C		Principal	Interest		
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 1,596,504	\$ 2,510,000	\$ 2,624,883	\$ 21,322,912	
6/30/2024	4,215,425	29,960,250	13,114,625	5,327,344	8,450,000	8,671,299	69,738,943	
6/30/2025	4,224,175	18,049,500	2,331,000	5,328,447	8,720,000	8,401,744	47,054,866	
6/30/2026	4,224,300	-	-	5,326,024	9,000,000	8,120,960	26,671,284	
6/30/2027	4,227,350	-	-	5,325,024	9,295,000	7,828,460	26,675,834	
6/30/2028	4,228,650	-	-	5,325,232	9,600,000	7,523,584	26,677,466	
6/30/2029	4,228,150	-	-	5,326,130	9,915,000	7,204,864	26,674,144	
6/30/2030	-	-	-	5,327,783	10,250,000	6,872,711	22,450,494	
6/30/2031	-	-	-	5,324,004	10,600,000	6,523,186	22,447,190	
6/30/2032	-	-	-	5,324,997	10,965,000	6,156,426	22,446,423	
6/30/2033	-	-	-	5,324,283	11,355,000	5,768,265	22,447,548	
6/30/2034	-	-	-	5,327,261	11,780,000	5,343,588	22,450,849	
6/30/2035	-	-	-	5,323,593	12,240,000	4,881,812	22,445,405	
6/30/2036	-	-	-	5,324,871	12,735,000	4,387,316	22,447,187	
6/30/2037	-	-	-	5,326,719	13,260,000	3,862,634	22,449,353	
6/30/2038	-	-	-	5,328,056	13,815,000	3,304,388	22,447,444	
6/30/2039	-	-	-	5,324,876	14,405,000	2,715,869	22,445,745	
6/30/2040	-	-	-	5,326,340	15,030,000	2,093,573	22,449,913	
6/30/2041	-	-	-	5,325,640	15,690,000	1,432,253	22,447,893	
6/30/2042	-	-	-	5,328,480	16,385,000	734,048	22,447,528	
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ 102,791,604	\$ 226,000,000	\$ 104,451,860	\$ 536,638,414	

* Preliminary, subject to change.


**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: SC Department of Commerce Ground Lease of Campus 3 in Berkeley County to Project Drift

3. Summary and Background Information:

The SC Department of Commerce Division of Public Railways ("Palmetto Railways") requests approval of a nominal long-term ground lease of Campus 3 to Project Drift for a manufacturing site (the "Project"). The property to be leased consists of approximately 607 acres being acquired by Palmetto Railways from Santee Cooper in the Camp Hall Commerce Park in Berkeley County. The ground lease would be subject to approval by Real Property Services (RPS) of the final terms, in order to facilitate implementation of the Project and the substantial public benefits associated therewith.

The initial term of the ground lease would begin upon approval of the documents by RPS and end on the second December 31st after the date of final maturity of the State Bonds to be issued in connection with this transaction; or on December 31, 2043, should funding be made available in lieu of issuing the State Bonds. Project Drift will have one or more options to extend the ground lease for up to a maximum of 30 additional years; however, the ground lease will not extend beyond December 31, 2073.

The ground lease includes an option for Project Drift to purchase the property after the expiration of the initial term if it is not in default and has met or exceeded and maintained its Job and Investment Requirements. If State Bonds are issued and Project Drift were to exercise the option to purchase, it would pay the purchase price paid by Palmetto Railways for the site without regard to the value of any improvements or increased property value over time. Alternatively, if funding is made available in lieu of issuing the State Bonds, the purchase price would be \$1.

The ground lease would be assignable by Project Drift, subject to consent by Palmetto Railways, such consent not to be unreasonably withheld.

The ground lease was approved by the Joint Bond Review Committee at its December 7, 2022, meeting.

- 4. What is the Authority asked to do?** Approve the Ground Lease, and extensions, of Campus 3 in Berkeley County to Project Drift for an initial term and extended terms not to go beyond December 31, 2073, subject to final review and approval by the Department of Administration Real Property Services and the sale of the property upon the exercise of the option to purchase set forth in the ground lease.
- 5. What is recommendation of the submitting agency involved?** Approve the Ground Lease, and extensions, of Campus 3 in Berkeley County to Project Drift for an initial term and extended terms not to go beyond December 31, 2073, subject to final review and approval by the Department of

Administration Real Property Services and the sale of the property upon the exercise of the option to purchase set forth in the ground lease.

6. Private Participant Disclosure – Check one:

- ☐ No private participants will be known at the time the Authority considers this agenda item.
- ☒ A Private Participant Disclosure form has been attached for each private participant.
As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Office Name: Click or tap here to enter text.

8. List of Supporting Documents:

- Letter from Agency



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

November 23, 2022

Mr. F. Richard Harmon, Jr.
Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Ms. Ashlie Lancaster
Department of Facilities Management & Real Estate
Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Rick, Delbert & Ashlie:

The purpose of this letter is to notify the Joint Bond Review Committee (JBRC), the State Fiscal Accountability Authority (SFAA) and the Department of Administration, Division of Facilities Management and Real Estate ("Real Property Services") of requests by the Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to authorize and approve transactions related to the proposed acquisition and improvement of real property and the proposed issuance of state general obligation economic development bonds ("Economic Development Bonds") contemplated in connection with a significant confidential economic development project known as "Project Drift."

Project Drift is engaged in the recycling of components used in the automotive and other industries and the production thereby of materials used in the automotive industry (the "Project") and proposes to locate on an approximately 607-acre parcel owned by the Public Service Authority ("Santee Cooper") and designated as Campus 3 in the Camp Hall Industrial Park in Berkeley County. In light of the substantial public benefits anticipated in connection with the Project, Santee Cooper proposes to sell Campus 3 to Palmetto Railways for a purchase price of \$40 million, and Palmetto Railways simultaneously proposes to ground lease the property for nominal consideration to Project Drift. The ground lease is anticipated to be in final, or substantially final, form by or before the JBRC and SFAA meetings scheduled for December 7 and December 13, respectively.

In addition to the foregoing, Commerce has committed to fund certain improvements and the construction of related infrastructure as more fully described in the Description of Infrastructure included in the attached Certificate of the Secretary of the South Carolina Department of Commerce.

To fund these costs, Secretary Harry M. Lightsey III has certified in the attached certificate that the Project meets all statutory requirements of a qualifying project under the State General Obligation Economic Development Bond Act and is requesting that JBRC and SFAA authorize the issuance of Economic Development Bonds in an amount not to exceed \$226 million (including up to \$1 million for costs of issuance) to defray the costs of eligible items of infrastructure, as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Code"). In order to fund the cost of certain eligible items of infrastructure prior to the issuance of long-term Economic Development Bonds, the bond resolution authorizes the issuance of both long-term bonds and notes in anticipation thereof. The resolution also includes a declaration of intent to reimburse expenditures to allow Commerce to use other agency funds available on a short-term basis, subject to reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, once they are issued.

As further information, a rail spur from the to-be-constructed Camp Hall Rail Line to the Project site is contemplated by Project Drift to support future phases of the Project and will be subject to requisite approvals prior to implementation. Additionally, Project Drift has expressed an interest in additional acreage at the Camp Hall Industrial Park; any acquisition of such additional acreage, if it becomes available, will be subject to requisite approvals at the time of the proposed acquisition.

Commerce and Palmetto Railways respectfully request that JBRC and/or SFAA, as appropriate, take the following actions:

1. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase II of a Permanent Improvement Project for (a) final land acquisition by Palmetto Railways of title to an approximately 607-acre parcel owned by Santee Cooper and designated as Campus 3 in the Camp Hall Industrial Park in Berkeley County and (b) for certain improvements and infrastructure as more fully described in the Description of Infrastructure included as Attachment A-1 of the Certificate of the Secretary of the South Carolina Department of Commerce, all for the purpose of facilitating Project Drift, a confidential economic development project with substantial public benefits.
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3. Pursuant to Chapter 41, Title 11 of the Code, authorize and approve the issuance of State General Obligation Economic Development Bonds, and notes in anticipation thereof, in an amount not to exceed \$226,000,000 (including up to \$1 million in costs of issuance) to support Project Drift, to include provision for reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, should Commerce use other agency funds available on a short-term basis to fund eligible items of infrastructure prior to issuance of the bonds.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

Attachment

CERTIFICATE OF THE SECRETARY
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Harry M. Lightsey III, Do Hereby Certify as Follows:

1. I am, as of this date, the duly qualified and acting Secretary of Commerce of the State of South Carolina. I am authorized to execute this certificate on behalf of the South Carolina Department of Commerce (the "Department"), and I am knowledgeable with respect to the matters set forth herein.

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project known as "Project Drift", which consists of an investment in the State of South Carolina (the "State") by a firm (the "Sponsor") engaged in the recycling of components used in the automotive and other industries and the production thereby of materials for use in the automotive industry (the "Project").

3. Based upon my independent investigation and review, I hereby certify that the improvements to be financed with the proceeds of the Economic Development Bonds requested hereby for the benefit of the Project constitutes "infrastructure" as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Infrastructure"). The Infrastructure is further described in Attachment A-1 hereto.

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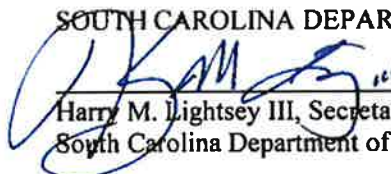
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IN WITNESS WHEREOF, I have set my hand this ____ day of November, 2022.

SOUTH CAROLINA DEPARTMENT OF COMMERCE



Harry M. Lightsey III, Secretary
South Carolina Department of Commerce

DESCRIPTION OF INFRASTRUCTURE

Infrastructure Eligible under S.C. Code § 11-41-30(3):

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Wastewater Improvements	<u>3,060,570</u>
TOTAL	\$225,000,000

**TENTATIVE TIME SCHEDULE
SETTING FORTH THE PERIOD OF TIME DURING WHICH
THE SUM REQUESTED IS TO BE EXPENDED**

PRELIMINARY – SUBJECT TO CHANGE

12/15/2022- 06/30/2023	\$63,650,000
07/01/2023-12/30/2023	102,705,061
01/01/2024-06/30/2024	48,411,471
07/01/2024-12/30/2024	10,233,468

**DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING**

<u>Fiscal Year Ending</u>	<u>Debt Service*</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
June 30, 2023	\$ 12,290,000	\$ 2,301,525	\$ 14,591,525
June 30, 2024	43,615,000	3,675,300	47,290,300
June 30, 2025	22,850,000	1,754,675	24,604,675
June 30, 2026	3,615,000	609,300	4,224,300
June 30, 2027	3,790,000	437,350	4,227,350
June 30, 2028	3,910,000	318,650	4,228,650
June 30, 2029	4,105,000	123,150	4,228,150
Total	\$ 94,175,000	\$ 9,219,950	\$ 103,394,950

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*						
Fiscal Year	Existing Debt Service			Proposed Issue		Composite Debt Service
	11-41-50A	11-41-50B	11-41-50C	Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 2,510,000	\$ 2,624,883	\$ 19,726,408
6/30/2024	4,215,425	29,960,250	13,114,625	8,450,000	8,671,299	64,411,599
6/30/2025	4,224,175	18,049,500	2,331,000	8,720,000	8,401,744	41,726,419
6/30/2026	4,224,300	-	-	9,000,000	8,120,960	21,345,260
6/30/2027	4,227,350	-	-	9,295,000	7,828,460	21,350,810
6/30/2028	4,228,650	-	-	9,600,000	7,523,584	21,352,234
6/30/2029	4,228,150	-	-	9,915,000	7,204,864	21,348,014
6/30/2030	-	-	-	10,250,000	6,872,711	17,122,711
6/30/2031	-	-	-	10,600,000	6,523,186	17,123,186
6/30/2032	-	-	-	10,965,000	6,156,426	17,121,426
6/30/2033	-	-	-	11,355,000	5,768,265	17,123,265
6/30/2034	-	-	-	11,780,000	5,343,588	17,123,588
6/30/2035	-	-	-	12,240,000	4,881,812	17,121,812
6/30/2036	-	-	-	12,735,000	4,387,316	17,122,316
6/30/2037	-	-	-	13,260,000	3,862,634	17,122,634
6/30/2038	-	-	-	13,815,000	3,304,388	17,119,388
6/30/2039	-	-	-	14,405,000	2,715,869	17,120,869
6/30/2040	-	-	-	15,030,000	2,093,573	17,123,573
6/30/2041	-	-	-	15,690,000	1,432,253	17,122,253
6/30/2042	-	-	-	16,385,000	734,048	17,119,048
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ 226,000,000	\$ 104,451,860	\$ 433,846,810

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND \$70,300,000
PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT PREVAILING AND ANTICIPATED
RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*							
Fiscal Year	Existing Debt Service			Authorized but Unissued	Proposed Issue		Composite Debt Service
	11-41-50A	11-41-50B	11-41-50C		Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 1,596,504	\$ 2,510,000	\$ 2,624,883	\$ 21,322,912
6/30/2024	4,215,425	29,960,250	13,114,625	5,327,344	8,450,000	8,671,299	69,738,943
6/30/2025	4,224,175	18,049,500	2,331,000	5,328,447	8,720,000	8,401,744	47,054,866
6/30/2026	4,224,300	-	-	5,326,024	9,000,000	8,120,960	26,671,284
6/30/2027	4,227,350	-	-	5,325,024	9,295,000	7,828,460	26,675,834
6/30/2028	4,228,650	-	-	5,325,232	9,600,000	7,523,584	26,677,466
6/30/2029	4,228,150	-	-	5,326,130	9,915,000	7,204,864	26,674,144
6/30/2030	-	-	-	5,327,783	10,250,000	6,872,711	22,450,494
6/30/2031	-	-	-	5,324,004	10,600,000	6,523,186	22,447,190
6/30/2032	-	-	-	5,324,997	10,965,000	6,156,426	22,446,423
6/30/2033	-	-	-	5,324,283	11,355,000	5,768,265	22,447,548
6/30/2034	-	-	-	5,327,261	11,780,000	5,343,588	22,450,849
6/30/2035	-	-	-	5,323,593	12,240,000	4,881,812	22,445,405
6/30/2036	-	-	-	5,324,871	12,735,000	4,387,316	22,447,187
6/30/2037	-	-	-	5,326,719	13,260,000	3,862,634	22,449,353
6/30/2038	-	-	-	5,328,056	13,815,000	3,304,388	22,447,444
6/30/2039	-	-	-	5,324,876	14,405,000	2,715,869	22,445,745
6/30/2040	-	-	-	5,326,340	15,030,000	2,093,573	22,449,913
6/30/2041	-	-	-	5,325,640	15,690,000	1,432,253	22,447,893
6/30/2042	-	-	-	5,328,480	16,385,000	734,048	22,447,528
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ 102,791,604	\$ 226,000,000	\$ 104,451,860	\$ 536,638,414

* Preliminary, subject to change.

AGENCY: SC Department of Commerce

SUBJECT: Not Exceeding \$226,000,000 General Obligation State Economic Development Bonds of the State of South Carolina and the issuance and sale of notes in anticipation of the issuance of the bonds

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$226,000,000 General Obligation State Economic Development Bonds of the State of South Carolina and provide for the issuance and sale of notes in anticipation of the issuance of the bonds.

The proceeds of the bonds will defray the cost for land acquisition and preparation, utilities, storm water, rail spur and roadways in connection with Project Drift.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$226,000,000 General Obligation State Economic Development Bonds of the State of South Carolina and provide for the issuance and sale of notes in anticipation of the issuance of the bonds.

ATTACHMENTS:

NDIF; SFAA Resolution and attachments

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 11/23/2022

Submitted for SFAA Meeting on:
12/13/2022

FROM: Haynsworth Sinkler Boyd, P.A.

Post Office Box 11889
Columbia
South Carolina 29211

RE: State General Obligation Economic Development Bonds

Project Issue Date: 2/1/2023

Project Name: State General Obligation Economic Development Bonds

Project Description: Land acquisition and preparation, utilities, storm water, rail spur and roadways in connection with Project Drift.

Employment as a result of the project: 400+

	YES	NO	AMOUNT
Ceiling Allocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

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. ☐ Petition
- B. ☐ Resolution or Ordinance
- C. ☐ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice (*original*)
Plus 3 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$ Click or tap here to enter text.

Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

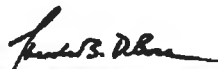
- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. ☒ All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel:

Theodore B. DuBose

Typed Name of Bond Counsel

By:



Signature



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 12/13/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2023
Borrower (if not Issuer): _____
Bond Caption: General Obligation State Economic Development Bonds
Bond Resolution Amount: \$ 226,000,000 Est. Production/Par Amt: \$ 208,970,000

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

Submitted By:

ENTITY: SC Department of Commerce
BY: Theodore B. DuBose
ITS: Bond Counsel
Tel: 803.540.7830
Email: tdubose@hsblawfirm.com

Final Production/Par Amt: \$ -**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): Y
MSRB (EMMA) Continuing Disclosure Responsible Party: STO

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Drift
Project Address/Location: TBD Amount: \$ 225,000,000
Project Type: Manufacturing County: TBD
Projected Avg Interest Rate: 4.15% (All-in TIC) Final Maturity: 4/1/2043 (Preliminary)

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: Public Resources Advisory Group Disclosure Counsel: Howell Linkous & Nettles
Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: SC Attorney General
Underwriter: TBD-Competitive Sale Trustee: N/A
Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The Project consists of a facility for the recycling of certain components used in the automotive and other industries and the production thereby of materials for use in the automotive industry. Bond-financed infrastructure includes site purchase and preparation, storm water facilities, water and sewer improvements, and on-site and off-site roadways. Costs of issuance of the bonds are calculated at the anticipated par amount of \$208.97 million in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. Costs of issuance as listed in Section 8 and Section 9 assume a stand-alone issuance. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	11/00/22	(Dept of
JBRC Approval:	12/07/22	Proposed
SFAA Approval:	12/13/22	Proposed

Project Approvals - Please Use State Treasurer's Office		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

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)
- 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.

Yes No

--	--

--	--

Sq. Footage -
Cost Estimate -

\$	

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	FYE	Spend Down Schedule Notes
\$ 63,650,000	6/30/2023	
102,705,061	12/31/2023	
48,411,471	6/30/2024	
10,233,468	12/31/2024	
-		
-		
\$ 225,000,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 208,970,000	\$ 225,000,000	Project Fund
(b) Premium/Accr. Int.	17,609,283	-	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	-	1,579,283	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	-	-	Accrued Interest
Type -	-	-	Other
Type -	-	-	Other
(6) SCHFDA MFHRB Sources	-	-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 226,579,283	\$ 226,579,283	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	PRAG			\$ 65,000	\$ -	\$ 65,000
Bond Counsel	Haynsworth Sinkler Boyd			104,485	-	104,485
Disclosure Counsel	Howell Linkous & Nettles			62,691	-	62,691
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
Rating Agency - S&P				128,500	-	128,500
Rating Agency - Moody's				47,500	-	47,500
Rating Agency - Fitch				107,000	-	107,000
Underwriter's Compensation	TBD - Competitive			1,044,850	-	1,044,850
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				3,257	-	3,257
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 1,579,283	\$ -	\$ 1,579,283

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

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

0.03%	#DIV/0!
0.05%	#DIV/0!
0.08%	#DIV/0!
0.14%	#DIV/0!

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

0.50%	#DIV/0!
0.01%	#DIV/0!
0.76%	#DIV/0!

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE TWO HUNDRED TWENTY-SIX MILLION DOLLARS (\$226,000,000) PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS OF THE STATE OF SOUTH CAROLINA, TO PROVIDE FOR THE ISSUANCE AND SALE OF NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

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EXHIBIT A	MATERIALS SUBMITTED IN COMPLIANCE WITH THE BOND NOTIFICATION REQUIREMENTS OF THE ENABLING ACT.
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EXHIBIT B	PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION
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STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST.

- EXHIBIT C PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE PERCENT (5%) LIMITATION.
- EXHIBIT D PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION, INCLUDING ALL GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTIONS 11-41-50(A) AND 11-41-50(C) OF THE ENABLING ACT AND THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION.
- EXHIBIT E PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT ALL SUCH DEBT SUBJECT TO THE ONE-HALF OF ONE PERCENT (0.5%) LIMITATION AND THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE ONE-HALF PERCENT (0.5%) LIMITATION.
- EXHIBIT F FORM OF CERTIFICATE OF STATE AUDITOR AS TO CONSTITUTIONAL AND STATUTORY DEBT LIMIT.
- EXHIBIT G FORM OF CERTIFICATE OF STATE TREASURER AS TO CONSTITUTIONAL AND STATUTORY DEBT LIMIT.
- EXHIBIT H FORM OF OFFICIAL NOTICE OF SALE.
- EXHIBIT I FORM OF BONDS.
- EXHIBIT J FORM OF CONTINUING DISCLOSURE UNDERTAKING.

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE TWO HUNDRED TWENTY-SIX MILLION DOLLARS (\$226,000,000) PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS OF THE STATE OF SOUTH CAROLINA, TO PROVIDE FOR THE ISSUANCE AND SALE OF NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution and the issuance of the bonds provided for herein, the State Fiscal Accountability Authority of the State of South Carolina (the "State Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution:

Section 1.01 General Findings of Authorization

The State Authority is authorized by Chapter 41, Title 11 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Economic Development Bonds ("Economic Development Bonds") in order to raise funds to be allocated to the State Department of Commerce (the "Department") in order to finance the development of infrastructure relating to economic development projects.

Section 1.02 Satisfaction of Bond Notification Requirements

The Department, in accordance with Section 11-41-70 of the Enabling Act, has notified the Joint Bond Review Committee and the State Authority, pursuant to a certificate of the Secretary of the Department attached hereto as Exhibit A, the findings of which are incorporated herein, of the following:

- (a) an amount required for allocation to the Department to defray the costs of certain infrastructure (the "Infrastructure") proposed to be developed in connection with an Economic Development Project and as more fully described in Attachment A-1 of Exhibit A attached hereto;
- (b) a description of the Infrastructure, including a certification by the Secretary of the Department that the Economic Development Project to benefit from the expenditure of the proceeds of Economic Development Bonds consists of (i) a present investment by the Sponsor (as defined in the Enabling Act) at such Economic Development Project of not less than \$400,000,000, and (ii) the creation at such Economic Development Project by the Sponsor of no fewer than 400 new jobs;
- (c) a tentative time schedule setting forth the period of time during which the sum requested is to be expended is set forth in Attachment A-2 of Exhibit A attached hereto;
- (d) a debt service table showing the annual principal and interest requirements for all Economic Development Bonds now outstanding is set forth in Attachment A-3 of Exhibit A attached hereto;
- (e) the total amount of all Economic Development Bonds previously issued; and

(f) the Secretary's certification after independent investigation and review that the proposed Economic Development Bonds serve a public purpose in directly fostering economic development and increasing employment in the State.

Section 1.03 Provisions Relating to Debt Limitations

(a) Article X, Section 13(6)(c) of the South Carolina Constitution, 1895, as amended (the "South Carolina Constitution") initially limited the issuance of general obligation debt of the State of South Carolina (the "State") such that maximum annual debt service on all general obligation bonds of the State, excluding state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, must not exceed five percent (5.0%), of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. As authorized by Article X, Section 13(6)(c) of the South Carolina Constitution, however, the General Assembly in 2002 and pursuant to Section 11-41-20(3) of the Enabling Act, increased the limitation imposed by Article X, Section 13(6)(c) on general obligation debt to five and one-half percent (5.5%), with the additional debt service capacity available at any time as a consequence of such increase available only for the repayment of Economic Development Bonds.

(b) In 2009, the General Assembly, pursuant to Article X, Section 13(5) of the South Carolina Constitution, authorized Economic Development Bonds to be issued in a principal amount of \$170,000,000 outstanding from time to time. This category of Economic Development Bonds which is set forth in Section 11-41-50(B) of the Enabling Act is not subject to the limitation on maximum annual debt service prescribed by Article X, Section 13(6)(c) of the South Carolina Constitution.

(c) The General Assembly in 2013 created pursuant to Section 11-41-50(C) of the Enabling Act a third category of Economic Development Bonds that is in addition to and exclusive of the Economic Development Bonds that are provided for and described in paragraphs (a) and (b) above. Economic Development Bonds issued pursuant to Section 11-41-50(C) of the Enabling Act are subject to the five percent (5.0%) constitutional debt limitation.

(d) As last amended in 2013, Section 11-41-50(A) of the Enabling Act, provides that the maximum annual debt service on all general obligation bonds of the State, including Economic Development Bonds (except those described in paragraph (b) above), but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (the "South Carolina Code"), state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. In addition, the State at any time may not have outstanding general obligation bonds including Economic Development Bonds described in paragraph (c) above, but excluding Economic Development Bonds, which are subject to the one-half of one percent (0.5%) debt service limitation described in paragraph (a) above, that category of Economic Development Bonds described in paragraph (b) above, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

(e) Further, Section 11-41-60 of the Enabling Act, as last amended in 2013, provides that the maximum annual debt service on Economic Development Bonds described in Section 11-41-50(A) of the Enabling Act, must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-60 of the Enabling Act further provides that the maximum annual

debt service on (i) Economic Development Bonds described in paragraph (c) above and (ii) all other general obligation bonds issued under the five percent (5.0%) debt service limitation provided by Article X, Section 13(6)(c) of the South Carolina Constitution which limitation does not include Economic Development Bonds described in paragraphs (a) and (b) above, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, must not exceed five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

Section 1.04 Determination of Compliance With Debt Limitations

(a) Insofar as the constitutional and statutory limitations on the issuance of general obligation bonds of the State are concerned, the five percent (5.0%), the five and one-half percent (5.5%) and the one-half of one percent (0.5%) debt service limitations referred to in Section 1.03 above will be applied herein to general revenues of the State for the fiscal year ended June 30, 2021 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds). The Bonds herein authorized shall not be issued, assuming such issuance will occur during the fiscal year to end June 30, 2023, until general revenues of the State (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) for the fiscal year ended June 30, 2022 have been certified and the tests herein described applied based thereon.

(b) Attached as Exhibit B to this Resolution is a pro forma schedule showing debt service requirements on the proposed Economic Development Bonds at prevailing interest rates.

(c) Attached as Exhibit C to this Resolution is a schedule showing total debt service on outstanding general obligation debt of the State subject to the five percent (5.0%) debt service limitation, which excludes all Economic Development Bonds outstanding, except those described in paragraph (c) of Section 1.03 hereof, but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes.

(d) Attached as Exhibit D to this Resolution is a schedule showing total debt service on outstanding general obligation debt of the State subject to the five and one-half percent (5.5%) debt service limitation including all Economic Development Bonds outstanding, except those described in paragraph (b) of Section 1.03 hereof, and debt service requirements on the proposed Economic Development Bonds at prevailing interest rates, but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes.

(e) Attached as Exhibit E to this Resolution is a schedule showing total debt service on outstanding Economic Development Bonds subject to the one-half of one percent (0.5%) debt service limitation and debt service requirements on the proposed Economic Development Bonds at prevailing interest rates.

(f) Assuming the Economic Development Bonds authorized hereby are delivered during the fiscal year to end June 30, 2023, then prior to the issuance of the Economic Development Bonds authorized hereby, the State Auditor must certify pursuant to Section 11-27-70 of the South Carolina Code the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds), which amount of general fund revenues must be sufficient to maintain compliance with the limitations on debt service imposed by Section 11-41-50 of the South Carolina Code. The State Authority finds that:

(i) Exhibit C indicates that the maximum annual debt service on all general obligation bonds subject to the constitutional five percent (5.0%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$20,817,950. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the five percent (5.0%) limitation on debt service imposed by the Enabling Act must be not less than \$416,359,000.

(ii) Exhibit D indicates that the maximum annual debt service on all general obligation bonds subject to the constitutional five and one-half percent (5.5%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$42,154,674. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the five and one-half percent (5.5%) limitation on debt service imposed by the Enabling Act must be not less than \$766,448,609.

(iii) Exhibit E indicates that the maximum annual debt service on the Economic Development Bonds subject to the one-half of one percent (0.5%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$21,352,234. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the one-half of one percent (0.5%) limitation on debt service imposed by the Enabling Act must be not less than \$4,270,446,700.

(g) The general revenues of the State for fiscal year ended June 30, 2021 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$10,447,593,378. Therefore, the State Authority has determined that, assuming that the Economic Development Bonds authorized hereby bear interest at average rates not significantly in excess of prevailing and anticipated rates, the Economic Development Bonds authorized hereby may be issued within the constitutional and statutory limitations described herein. The form of certification of the State Auditor as to the matters set forth in this Section 1.04 and as required by the Enabling Act is attached hereto as Exhibit F, and the form of certification of the State Treasurer as to the matters set forth in this Section 1.04 and as required by the Enabling Act is attached hereto as Exhibit G. Such certifications shall, in their final forms, reflect general revenues of the State (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) for the fiscal year next preceding the fiscal year of issuance of the Economic Development Bonds authorized hereby.

Section 1.05 Determination of Amount of Economic Development Bonds Herein Authorized

(a) The State Authority finds that it is necessary to raise an amount not to exceed \$226,000,000 at this time in order to provide funds which will be used to pay costs of Infrastructure authorized by the Enabling Act, and the costs of issuance of said Economic Development Bonds and to pay costs of issuance thereof. As required by Section 11-41-90(1) of the Enabling Act, the State Authority hereby finds and determines that the Economic Development Bonds authorized herein are to be issued pursuant to Section 11-41-50(A) of the Enabling Act. As required to be stated by Section 11-41-90(2) of the Enabling Act, the aggregate of Economic Development Bonds that have been issued to date is the principal amount of \$776,910,000, excluding the Economic Development Bonds authorized hereby. A schedule setting forth the annual principal and interest payments required to retire the outstanding Economic Development Bonds is attached hereto as Attachment A-3 to Exhibit A. As required by Section 11-41-90(6) of the Enabling Act, the State Authority hereby finds and determines that this Resolution has been adopted not later than

eighteen (18) months after the date of the first notification to the Joint Bond Review Committee and the State Authority with respect to the Economic Development Project described in Exhibit A attached hereto.

[End of Article I]

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions

As used in this Resolution unless the context otherwise requires, the following terms shall have the following respective meanings:

“Authorized Investments” means and includes any securities that are at the time legal for investment of the State’s funds.

“Authorized Officer” means the Governor, the Secretary of State and the State Treasurer, a deputy or Assistant State Treasurer, and any other officer or employee of the State designated from time to time by the State Treasurer as an Authorized Officer, and when used with reference to any act or document also means any other person authorized by resolution of the State Authority to perform such act or sign such document.

“BANs” or “BAN” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act, as hereinafter defined.

“BAN Act” means Chapter 17, Title 11, Code of Laws of South Carolina, 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Economic Development Bonds authorized by this Resolution.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding, and, when used with respect to a BAN or BANs, means, any person who shall be registered as the owner of any BAN Outstanding.

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit J hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent, means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds.

“Enabling Act” means Chapter 41, Title 11, of the Code of Laws of South Carolina, 1976, as amended.

“Escrow Agent” means the entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of twelve (12) calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State of South Carolina.

“Infrastructure” shall have the meaning given in Section 1.02 of this Resolution.

“Outstanding”, when used in this Resolution with respect to Bonds or BANs, as the case may be, means as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except:

- (i) any Bond, or BAN, as the case may be, cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof), or BAN, as the case may be, deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) any Bond, or BAN, as the case may be, in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of the Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of or interest on any Bonds, or BANs, as the case may be, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds, or BANs, as the case may be, and shall effect the exchange and transfer of Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its

successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina, 1976, as amended.

“State” means the State of South Carolina.

“State Authority” means the State Fiscal Accountability Authority of the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

Section 2.02 Construction

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Resolution.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Resolution, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

ARTICLE III

ISSUANCE OF BONDS

Section 3.01 Direction to Governor and State Treasurer

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$226,000,000 principal amount of General Obligation State Economic Development Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of Infrastructure and the costs of issuance, there shall be issued not exceeding Two Hundred Twenty-Six Million Dollars (\$226,000,000) aggregate principal amount general obligation bonds of the State, designated General Obligation State Economic Development Bonds (the "Bonds"). The Bonds may be issued as a single Series or in two or more separate Series as determined by the State Treasurer. Each Series of Bonds issued hereunder shall be given a unique series identifier. The State Treasurer is hereby authorized to determine the principal amount of the Bonds of each Series and the Dated Date of each Series. References in this Resolution to "Bonds" shall mean, where appropriate, Bonds of a Series.

Section 3.03 Maturity Schedule of Bonds

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the term of a Series of Bonds does not exceed 30 years and the aggregate principal amount of Bonds issued hereunder does not exceed \$226,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

Section 3.05 Medium of Payment: Form and Denomination of Bonds; Place of Payment of Principal

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount of the

Bonds maturing in such year. The Bonds shall be numbered from 1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent

As long as any of the Bonds of a Series remain Outstanding there shall be a Registrar and a Paying Agent for such Series, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that the Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and the State Treasurer, with the Great Seal (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the Secretary of State. Bonds bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit I, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the State receives evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute, and upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in

relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment or Redemption Price of and interest on such Bond and for all other purposes, and payment of the Principal Installment or Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Redemption Price, interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
 - (b) no rate of interest named shall be more than six and one-half (6.50) percentage points; a zero (0.0) percentage point rate of interest is not permitted;
 - (c) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (d) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds, and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein)

Section 3.17 Tax Exemption in South Carolina

Both the Principal Installment and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged, and the General Assembly has allocated on an annual basis sufficient tax revenues to provide for the punctual payment of the Principal Installments and interest on the Bonds. In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution, the General Assembly must allocate on an annual basis sufficient tax revenues to provide for the punctual payment of Principal Installments of and interest on the Bonds. If at any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments of and interest on the Bonds then due.

Section 3.19 Bonds Issued in Book-Entry Only Form

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under DTC's book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment or Redemption Price of and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment or Redemption Price of and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.20 Form of Bonds

The form of the Bonds, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit I attached hereto and made a part of this Resolution.

Section 3.21 Borrowing in Anticipation of Issuance of Bonds

Pursuant to Title 11, Chapter 17 of the South Carolina Code (the "BAN Act"), there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$226,000,000 in anticipation of the issuance of Bonds. If BANs are issued and, if,

upon maturity thereof, the Governor and the State Treasurer should determine that further issuance of BANs rather than the Bonds would be in the best interest of the State under the prevailing market conditions, the Governor and the State Treasurer are authorized to continue the issuance of the BANs, in a principal amount not to exceed \$226,000,000 until the State Treasurer and the Governor determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer; provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and by the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The State Authority hereby authorizes the State Treasurer to cause to be prepared and to "deem final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The State Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer is not required to prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer.

(d) The BANs shall be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer's discretion, without further action on the part of the State Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form or book-entry form as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds

herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one-half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds; provided, however, that any premium shall be applied to the payment of principal of the BANs at the maturity thereof.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision of this Resolution, the term "Bonds" as used in Articles VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV

REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State Treasurer upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.02 State's Election to Redeem

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and the Paying Agent of each optional redemption. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all of the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date. Interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless the State defaults in making due provision for the payment of the Redemption Price thereof and accrued interest thereon.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate; provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent.

Section 4.06 Partial Redemption of Bonds

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

Section 4.08 Mandatory Redemption

Upon advice of the State's municipal advisor and bond counsel for the Bonds, the State Treasurer may elect that the Bonds or portions thereof be subject to mandatory redemption upon the occurrence of one or more events which would adversely affect the exclusion of interest on the Bonds from federal income tax. Notice of mandatory redemption shall be given in the manner provided in this Article IV, with such modifications as may be necessary to comply with applicable federal tax law and regulations.

[End of Article IV]

ARTICLE V
SALE OF BONDS

Section 5.01 **Determination of Time to Receive Bids; Form of Notice of Sale**

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit H attached hereto (the "Notice of Sale") and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to "Bonds" throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit I hereto and the Notice of Sale as set forth in Exhibit H hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit J hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

(c) The BANs authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the BAN shall be the date determined by the State Treasurer, and the BAN shall bear interest from such date; (ii) the references to "BANs" throughout this Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(c); (iii) the State Treasurer may require that the BAN bear a single, fixed rate of interest; (iv) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit J hereto; (v) the State Treasurer may determine that the BAN shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vi) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the BAN.

Section 5.02 **Award of Bonds**

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer's discretion, without further action on the part of the State Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement

The State Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The State Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same official statement as that for the Bonds.

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

(i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds; and

(ii) premium, if any, and the principal proceeds shall be deposited with the State Treasurer who shall apply the same for the purposes set forth in Section 1.05 hereof.

(b) Pending the use of Bond proceeds as provided in paragraph (a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State or, if so required by the Code, to make the necessary rebate to the United States Government.

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF BONDS

Section 7.01 Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased

If all of the Bonds issued pursuant to this Resolution, and all interest thereon shall have been paid and discharged, then the obligations of the State under this Resolution and all other rights granted herein shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

(a) An Escrow Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(b) The Escrow Agent shall hold in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds; or

(c) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Escrow Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(d) If the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.19 in the event that at the time of such election the Bonds Outstanding are issued in book-entry-only form.

Neither the Government Obligations nor moneys deposited with the Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided, however, that any cash received from such principal or interest payments on Government Obligations deposited with the Escrow Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment or Redemption Price, and interest to become due on said Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the State, as received by the Escrow Agent, free and clear of any trust, lien or pledge.

Section 7.02 Notice of Defeasance

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries: Appointment and Acceptance of Duties

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Fiduciary shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance. All references in this Article VIII to Bonds shall also be applicable to BANs issued hereunder.

Section 8.02 Responsibilities of Fiduciaries

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

(c) Except as otherwise expressly provided in this Resolution any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 Compensation

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable

expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts

Any Fiduciary may become the Owner or underwriter of any Bonds, notes or other obligations of the State or conduct any banking activities with respect to the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 Resignation of Any Fiduciary

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than 60 days written notice to the State and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the State pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the State and such Fiduciary and, as the case may be, signed by an Authorized Officer or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the State.

Section 8.08 Appointment of Successor Fiduciaries

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$226,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such

successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End Article VIII]

ARTICLE IX

FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including, without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations* with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Section, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Registered Holder thereof for federal income tax purposes pursuant to the provisions of the Code and Regulations in effect on the date of original issuance of the Bonds. Without limiting the generality of the foregoing, the State represents and covenants that:

(a) No issue of Bonds is or will be an issue of "Private Activity Bonds." The Bonds will be an issue of Private Activity Bonds if the issue meets (i) (A) the private business use test of § 141(b)(1) of the Code and (B) the private security or payment test of § 141(b)(2) of the Code, or (ii) meets the private loan financing test of § 141(c) of the Code.

(b) The Bonds will meet the private business use test of the Code if more than 10 percent of the proceeds thereof are to be used for any private business use (as defined in § 141(b)(6) of the Code). The Bonds will meet the private security or payment test of the Code if the payment of the principal of, or the interest on, more than 10 percent of the proceeds thereof is (under the terms of such issue or any underlying arrangement) directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use, or (B) payments in respect of such property, or (ii) to be derived from payments (whether or not to the issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(c) (i) The Bonds will be treated as meeting the tests of described in paragraphs (a) and (b) if such tests would be met if such paragraphs were applied (i) by substituting 5 percent for 10 percent each place it appears, and (ii) by taking into account only (A) the proceeds of the Bonds which are to be used for any private business use which is not related to any government use of such proceeds, (B) the disproportionate related business use proceeds of the issue, and (C) payments, property, and borrowed money with respect to any use of proceeds described in subclause (A) or (B).

(ii) For purposes of subparagraph (c)(i), the disproportionate related business use proceeds of the Bonds is an amount equal to the aggregate of the excesses (determined under the following sentence) for each private business use of the proceeds of an issue which is related to a government use of such proceeds. The excess determined under this sentence is the excess of (A) the proceeds of the issue which are to be used for the private business use, over (B) the proceeds of the issue which are to be used for the government use to which such private business use relates.

(d) To the extent that any proceeds of the Bonds are to be used to provide any facilities for the production, generation, transmission or distribution of electric energy, natural gas or water no arrangements

are expected for the use of any such output pursuant to any output contracts, as defined in Regulation 1.141-7(c).

(e) If the nonqualified amount of the Bonds (as defined in § 141(b)(8) of the Code) (i) exceeds \$15,000,000, but (ii) does not exceed the amount which would cause a bond which is part of such issue to be treated as a private activity bond without regard to this paragraph, the State will allocate a portion of its volume cap under § 146 of the Code to the Bonds in an amount equal to the excess of such nonqualified amount over \$15,000,000.

(f) Except in the case of Eligible Mixed-Use Projects (as defined in §1.141-6(b)(2) of the Regulations), if two or more sources of funding (including two or more tax-exempt issues) are allocated to capital expenditures for a project, those sources are allocated throughout that project to the Governmental Use and Private Business Use of the project in proportion to the relative amounts of those sources of funding spent on the project. The sources of funding allocated to capital expenditures for an Eligible Mixed-Use Project are allocated to undivided portions of the Eligible Mixed-Use Project and the Governmental Use and Private Business Use of the Eligible Mixed-Use Project. Qualified Equity is allocated first to the Private Business Use of the Eligible Mixed-Use Project and then to Governmental Use, and Proceeds are allocated first to the Governmental Use and then to Private Business Use, using the percentages of the Eligible Mixed-Use Project financed with the respective sources and the percentages of the respective uses. If Proceeds of more than one Issue finance the Eligible Mixed-Use Project, Proceeds of each Issue are allocated ratably to the uses to which Proceeds are allocated in proportion to the relative amounts of the Proceeds of such Issues allocated to the Eligible Mixed-Use Project.

(g) The Bonds will meet the private security or payment test if the present value of the payments to be taken into account exceeds 10% of the present value of the debt service to be paid over the term of the issue. The private payment test generally takes into account payment of debt service derived from payments (whether or not to the Issuer or a related party) in respect of property or borrowed money used or to be used for a private business use. Payments from a private business user are not counted to the extent such payments exceed the present value of debt service allocable to the proceeds used by such private business user. Payments for use of proceeds do not include the portion of any payment properly allocable to the payment of direct operating expenses of the financed property used by the private business user. A special rule generally characterizes payments of debt service on a refinanced issue as private payments in the same proportion as private payments bear to total payments on the refunding issues.

(h) The private security test generally takes into account payment of debt service directly or indirectly secured by an interest in property used or to be used for a private business use, or payments in respect of such property. The security for an issue and the payment of debt service on the issue are determined from both the bond documents and on the basis of an underlying arrangement between the parties. An underlying arrangement can result from separate agreements between the parties or may be inferred from all the facts and circumstances in connection with the issuance of the bonds. Private security consists of financed property used by a private business user as well as payments in respect of that property if any interest in that property or payments secures the payment of debt service on the bonds. Under this rule the payments in respect of privately used property can be counted even if they are from the general public (only to the extent available to be used directly or indirectly for debt service).

(i) For purposes of the private security or payment test, taxes of general application are not taken into account. A generally applicable tax is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power to raise revenue for governmental purposes. The tax must have uniform rate applicable to all persons of the same class in the jurisdiction and a generally applicable manner of determination and collection. A special rule permits payments in lieu of taxes to constitute generally applicable taxes under certain circumstances.

(j) (i) The Bonds will meet the private loan financing test of § 141(c) of the Code if the amount of the proceeds thereof which are to be used (directly or indirectly) to make or finance loans (other than loans described in paragraph (ii)) to persons other than governmental units exceeds the lesser of (A) 5 percent of such proceeds, or (B) \$5,000,000.

(ii) For purposes of paragraph (k)(i), a loan is described in this paragraph if such loan (A) enables the borrower to finance any governmental tax or assessment of general application for a specific essential governmental function, (B) is a nonpurpose investment (within the meaning of §148(f)(6)(A) of the Code), or (C) is a qualified natural gas supply contract (as defined in § 148(b)(4) of the Code).

(k) If the use of the proceeds of any issue of Bonds or the payment or security for any issue of Bonds is changed subsequent to the date of issue thereof such that such issue meets the tests described in this Section 9.02, the State will timely take such action as required under the terms of the Code and Regulations to remediate such non-compliance to preserve the exclusion from gross income of interest paid on such issue to the registered owners of such Bonds.

(l) All Bonds issued hereunder will be in registered form as required by § 149(a) of the Code. No Bonds issued hereunder are expected to be federally guaranteed within the meaning of § 149(b) of the Code. The State will timely file information returns in respect of each issue of Bonds hereunder as required by § 149(e) of the Code. No Bonds issued hereunder are expected to be hedge bonds within the meaning of § 149(g)(3) of the Code.

(m) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations, unless the State is advised by recognized tax counsel that such contract will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(n) The Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be “arbitrage bonds,” as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

Section 9.04 Taxable Series; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

Section 9.05 Reimbursement

[To Come].

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution

Copies of this Resolution shall be filed in the offices of the State Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings for each Series of Bonds issued hereunder), and with the offices of each Paying Agent and Registrar for each Series of Bonds issued hereunder.

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the State Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State Authority, either directly or through the State Authority, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State Authority, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the State Authority, officers and employees of the State Authority under the provisions contained in this Section shall survive the termination of this Resolution. Bonds as used in this Section 10.07 shall be deemed to include BANs.

Section 10.08 Continuing Disclosure

(a) In accordance with Section 11-1-85 of the South Carolina Code, the State Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08(a) shall be an action for specific performance of this covenant. The State Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit J hereto, together with such modifications and amendments thereto, including without limitation those necessary in case of the issuance of BANs, as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute

conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Reimbursement Declaration

(a) The State hereby declares its intention to reimburse itself for a portion of the costs of the Infrastructure with the proceeds of the Bonds requested to be issued herein. To that end, the State determines and declares as follows:

(i) as of the date hereof, no funds from any sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the State pursuant to the budget or financial policies of the State for the financing of the portion of the costs of acquisition, construction, and equipping of the Infrastructure to be funded with the Bonds;

(ii) the State reasonably expects that all or a portion of the expenditures incurred for the Infrastructure and the issuance of the Bonds will be paid prior to the issuance of the Bonds;

(iii) the State intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Infrastructure prior to the issuance of the Bonds, from the proceeds of the Bonds, and such intention is consistent with the budgetary and financial circumstances of the State;

(iv) the State intends and reasonably expects to reimburse itself for all such expenditures no later than 18 months after the later of (i) the date the original expenditure is paid, or (ii) the date the Infrastructure is placed in service or abandoned for federal income tax purposes, but in no event more than three years after the date of the original expenditure.

(v) all of the costs to be paid or reimbursed from the proceeds of the Bonds will be for costs incurred in connection with the issuance of the Bonds, or will, at the time of payment thereof, be properly chargeable to the capital account of the Infrastructure (or would be so chargeable with a proper election) under general federal income tax principles; and

(vi) this Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

Section 10.10 Law and Place of Enforcement of this Resolution

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 10.11 Effect of Article and Section Headings and Table of Contents

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.12 Repeal of Inconsistent Resolutions

All resolutions of the State Authority, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 10.13 Effectiveness of this Resolution

This Resolution shall become effective upon its adoption.

[End of Article X]

CERTIFICATE OF THE SECRETARY
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Harry M. Lightsey III, Do Hereby Certify as Follows:

1. I am, as of this date, the duly qualified and acting Secretary of Commerce of the State of South Carolina. I am authorized to execute this certificate on behalf of the South Carolina Department of Commerce (the "Department"), and I am knowledgeable with respect to the matters set forth herein.

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project known as "Project Drift", which consists of an investment in the State of South Carolina (the "State") by a firm (the "Sponsor") engaged in the recycling of components used in the automotive and other industries and the production thereby of materials for use in the automotive industry (the "Project").

3. Based upon my independent investigation and review, I hereby certify that the improvements to be financed with the proceeds of the Economic Development Bonds requested hereby for the benefit of the Project constitutes "infrastructure" as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Infrastructure"). The Infrastructure is further described in Attachment A-1 hereto.

4. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, is Two Hundred Twenty-Five Million Dollars (\$225,000,000), and, in addition thereto, not exceeding One Million Dollars (\$1,000,000) to be allocated to the Office of the State Treasurer for payment of issuance costs.

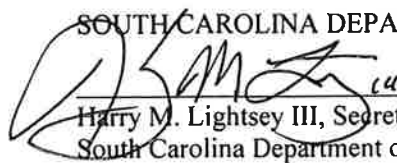
5. Based upon my independent investigation and review, I hereby certify that the Project consists of an "investment" (as defined in Section 11-41-30(4) of the Code of Laws of South Carolina, 1976, as amended) by the Sponsor in the Project of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of no fewer than four hundred (400) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). A tentative time schedule setting forth the period of time during which the sum requested hereby is to be expended is shown in Attachment A-2 hereto.

6. A table showing the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding is shown at Attachment A-3(i). Attachment A-3(ii) shows the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby requested for issuance. Shown in Attachment A-3(iii) for purposes of information are the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding, pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby proposed for issuance, and pro forma annual principal and interest requirements, as of the date hereof, for General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority but not yet issued.

7. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of \$776,910,000.

8. Based on my independent investigation and review of the Project, the proposed Infrastructure and the Project Sponsor, I hereby certify: that I have determined that the construction of the Infrastructure for the benefit of the Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that such benefits are reasonably expected to be realized and are not speculative; and that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this 22nd day of November, 2022.

SOUTH CAROLINA DEPARTMENT OF COMMERCE


Harry M. Lightsey III, Secretary
South Carolina Department of Commerce

DESCRIPTION OF INFRASTRUCTURE

Infrastructure Eligible under S.C. Code § 11-41-30(3):

<u>Description</u>	<u>Projected Amounts</u>
Site Purchase.....	\$40,000,000
Mass Grading and Site Preparation.....	133,363,031
On-site Roads.....	16,673,468
Off-site Road Improvements.....	25,000,000
Water System Improvements.....	6,902,931
Wastewater Improvements.....	<u>3,060,570</u>
TOTAL	\$225,000,000

TENTATIVE TIME SCHEDULE
SETTING FORTH THE PERIOD OF TIME DURING WHICH
THE SUM REQUESTED IS TO BE EXPENDED

PRELIMINARY – SUBJECT TO CHANGE

12/15/2022-06/30/2023	\$63,650,000
07/01/2023-12/30/2023	102,705,061
01/01/2024-06/30/2024	48,411,471
07/01/2024-12/30/2024	10,233,468

DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 12,290,000	\$ 2,301,525	\$ 14,591,525
June 30, 2024	43,615,000	3,675,300	47,290,300
June 30, 2025	22,850,000	1,754,675	24,604,675
June 30, 2026	3,615,000	609,300	4,224,300
June 30, 2027	3,790,000	437,350	4,227,350
June 30, 2028	3,910,000	318,650	4,228,650
June 30, 2029	4,105,000	123,150	4,228,150
Total	\$ 94,175,000	\$ 9,219,950	\$ 103,394,950

* Preliminary, subject to change.

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service*						
Fiscal Year	Existing Debt Service			Proposed Issue		Composite Debt Service
	11-41-50A	11-41-50B	11-41-50C	Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 2,510,000	\$ 2,624,883	\$ 19,726,408
6/30/2024	4,215,425	29,960,250	13,114,625	8,450,000	8,671,299	64,411,599
6/30/2025	4,224,175	18,049,500	2,331,000	8,720,000	8,401,744	41,726,419
6/30/2026	4,224,300	-	-	9,000,000	8,120,960	21,345,260
6/30/2027	4,227,350	-	-	9,295,000	7,828,460	21,350,810
6/30/2028	4,228,650	-	-	9,600,000	7,523,584	21,352,234
6/30/2029	4,228,150	-	-	9,915,000	7,204,864	21,348,014
6/30/2030	-	-	-	10,250,000	6,872,711	17,122,711
6/30/2031	-	-	-	10,600,000	6,523,186	17,123,186
6/30/2032	-	-	-	10,965,000	6,156,426	17,121,426
6/30/2033	-	-	-	11,355,000	5,768,265	17,123,265
6/30/2034	-	-	-	11,780,000	5,343,588	17,123,588
6/30/2035	-	-	-	12,240,000	4,881,812	17,121,812
6/30/2036	-	-	-	12,735,000	4,387,316	17,122,316
6/30/2037	-	-	-	13,260,000	3,862,634	17,122,634
6/30/2038	-	-	-	13,815,000	3,304,388	17,119,388
6/30/2039	-	-	-	14,405,000	2,715,869	17,120,869
6/30/2040	-	-	-	15,030,000	2,093,573	17,123,573
6/30/2041	-	-	-	15,690,000	1,432,253	17,122,253
6/30/2042	-	-	-	16,385,000	734,048	17,119,048
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ 226,000,000	\$ 104,451,860	\$ 433,846,810

* Preliminary, subject to change.

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND \$70,300,000
PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT PREVAILING AND ANTICIPATED
RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service*								
Fiscal Year	Existing Debt Service			Authorized but Unissued	Proposed Issue		Composite Debt	
	11-41-50A	11-41-50B	11-41-50C		Principal	Interest	Service	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ 1,596,504	\$ 2,510,000	\$ 2,624,883	\$ 21,322,912	
6/30/2024	4,215,425	29,960,250	13,114,625	5,327,344	8,450,000	8,671,299	69,738,943	
6/30/2025	4,224,175	18,049,500	2,331,000	5,328,447	8,720,000	8,401,744	47,054,866	
6/30/2026	4,224,300	-	-	5,326,024	9,000,000	8,120,960	26,671,284	
6/30/2027	4,227,350	-	-	5,325,024	9,295,000	7,828,460	26,675,834	
6/30/2028	4,228,650	-	-	5,325,232	9,600,000	7,523,584	26,677,466	
6/30/2029	4,228,150	-	-	5,326,130	9,915,000	7,204,864	26,674,144	
6/30/2030	-	-	-	5,327,783	10,250,000	6,872,711	22,450,494	
6/30/2031	-	-	-	5,324,004	10,600,000	6,523,186	22,447,190	
6/30/2032	-	-	-	5,324,997	10,965,000	6,156,426	22,446,423	
6/30/2033	-	-	-	5,324,283	11,355,000	5,768,265	22,447,548	
6/30/2034	-	-	-	5,327,261	11,780,000	5,343,588	22,450,849	
6/30/2035	-	-	-	5,323,593	12,240,000	4,881,812	22,445,405	
6/30/2036	-	-	-	5,324,871	12,735,000	4,387,316	22,447,187	
6/30/2037	-	-	-	5,326,719	13,260,000	3,862,634	22,449,353	
6/30/2038	-	-	-	5,328,056	13,815,000	3,304,388	22,447,444	
6/30/2039	-	-	-	5,324,876	14,405,000	2,715,869	22,445,745	
6/30/2040	-	-	-	5,326,340	15,030,000	2,093,573	22,449,913	
6/30/2041	-	-	-	5,325,640	15,690,000	1,432,253	22,447,893	
6/30/2042	-	-	-	5,328,480	16,385,000	734,048	22,447,528	
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ 102,791,604	\$ 226,000,000	\$ 104,451,860	\$ 536,638,414	

* Preliminary, subject to change.

EXHIBIT B

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR
THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 2,510,000	\$ 2,624,883	\$ 5,134,883
June 30, 2024	8,450,000	8,671,299	17,121,299
June 30, 2025	8,720,000	8,401,744	17,121,744
June 30, 2026	9,000,000	8,120,960	17,120,960
June 30, 2027	9,295,000	7,828,460	17,123,460
June 30, 2028	9,600,000	7,523,584	17,123,584
June 30, 2029	9,915,000	7,204,864	17,119,864
June 30, 2030	10,250,000	6,872,711	17,122,711
June 30, 2031	10,600,000	6,523,186	17,123,186
June 30, 2032	10,965,000	6,156,426	17,121,426
June 30, 2033	11,355,000	5,768,265	17,123,265
June 30, 2034	11,780,000	5,343,588	17,123,588
June 30, 2035	12,240,000	4,881,812	17,121,812
June 30, 2036	12,735,000	4,387,316	17,122,316
June 30, 2037	13,260,000	3,862,634	17,122,634
June 30, 2038	13,815,000	3,304,388	17,119,388
June 30, 2039	14,405,000	2,715,869	17,120,869
June 30, 2040	15,030,000	2,093,573	17,123,573
June 30, 2041	15,690,000	1,432,253	17,122,253
June 30, 2042	16,385,000	734,048	17,119,048
Total	\$ 226,000,000	\$ 104,451,860	\$ 330,451,860

* Preliminary, subject to change.

EXHIBIT C

PRINCIPAL AND INTEREST REQUIREMENTS
FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT
SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE PERCENT (5%) LIMITATION

Fiscal Year Ending	Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 8,640,000	\$ 879,038	\$ 9,519,038
June 30, 2024	19,755,000	1,062,950	20,817,950
June 30, 2025	9,650,000	501,725	10,151,725
June 30, 2026	3,185,000	269,100	3,454,100
June 30, 2027	3,325,000	173,550	3,498,550
June 30, 2028	2,460,000	73,800	2,533,800
Total	\$ 47,015,000	\$ 2,960,163	\$ 49,975,163

EXHIBIT D

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS
 FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT
 SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE AND ONE-HALF PERCENT
 (5.5%) LIMITATION, INCLUDING ALL GENERAL OBLIGATION STATE ECONOMIC
 DEVELOPMENT BONDS ISSUED PURSUANT TO SECTIONS 11-41-50(A) AND 11-41-50(C) OF
 THE ENABLING ACT AND THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
 GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE
 ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT
 AT PREVAILING AND ANTICIPATED RATES OF INTEREST,
 ALL SUCH DEBT SUBJECT TO THE FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 14,215,000	\$ 4,080,821	\$ 18,295,821
June 30, 2024	31,470,000	10,684,674	42,154,674
June 30, 2025	21,810,000	9,687,644	31,497,644
June 30, 2026	15,800,000	8,999,360	24,799,360
June 30, 2027	16,410,000	8,439,360	24,849,360
June 30, 2028	15,970,000	7,916,034	23,886,034
June 30, 2029	14,020,000	7,328,014	21,348,014
June 30, 2030	10,250,000	6,872,711	17,122,711
June 30, 2031	10,600,000	6,523,186	17,123,186
June 30, 2032	10,965,000	6,156,426	17,121,426
June 30, 2033	11,355,000	5,768,265	17,123,265
June 30, 2034	11,780,000	5,343,588	17,123,588
June 30, 2035	12,240,000	4,881,812	17,121,812
June 30, 2036	12,735,000	4,387,316	17,122,316
June 30, 2037	13,260,000	3,862,634	17,122,634
June 30, 2038	13,815,000	3,304,388	17,119,388
June 30, 2039	14,405,000	2,715,869	17,120,869
June 30, 2040	15,030,000	2,093,573	17,123,573
June 30, 2041	15,690,000	1,432,253	17,122,253
June 30, 2042	16,385,000	734,048	17,119,048
Total	<u>\$ 298,205,000</u>	<u>\$ 111,211,973</u>	<u>\$ 409,416,973</u>

* Preliminary, subject to change.

EXHIBIT E

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL
CURRENTLY OUTSTANDING GENERAL OBLIGATION STATE ECONOMIC
DEVELOPMENT BONDS ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE
ENABLING ACT AND THE NOT EXCEEDING \$226,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE
ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT
AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT
SUBJECT TO THE ONE-HALF PERCENT (0.5%) LIMITATION

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 5,575,000	\$ 3,201,783	\$ 8,776,783
June 30, 2024	11,715,000	9,621,724	21,336,724
June 30, 2025	12,160,000	9,185,919	21,345,919
June 30, 2026	12,615,000	8,730,260	21,345,260
June 30, 2027	13,085,000	8,265,810	21,350,810
June 30, 2028	13,510,000	7,842,234	21,352,234
June 30, 2029	14,020,000	7,328,014	21,348,014
June 30, 2030	10,250,000	6,872,711	17,122,711
June 30, 2031	10,600,000	6,523,186	17,123,186
June 30, 2032	10,965,000	6,156,426	17,121,426
June 30, 2033	11,355,000	5,768,265	17,123,265
June 30, 2034	11,780,000	5,343,588	17,123,588
June 30, 2035	12,240,000	4,881,812	17,121,812
June 30, 2036	12,735,000	4,387,316	17,122,316
June 30, 2037	13,260,000	3,862,634	17,122,634
June 30, 2038	13,815,000	3,304,388	17,119,388
June 30, 2039	14,405,000	2,715,869	17,120,869
June 30, 2040	15,030,000	2,093,573	17,123,573
June 30, 2041	15,690,000	1,432,253	17,122,253
June 30, 2042	16,385,000	734,048	17,119,048
Total	\$ 251,190,000	\$ 108,251,810	\$ 359,441,810

* Preliminary, subject to change.

\$226,000,000 STATE OF SOUTH CAROLINA GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS

FORM OF CERTIFICATE AS TO CONSTITUTIONAL AND
STATUTORY DEBT LIMIT

I, the undersigned, George L. Kennedy, III, CPA, State Auditor of the State of South Carolina, do hereby certify that:

1. Pursuant to the provisions of Article X, Section 13(6)(c) of the Constitution of the State of South Carolina, 1895, as amended (the "South Carolina Constitution") and Chapter 41 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (said Code to be hereinafter referred to as the "South Carolina Code"), the State Fiscal Accountability Authority of the State of South Carolina has authorized the issuance of the above-captioned state economic development bonds. Section 11-41-50(A) of the South Carolina Code, provides that the maximum annual debt service on all general obligation bonds of the State of South Carolina (the "State"), including state economic development bonds authorized by Sections 11-41-50(A) and (C) of the South Carolina Code, but excluding state economic development bonds authorized by Section 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.50%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-50(A) of the South Carolina Code further provides that the State at any time may not have outstanding general obligation bonds, including economic development bonds issued pursuant to Section 11-41-50(C) of the South Carolina Code, but excluding economic development bonds issued pursuant to Sections 11-41-50(A) and 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Additionally, Section 11-41-60 of the South Carolina Code provides that the maximum annual debt service on state economic development bonds issued pursuant to said Section 11-41-50(A) of the South Carolina Code must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

2. The general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$ _____. Five and one-half percent (5.50%) of such sum is \$ _____. As of [date of delivery], the maximum annual debt service on all general obligation bonds, including state economic development bonds of the State subject to the five and one-half percent (5.50%) debt service limitation, including the State's proposed not to exceed \$226,000,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$ _____.

3. Five percent (5.0%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the

sum of \$ _____. As of [date of delivery], the maximum annual debt service on all general obligation bonds of the State subject to the five percent (5.0%) debt service limitation will be \$ _____.

4. One-half of one percent (0.5%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the sum of \$ _____. As of [date of delivery], the maximum annual debt service on state economic development bonds of the State subject to the one-half of one percent (0.5%) debt service limitation, including the State's \$226,000,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$ _____.

5. This Certificate is being delivered in accordance with Section 11-41-90(5) of the South Carolina Code.

In Witness Whereof, I have executed this Certificate this ____ day of _____, ____.

State Auditor of the State of South Carolina

**\$226,000,000 STATE OF SOUTH CAROLINA GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS**

**FORM OF CERTIFICATE AS TO CONSTITUTIONAL AND
STATUTORY DEBT LIMIT**

I, the undersigned, Curtis M. Loftis, Jr., State Treasurer of the State of South Carolina, do hereby certify that:

1. Pursuant to the provisions of Article X, Section 13(6)(c) of the Constitution of the State of South Carolina, 1895, as amended (the "South Carolina Constitution") and Chapter 41 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (said Code to be hereinafter referred to as the "South Carolina Code"), the State Fiscal Accountability Authority of the State of South Carolina has authorized the issuance of the above-captioned state economic development bonds. Section 11-41-50(A) of the South Carolina Code, provides that the maximum annual debt service on all general obligation bonds of the State of South Carolina (the "State"), including state economic development bonds authorized by Sections 11-41-50(A) and (C) of the South Carolina Code, but excluding state economic development bonds authorized by Section 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.50%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-50(A) of the South Carolina Code further provides that the State at any time may not have outstanding general obligation bonds, including economic development bonds issued pursuant to Section 11-41-50(C) of the South Carolina Code, but excluding economic development bonds issued pursuant to Sections 11-41-50(A) and 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Additionally, Section 11-41-60 of the South Carolina Code provides that the maximum annual debt service on state economic development bonds issued pursuant to said Section 11-41-50(A) of the South Carolina Code must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

2. The general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$ _____. Five and one-half percent (5.50%) of such sum is \$ _____. As of [date of delivery], the maximum annual debt service on all general obligation bonds, including state economic development bonds of the State subject to the five and one-half percent (5.50%) debt service limitation, including the State's proposed not to exceed \$226,000,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$ _____.

3. Five percent (5.0%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the

sum of \$ _____. As of [date of delivery], the maximum annual debt service on all general obligation bonds of the State subject to the five percent (5.0%) debt service limitation will be \$ _____.

4. One-half of one percent (0.5%) of the general revenues of the State for fiscal year ended June 30, 20220 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the sum of \$ _____. As of [date of delivery], the maximum annual debt service on state economic development bonds of the State subject to the one-half of one percent (0.5%) debt service limitation, including the State's \$226,000,000 General Obligation State Economic Development Bonds, Series 202_ at prevailing and anticipated rates of interest, will be \$ _____.

5. As authorized by the provisions of Section 11-41-50(A) of the South Carolina Code, the State's proposed not to exceed \$226,000,000 General Obligation State Economic Development Bonds will be issued on _____, 20__, in the principal amount of [\$_____].

6. This Certificate is being delivered in accordance with Section 11-41-90(5) of the South Carolina Code.

In Witness Whereof, I have executed this Certificate this _____ day of _____, ____.

Curtis M. Loftis, Jr., State Treasurer
of the State of South Carolina

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Economic Development Bonds, Series ____ (the "Bonds"), will be received by the Governor of the State of South Carolina (the "Governor") and the State Treasurer of the State of South Carolina (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until 11:00 a.m. (Eastern Time) on _____, 20__, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED.

PARITY® Only. All bids must be submitted through BiDCOMP/Parity Electronic Bid Submission System ("PARITY®"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of PARITY® may be obtained from IPREO, Municipal Services, telephone (212) 404-8102, or parity@ipreo.com.

Authorization and Security. The Bonds are issued pursuant to the constitution and laws of the State, including Article X, Section 13(6)(b) of the South Carolina Constitution, Title 11, Chapter 15, Title 11, Chapter 21, and Title 11, Chapter 41 of the Code of Laws of South Carolina, 1976, as amended, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina, 1976, as amended, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the Date of Delivery ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America,

* Subject to adjustment as set forth herein.

which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

_____ 1 Principal Amount*

Optional Redemption. [To Be Provided At Time Of Sale].

Term Bonds. [To Be Provided At Time Of Sale].

Adjustments to Principal Amounts of the Bonds. As promptly as reasonably possible after the bids are received, the State will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the State of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). The Initial Reoffering Prices of the Bonds will be used to calculate the final maturity schedule and the final aggregate principal amount of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (Eastern Time) on the day of the sale.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at _____ a.m. (Eastern Time) on _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

Disclaimer. Each prospective bidder shall be solely responsible to submit its bid via PARITY® as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the

* Subject to adjustment as set forth herein.

requirements of this Official Notice of Sale. Neither the State nor PARITY® shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the State nor PARITY® shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The State is using PARITY® as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Bonds. The State is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Conditions of Sale" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the bidder should telephone PARITY® at (212) 404-8102 and notify the State's Financial Advisor, Public Resources Advisory Group, Inc., by telephone at (212) 566-7800. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 404-8102.

CONDITIONS OF SALE

Bidders are invited to name the rate or rates of interest which the Bonds are to bear, and unless all bids are rejected, they will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- (a) All Bonds of the same maturity must bear the same rate of interest;
- (b) No rate of interest named shall be more than five (5.0) percentage points;
- (c) A zero (0.0) percentage point rate of interest is not permitted;
- (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;

and

- (e) Any premium offered must be paid in cash as a part of the purchase price;

All bids must be for no less than 100 percent of the par value of the Bonds.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. No good faith deposit will be required.

Basis of Award. IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the

Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Rights Reserved. The State reserves the right to reject any and all bids and to reject any bids not complying with this Official Notice of Sale. The State also reserves the right to waive any irregularity or informality with respect to any bid.

Right to Change this Official Notice of Sale and to Postpone Offering. The State reserves the right to make changes to this Official Notice of Sale and also reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement will be announced via TM3. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced via TM3 at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit an electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale and except for any changes announced over TM3 at the time the sale date and time are announced.

Delivery of the Bonds. The Bonds will be delivered through the facilities of DTC on or about _____, _____, against payment of the purchase price therefor in federal funds.

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Haynsworth Sinkler Boyd, P.A., Bond Counsel. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

Tax Opinion. The opinion of Bond Counsel will state that (a) interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; and (b) the Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

Undertakings of the Successful Bidder. The successful bidder (hereafter, the "Purchaser") agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. A Preliminary Official Statement dated _____, 20__, with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the State for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement will be made available at <http://www.i-dealprospectus.com>. The State designates the Purchaser as its agent for purposes of distributing copies of the final Official Statement. The Purchaser agrees to (1) accept such designation, and (2) assure proper dissemination of the final Official Statement. The State will prepare and provide to the Purchaser, within seven business days after the sale date, a mutually agreed upon number of printed copies of the final Official Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary.

Continuing Disclosure. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued and a Continuing Disclosure Undertaking, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Kevin Kibler, Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry McMaster, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, _____

CERTIFICATE AS TO ISSUE PRICE

*[Subject to modification upon advice of Bond Counsel as required
by federal regulation and developing market practice]*

The undersigned, a duly authorized officer of _____, as the purchaser (the "Purchaser") of the above-captioned obligations (the "Bonds") issued by the State of South Carolina (the "State"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, ____.

(d) *Underwriter* as used herein means (i) any person that agrees pursuant to a written contract with the State (or with the lead Underwriter to form a syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by [Bond Counsel], as bond counsel to the State, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

OFFICIAL BID FORM

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS,
SERIES _____

Bids Received Until

_____ (South Carolina time)

_____, _____, _____

The Honorable Henry McMaster
Governor of South Carolina

The Honorable Curtis M. Loftis, Jr.
State Treasurer of South Carolina

Office of State Treasurer
Wade Hampton Office Building, Room 121
Columbia, South Carolina 29201

Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, which are made a part of this Proposal, we offer to purchase the \$ _____ General Obligation State Economic Development Bonds, Series _____, of the State of South Carolina (the "Bonds"). We will pay as the purchase price thereof _____ Dollars (\$ _____) for the Bonds, dated _____, _____, maturing as set forth below, and bearing interest, payable on _____ 1 and _____ 1 of each year, beginning _____, _____, at the rates set forth below, together with accrued interest, if any, from _____, _____, to the date of delivery of the Bonds:

<u>_____ 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>_____ 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
		_____			_____
		_____			_____
		_____			_____
		_____			_____

The total interest cost, computed from _____ 1, 20____,

at the interest rates specified above, is:

\$ _____

The premium is:

\$ _____

The net interest cost of the Bonds is:

\$ _____

The _____ is:

_____ %

(The above computations are submitted for information purposes only and are not a part of this Proposal.)

We hereby certify (or declare) that (i) this proposal is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not herein named; (ii) we have not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding; and (iii) we have not in any manner sought by collusion to secure for ourselves an advantage over any other bidder.

State Treasurer of the
State of South Carolina
facsimile numbers:
(803) 734-2039 (primary)
(803) 734-2697 (backup)

Submitted by
Company: _____
Contact: _____
Phone: _____
Facsimile: _____
Email: _____

* Subject to adjustment as described in the Official Notice of Sale.

(FORM OF BOND)
(FACE OF BOND)UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BOND,
SERIES _____

No. R- _____

Rate of InterestMaturity DateOriginal Issue DateCUSIPRegistered Holder: CEDE & CO.Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____ in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC") is the Registered Holder of the Bonds, references in this Bond to the Bondholders or Registered Holders of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on _____ 1 and _____ 1 of each year (the "Bond Payment Dates") beginning _____ 1, 20__ . The interest payable on any Bond Payment Date for any Bond shall be paid to

the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

Each Bond shall bear interest from _____, 20__, if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which Bond Payment Date is on or prior to the authentication date thereof.

Interest hereon will be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ Dollars (\$_____) of like tenor, except as to registered owner, numbering, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of Article X, Section 13 of the South Carolina Constitution, 1895, as amended; Title 11, Chapter 15, Article 5 and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended (the "Refunding Act"); and a resolution (the "Resolution") duly adopted by the State Fiscal Accountability Authority of South Carolina for the purpose of raising funds for purposes and in the manner authorized by the Refunding Act.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of the State of South Carolina.

For the payment of the principal of and interest on this Bond, as the same shall become due, there are pledged the full faith, credit and taxing power of the State of South Carolina.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to (i) issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer this Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange this Bond if called or if being called for redemption in whole or in part.

For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

The Bonds maturing on and after _____, _____, shall be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State on and after _____, _____, at par plus interest accrued to the date of redemption. [Add mandatory sinking fund redemption provisions and mandatory redemption for tax events, if any].

If less than all of the Bonds of the same maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed will be selected not less than forty-five (45) days prior to the date fixed for redemption by the Registrar by lot. Bonds in denomination of more than \$ _____ may be redeemed in part from time to time in one or more units of \$ _____ in the manner provided in the Resolution.

In the event that any Bonds are to be called for redemption as aforesaid, the Paying Agent shall give notice of the redemption of the Bonds in the name of the State specifying (i) the principal amount and the maturities of the Bonds to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers, series designation and other distinguishing marks of the Bonds to be redeemed unless all of the Outstanding Bonds are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall be dated and shall further state that on the redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after the redemption date, interest thereon shall cease to accrue. The Paying Agent shall mail a copy of such notice, by registered or certified mail, not less than thirty (30) days before the redemption date to the Registered Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books, but failure to so mail any such notice to any one of such Registered Holders shall not affect the redemption of those registered Bonds to whose Registered Holders such notice was mailed.

On the specified redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest) all Bonds so called for redemption will cease to bear interest, will no longer be secured by the Resolution and will no longer be considered as Outstanding.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced or impressed hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

_____, REGISTRAR

By: _____
Authorized Signatory

Date: _____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to
transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alternation.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
of survivorship and not as
tenants in common

UNIF GIFT MIN ACT ____ Custodian ____
(Cust) (Minor)
Under Uniform Gift to Minors Act of the
State of _____

Additional abbreviations may be used though not in the list above

(FORM OF CONTINUING DISCLOSURE UNDERTAKING)

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ___ day of _____, 202_, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$226,000,000 General Obligation State Economic Development Bonds, Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, 2022 (the “Resolution”), by the State Fiscal Accountability Authority of the State of South Carolina authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means the annual report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means any person designated in writing by the State and which has filed with the State a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system described in SEC Release No. 34-59062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

“Listed Events” means any of the events listed in Section 5(a) or (b) of this Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Unless otherwise designated by MSRB or the SEC, filings with the MSRB are to be made through EMMA.

“Official Statement” means the Official Statement dated _____, 20__, prepared in connection with the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

Section 3. Provision of Annual Reports. (a) The State shall, not later seven (7) months after the end of the State’s fiscal year (which shall be January 31 of each year, so long as the State’s fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, 20__, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the State for the fiscal year ended June 30, 20__, and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the State’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

(b) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the State; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the State’s submitter.

(c) If the State is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the State shall, in a timely manner, send or cause to be sent to the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. In connection with this distribution of the Annual Report, the Dissemination Agent, if any, shall file a report with the State certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, and stating the date it was provided to the MSRB.

Section 4. Contents of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited Comprehensive Annual Financial Report of the State for the fiscal year ended on the previous June 30, prepared in accordance with accounting principles generally accepted in the United States of America applicable to government entities from time to time by the Governmental Accounting Standards Board. If the State’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

(b) Revenue by sources in the preceding fiscal year for all governmental fund types, as indicated in Note 1 of the Audited Financial Statements contained as Appendix A in the Official Statement;

(c) Computation of the legal debt margin for General Obligation Bonds as set forth in the Official Statement under the heading "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" and

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "RELATIONSHIP OF POPULATION AND PERSONAL INCOME TO GENERAL OBLIGATIONS OF THE STATE."

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the State, which have been made available to the public on EMMA. The State shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The State shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing

body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

Section 6. Format for Filing With the MSRB. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be submitted in electronic format and shall identify the Bonds by name and CUSIP number or shall be accompanied by such identifying information as described from time to time by the MSRB.

Section 7. Termination of Reporting Obligation. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if the Rule (or any successor provision) shall be amended, modified, or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further that if and to the extent the Rule (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the State may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the State shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given by filing with the MSRB and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the State to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the State to comply with its obligations under this Disclosure Undertaking; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the State to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 2022

By: _____
State Treasurer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: The State of South Carolina

Obligations: \$226,000,000 General Obligation State Economic Development Bonds, Series 202_

Date of Issuance: _____, 202__

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section _____ of the Resolution adopted on _____, 2022. The State anticipates that the Annual Report will be filed by _____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____, _____

**HAYNSWORTH
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.
1201 MAIN STREET, 22ND FLOOR
P.O. BOX 11889 (29211)
COLUMBIA, SOUTH CAROLINA 29201
MAIN 803.779.3080
FAX 803.765.1243
www.hsblawfirm.com

_____, 202_

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$226,000,000 General Obligation State Economic Development Bonds,
Series 202_, of the State of South Carolina

Ladies and Gentlemen:

We have acted as Bond Counsel to the State of South Carolina (the "State") in connection with the issuance of \$226,000,000 General Obligation State Economic Development Bonds, Series 202_, of the State of South Carolina (the "Bonds"), dated _____, 202_. In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to and in accordance with the Constitution and laws of the State, including, particularly, the provisions of Sections 11-41-10 through 11-41-180, inclusive, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Bond Enabling Act"), and a resolution duly adopted on _____, 2022 (the "Bond Resolution"), by the State Fiscal Accountability Authority (the "Authority"), for the purpose of raising funds for purposes authorized by the Bond Enabling Act, and to pay the costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any information provided by the State or others relating to the Bonds, and we express no opinion relating thereto.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that the Bonds are valid and legally binding general obligations of the State. The full faith, credit, and taxing power of the State are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. Provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bonds.

South Carolina State Fiscal Accountability Authority

_____, 202_
Page 2

The Bonds and the interest thereon (including any original issue discount properly allocable to an owner thereof) are exempt from all state, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate, transfer or certain franchise taxes. It should be noted, however, that §12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Bonds. We express no opinion regarding other state tax consequences arising with respect to the Bonds.

Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on those corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the State comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds 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 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The State has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 202_, or the Official Statement dated _____, 202_, relating to the Bonds. This opinion is given as of the date hereof and we assume no obligation to 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.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and of the constitutional powers of the United States of America, and to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable.

We have examined a specimen Bond of this issue and, in our opinion, it is in due form of law.

Very truly yours,

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

The Authority is asked to approve the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

- (a) **Project:** JBRC Item 1: College of Charleston
H15.9679: 58 George Street Renovation
- Request:** Establish Phase I Predesign Budget to complete repairs and construct a small addition to the Barnard Elliot House in Charleston.
- Included in CPIP:** Yes – 2022 CPIP Priority 5 of 9 in FY23 (estimated at \$5,750,000)
- CHE Approval:** 11/03/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				143,750	143,750
All Sources				<u>143,750</u>	<u>143,750</u>

Summary of Work: The project will include full interior and exterior renovations, structural repairs, infrastructure modernization and demolition/reconstruction of a small addition to include accessible restrooms, elevator, and infrastructural system hubs. The portion of the building to be demolished and reconstructed is a structurally deficient non-historic addition at the rear of the building. The renovations to the original historic structure will provide a reception area, offices, interview rooms, and conference/collaboration areas for students and staff. The reconstructed non-historic addition will integrate a passenger elevator, ADA compliant restrooms, infrastructure support spaces and code compliant circulation.

Rationale: 58 George Street has significant structural issues with temporary indoor shoring to support the center of the building. The building was taken offline in 2015 due to structural instability and remains vacant. In order for the building to be re-occupied, repairs need to be made. This building is historically protected and cannot be demolished.

Facility Characteristics: The Barnard Elliot House at 58 George Street is a four-level, 6,327 gross square foot historic building in the heart of campus. It was constructed in 1803 (219 years old) and was renovated in 1987 (35 years ago). After renovations are complete the building will provide a new centrally located home for the student Edward J. Tuccio '91 Student Success Center and Center for Civic Engagement. The Student Success Center will consolidate resources to improve student retention, persistence and completion. The project will directly benefit 514 general population student residents, 96 honors student residents, 600 honors non-resident students and 12 faculty/staff. The project will indirectly benefit the entire CofC community of 10,677 students, 847 faculty, 865 staff,

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

clients, visitors, parents, and potential students who may attend meetings and seminars in the facility.

Financial Impact: This phase of the project will be funded from Capital Improvement Project Funds (uncommitted balance \$21.51 million at September 22, 2022). Revenue to this fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$1,800 (year 1), \$1,854 (year 2), and \$1,910 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$483 of the \$966 is currently pledged for debt service. The balance of the fee, \$483 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,750,000 (internal) funded by \$4,500,000 in Capital Improvement Project Funds and \$1,250,000 in Private Gift Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Project: JBRC Item 2: College of Charleston
H15.9675: Craig Residence Hall 2022 Renovation
- Request: Establish Phase II Full Construction Budget for building envelope and residence hall interior renovations.
- Included in CPIP: Yes – 2022 CPIP Priority 3 of 9 in FY23 (estimated at \$8,500,000)
- Phase I Approval: December 2021 (estimated at \$8,500,000) (SFAA)
- CHE Approval: 11/03/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	212,500		212,500	12,787,500	13,000,000
All Sources	<u>212,500</u>		<u>212,500</u>	<u>12,787,500</u>	<u>13,000,000</u>

Summary of Work: The project will replace roof membranes, exterior doors, windows, lighting, mechanical systems, fire alarm components, finishes and furnishings. Mechanical pipe systems, exterior stucco, and steel window lintels will be repaired. A fire sprinkler system and a DX dedicated outdoor air intake unit for humidity control will be added to the residence hall portion of the building. The existing roof will be replaced with a two-ply modified bitumen system. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The last significant renovation to the residence hall was in 2004. Windows and doors from the 1960's and 1970's have become increasingly difficult to operate and maintain. The existing HVAC system does not meet current indoor air quality standards. Numerous leaks from the residence hall plumbing infrastructure have flooded portions of the Office of Admissions.

Facility Characteristics: Craig Hall is a three-level, 55,792 gross square foot mixed-use building and was constructed in 1961 (61 years old). Approximately 30,700 square feet will receive interior renovations, and all of the exterior will be renovated. The existing roof was replaced or recovered in 2004 (18 years ago), with a two-ply modified bitumen roof system. The building was constructed as the college's first residence hall, cafeteria, and student union. Additions were constructed in 1970, (52 years old), 1978 (44 years old), and 1988 (34 years old). The cafeteria was relocated to another site in 2007. The cafeteria was converted to a catering kitchen and the vacant space was significantly renovated in 2009 (13 years old) to house a consolidated Office of Admissions, Dining Services, and mechanical equipment. The second and third floors remain student housing with 134 beds. Throughout the expansions and reconfigurations, building improvements focused on interiors. The facility houses 134 undergraduate students per year in an arrangement of 13 two-bedroom suites, 11 three-bedroom suites, and two four-bedroom suites. The residence hall also contains an administrative office, laundry facility, student lounge and a staff apartment.

Financial Impact: This project will be funded from Housing Revenue Funds (uncommitted balance \$15.97 million at September 22, 2022). Revenues to this fund are generated through the Student

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Housing Fee, paid per-semester by students who reside in on-campus housing. The fee varies based on amenities, condition, and age of the college's 13 residence halls and 24 historic student residences. The project is expected to result in a decrease of \$3,580 (year 1), \$3,652 (year 2), and \$3,725 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$483 of the \$966 is currently pledged for debt service. The balance of the fee, \$483 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$13,000,000 (internal) funded by Housing Revenue Funds. Contract execution is expected in March 2023 with construction completion in July 2024. The estimated cost to complete the project has increased from the Phase I estimate and the CPIP due to inflation and labor market demands, material and labor costs increases, as well as the exterior conditions were worse than anticipated.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (c) Project: JBRC Item 12: Office of the Adjutant General
E24.9842: CHTS Organizational Storage Building
- Request: Establish Phase I Pre-Design Budget to construct a pre-engineered metal building at the Clarks Hill Training Site.
- Included in CPIP: Yes – 2022 CPIP Priority 13 of 13 in FY24 (estimated at \$592,313)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau				17,342	17,342
All Sources				<u>17,342</u>	<u>17,342</u>

- Summary of Work: The project will construct an approximately 10,000 square foot pre-engineered metal building that will provide storage space for various SC Army National Guard Unit Organizational Equipment, including associated electrical mechanical and HVAC equipment.
- Rationale: Various SC Army National Guard Units utilize the Clarks Hill Training Site, and due to travel distances, on-site storage of some Organizational Equipment will reduce the number of vehicles needed to travel to and from the Clarks Hill Training Site for weekend training.
- Facility Characteristics: The new pre-engineered metal storage building to be constructed will be approximately 10,000 square feet with a concrete slab foundation. Multiple National Guard units, which include approximately 120 soldiers, will utilize the building.
- Financial Impact: The project will be funded with National Guard Bureau Funds (uncommitted balance \$10 million at October 3, 2022). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$1,000 (years 1 thru 3), in annual operating expenses.
- Full Project Estimate: \$1,156,143 (internal) funded by National Guard Bureau Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Project: JBRC Item 15: Office of the Adjutant General
E24.9811: Training Sites TT Enlisted Barracks Replacement
- Request: Increase the Phase II budget for this annualized project to cover the design for one barracks at the Clarks Hill Training Site and one barrack at the McCrady Training Site.
- Included in CPIP: Yes – 2022 CPIP Priority 7 of 24 in FY22 (estimated at \$6,843,732)
- Phase I Approval: May 2018 (estimated at \$1,404,000) (SFAA)
- Phase II Approval: March 2019 (estimated at \$1,414,416) (SFAA)
- Phase II Increase Approval: June 2020 (estimated at \$2,077,624) (SFAA)
- Phase II Increase Approval: January 2022 (estimated at \$2,500,732) (SFAA)
- Phase II Increase Approval: August 2022 (estimated at \$3,900,732) (SFAA)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	3,812,732	3,900,732	270,000	4,170,732
All Sources	<u>88,000</u>	<u>3,812,732</u>	<u>3,900,732</u>	<u>270,000</u>	<u>4,170,732</u>

Summary of Work: This annualized project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). At this time the construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4422) being demolished and replaced, on alternating years. The Clarks Hill Training Site will include five (5) new 16-man barracks, and the McCrady Training site will include five (5) new 32-man barracks. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. A slopped roof system is proposed for the barracks design, as the attic area will be utilized to house the air handler and duct work associated with HVAC system. A standing seam metal roof system will be installed as it follows the design standard of the SC Army National Guard utilized in the construction of new barracks. The roof will come with a minimum 20-year material and workmanship warranty. Installation of utilities and the extensions of utilities to the nearest service lines are also included. The McCrady Training Center barracks #3510 and #3511 have been awarded for construction. The Clarks Hill barrack (#4422) is 95% complete and barrack #4424 has been awarded for construction. This request will cover the design for one barrack at the Clarks Hill Training Site (#4541) and one barrack at the McCrady Training Site (#3501).

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards.

Facility Characteristics: Each of the five (5) new 32-man barracks buildings at McCrady Training Center will be approximately 4,700 square feet. Each of the five (5) new 16-man barracks buildings at Clarks Hill Training Site will be approximately 2,100 square feet. Approximately 300 Army National Guard soldiers use these facilities.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$10 million at October 3, 2022). Revenue to this fund is 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. The project is expected to result in an increase of \$7,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$4,170,732 (internal) funded by National Guard Bureau Funds. Construction completion for McCrady Training Site (#3510) and (#3511) is anticipated in October 2023. Construction completion for Clarks Hill Training Site (#4422) is anticipated in December 2022 and (#4424) is anticipated in October 2023. The total estimated cost to construct the five (5) 16-man barracks and the five (5) 32-man barracks is \$13,943,732.

Other: The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Project: JBRC Item 17: Office of the Adjutant General
E24.9830: Bachelors Officer Quarter's Showers (Buildings 3850, 3852, 3870, 3872)
- Request: Increase Phase II Full Construction Budget to cover increased costs to renovate existing showers at McCrady Training Site.
- Included in CPIP: Yes – 2022 CPIP Priority 13 of 24 in FY23 (estimated at \$899,409)
- Phase I Approval: January 2021 (estimated at \$319,649) (JBRC)
- Phase II Approval: September 2021 (estimated at \$191,655) (JBRC Staff)
- Phase II Increase Approval: August 2022 (estimated at \$899,409) (JBRC)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	9,592	889,818	899,409	186,011	1,085,420
All Sources	<u>9,592</u>	<u>889,818</u>	<u>899,409</u>	<u>186,011</u>	<u>1,085,420</u>

- Summary of Work: The scope of work includes the demolition of existing walls, waste lines, and existing bathroom fixtures and the installation of new walls, supply lines, drain lines, shower, toilet, fixtures and tile flooring along with any necessary electrical work. Originally, the project included shower upgrades in one of the buildings, but the additional funds will allow for shower upgrades in all four buildings.
- Rationale: The existing fixtures and finishes are failing and require replacement. These updates will bring the bathroom areas into ADA and code compliance. These facilities are over 30 years old and have not received any renovations to the building interiors, since construction.
- Facility Characteristics: There are four buildings (3850, 3852, 3870 and 3872), each 4,267 square feet, and with 350 square foot bathrooms, that were all constructed in 1990 (32 years old). These four buildings serve as the Bachelor Officers Quarters for approximately 150 soldiers each month.
- Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$10 million at October 10, 2022). Revenue to the fund is 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. The project is expected to result in a decrease of \$400 (year 1), and \$350 (years 2 and 3) in annual operating expenses.
- Full Project Estimate: \$1,085,420 (internal) funded by National Guard Bureau Funds. Contract execution is expected in December 2022 with construction completion in May 2023.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(f) **Project:** JBRC Item 21: Vocational Rehabilitation Department
H73.9620: Beaufort VR Center Reroofing

Request: Establish Phase II Full Construction Budget to re-roof the Beaufort VR Center building.

Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY23 (estimated at \$569,000)

Phase I Approval: August 2022 (estimated at \$569,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (43)	15,000		15,000	88,000	103,000
Federal, Vocational Rehabilitation Services Grant				940,000	940,000
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,028,000</u>	<u>1,043,000</u>

Summary of Work: The project will remove and replace the approximately 25,200 square foot of existing built-up roof and then apply a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1988 (34 years old) and includes a 25,200 square foot roof that is original to the building. The facility is utilized by 20 staff and 20 to 25 consumers.

Financial Impact: This request will be funded from FY17 Capital Reserve Funds (uncommitted balance \$88K at October 3, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance \$58.58 million at October 3, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,043,000 (internal) funded by FY17 Capital Reserve and Vocational Rehabilitation Services Grant Funds. Contract execution is expected in April 2023 and completion of construction in July 2023. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation, supply chain issues and high demand and limited availability of roofing materials.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (g) Project: JBRC Item 22: Vocational Rehabilitation Department
H73.9621: Greenwood VR Center Reroofing
- Request: Establish Phase II Full Construction Budget to re-roof the Greenwood VR Center building.
- Included in CPIP: Yes – 2022 CPIP Priority 3 of 4 in FY23 (estimated at \$599,000)
- Phase I Approval: August 2022 (estimated at \$599,000) (JBRC)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (44)	15,000		15,000	93,000	108,000
Federal, Vocational Rehabilitation Services Grant				996,250	996,250
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,089,250</u>	<u>1,104,250</u>

- Summary of Work:** The project will remove and replace the approximately 26,700 square foot of existing built-up roof and then apply a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.
- Rationale:** The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.
- Facility Characteristics:** The Vocational Rehabilitation Center was constructed in 1984 (38 years old) and includes a 26,700 square foot roof that is original to the building. The facility is utilized by 28 staff and 20 to 25 consumers.
- Financial Impact:** This request will be funded from FY17 Capital Reserve Funds (uncommitted balance \$93K at October 3, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance \$58.58 million at October 3, 2022). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate:** \$1,104,250 (internal) funded by FY17 Capital Reserve and Vocational Rehabilitation Services Grant Funds. Contract execution is expected in April 2023 and completion of construction in July 2023. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation, supply chain issues and high demand and limited availability of roofing materials.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (h) Project: JBRC Item 25: Department of Health & Environmental Control
J04.9540: DHEC Public Health and Environmental Lab Building
- Request: Establish Phase II Full Construction Budget to construct a larger building to replace the existing Public Health and Hayne Environmental Testing Lab.
- Included in CIP: Yes – 2022 CIP Priority 1 of 3 in FY23 (estimated at \$106,488,000)
- Phase I Approval: January 2022 (estimated at \$104,400,000) (SFAA)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY21 Carryforward	2,088,000		2,088,000		2,088,000
Federal, American Rescue Plan Act				104,400,000	104,400,000
Other, Covid Response Reimbursement				42,108,650	42,108,650
All Sources	<u>2,088,000</u>		<u>2,088,000</u>	<u>146,508,650</u>	<u>148,596,650</u>

Summary of Work: The project will construct a new building that will be used for the operations of the Public Health & Environmental labs (labs, offices, conference rooms, training and building common areas) and building operations (HVAC, electrical, plumbing, vent fans, and related). The building is being designed as a poured in place concrete structure, with a brick veneer and Class 2B occupancy. The building structure will consist of shallow spread footings that will support concrete columns and shear walls. The floors and roof of the buildings will consist of flat concrete slabs with thickened capitals around columns. The roof will be a low slope with a parapet (commonly referred to as a “flat roof”). The design team will consider several different high performance membrane roofing systems including multi-ply Modified Bitumen, EPDM and TPO. The current basis of design is a 3-ply built up modified bitumen roof. The roof will come with a minimum 20-year material and workmanship warranty. The existing Hayne Lab was evaluated for potential use for non-laboratory functions. Once a suitable use is determined, a separate project will be proposed for that use.

Rationale: A feasibility study was performed, and it was determined that the existing building does not have sufficient space nor is the infrastructure sufficient for a renovation as it would not be able to adhere to current laboratory building codes. The architect recommended that a larger building be constructed to accommodate for future expansion and testing requirements.

Facility Characteristics: The existing Hayne Lab is 88,020 square feet and the Lab Annex is 2,480 square feet and they were constructed in 1977 (45 years old). The new building to be constructed will be approximately 140,000 square feet and will adhere to new regulatory and accreditation standards, along with the ability for labs to expand for future testing and

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

equipment needs. This building will house the Public Health and Environmental Labs, which include critical testing, such as newborn genetic screening, bioterrorism detection, rabies, tuberculosis, air quality, foodborne diseases, water safety, and emerging infectious diseases such as COVID, etc. Currently, there are 218 employees at the Hayne Lab. This space is not open to the public but serves all the constituents of South Carolina.

Financial Impact: This phase of the project will be funded from American Rescue Plan Act Funds (uncommitted balance \$104.4 million at October 11, 2022) and Covid Response Reimbursement Funds (uncommitted balance \$42.1 million at October 11, 2022). The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$5,888,649 over a 30-year period. The project is expected to result in an increase of \$1,771,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: \$148,596,650 (internal) funded by Appropriated State, FY21 Carryforward, American Rescue Plans Act (ARPA) and Covid Response Reimbursement Funds. Contract execution is expected in December 2022 and completion of construction in December 2026. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation in construction costs.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (i) **Project:** JBRC Item 40: Department of Corrections
N04.9788: Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center
- Request:** Establish Phase I Pre-Design Budget to construct a Proprietary Fire Alarm Monitoring Stations and Emergency Response Center.
- Included in CPIP:** Yes – 2022 Priority 2 of 7 in FY24 (estimated at \$8,000,000)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				120,000	120,000
All Sources				<u>120,000</u>	<u>120,000</u>

Summary of Work: The project will construct an approximately 5,000 square foot metal framed building with brick or block veneer on grade. It is anticipated that the roof will be a standing seam metal roofing system, however, all roofing material options will be evaluated during the Phase I process. The roof will come with a minimum 20-year material and workmanship warranty.

Rationale: This centralized facility will monitor the day-to-day operations of every institution in the state, including the monitoring of the fire alarms and video surveillance. In addition to providing for a central facility to coordinate a response in the event of an emergency within the agency, this building will incorporate other emergency/security functions which are currently housed in a separate building that does not meet the requirements for a proprietary fire alarm monitoring station and due to the type of construction cannot be altered to meet the code requirements, per the agency. This building also does not have any room for expansion.

Facility Characteristics: The approximately 5,000 square foot building to be constructed will support the entire agency to include all 21 correctional institutions and all support buildings throughout the state. This building will replace an emergency action center, which will be repurposed after this new building is constructed. The new building will have approximately 11 employees per shift and will serve the entire agency which has approximately 4,000 employees and 16,000 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not yet been determined.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, Operating Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (j) **Project:** JBRC Item 41: Department of Corrections
N04.9789: Statewide Cross Fencing and Recreation Yard Relocation
- Request:** Establish Phase I Pre-Design Budget to relocate the recreation yards at Turbeville, Ridgeland, and Kershaw, and install additional security fencing at these institutions as well as at the remaining 11, Level 2 and Level 3 institutions across the state.
- Included in CPIP:** Yes – 2022 Priority 6 of 7 in FY24 (estimated at \$6,200,000)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				93,000	93,000
All Sources				<u>93,000</u>	<u>93,000</u>

Summary of Work: The project will move the recreation yards at three institutions, Turbeville CI, Kershaw CI, and Ridgeland CI to the front of the dorms. Current designs call for 2,100 linear feet of fencing at Turbeville CI, 2,200 linear feet at Kershaw CI and 2,100 linear feet at Ridgeland CI. The remainder of the security fence will be spread out at the remaining Level 2 and 3 institutions across the state (11 Institutions) as security audits are conducted and additional needs are identified. The security fencing inside the institutions consists of 12 ft tall 9 gage chain link fence topped with at least one roll of razor wire (number of rolls of razor wire depend on the institution and location of the fence inside of the institution) embedded in a concrete ribbon. Electronic gates to control movement through the yards will be installed, and sidewalks and underground utilities will be rerouted as needed.

Rationale: Currently the recreation yard is located at the back of the housing unit at these correctional institutions, where inmates are blocked from most site lines of the staff. This project will increase the security and safety of the staff and inmates by increasing the staff's situation awareness, per the agency.

Facility Characteristics: The new recreation yards at Turbeville CI, Kershaw CI, and Ridgeland CI will be approximately 4,000 square feet each, and each dorm will have 2 recreation yards, one for each wing, totaling 8 yards for each institution. These yards will be used by approximately 3,449 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$6,200,000 (internal) funded by Appropriated State, Operating Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(k) Project: JBRC Item 42: Department of Corrections
N04.9790: Statewide Fire Alarm Upgrades

Request: Establish Phase I Pre-Design Budget to upgrade the fire alarm systems at Broad River, Ridgeland and Allendale Correctional Institutions.

Included in CPIP: Yes – 2022 Priority 3 of 7 in FY24 (estimated at \$9,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				135,000	135,000
All Sources				<u>135,000</u>	<u>135,000</u>

Summary of Work: The project will repair and replace fire alarms, and make any related repairs and upgrades required for the new fire alarm system to operate.

Rationale: The upgrades will increase fire life safety and operations in these correctional institutions. The existing fire alarm systems at these institutions are obsolete and spare parts are increasingly difficult to obtain to repair the systems.

Facility Characteristics: Broad River Correctional Institution is approximately 442,092 square feet and the fire alarm system was installed in 1985 (37 years old). This institution has an operating capacity of 1,529 inmates and currently has 196 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and the fire alarm system was installed in 2007 (15 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Allendale Correctional Institution is approximately 291,199 square feet and the fire alarm system was installed in 2002 (20 years old). This institution has an operating capacity of 1,103 inmates and currently has 142 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$9,000,000 (internal) funded by Appropriated State, Operating Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (I) Project: JBRC Item 43: Department of Corrections
N04.9791: Statewide HVAC Controls Replacement
- Request: Establish Phase I Pre-Design Budget to replace HVAC controls at Lee, Ridgeland and Turbeville Correctional Institutions.
- Included in CPIP: Yes – 2022 Priority 1 of 7 in FY24 (estimated at \$10,000,000)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The project will consist of changing supply water and return water sensors, chilled water and hot water control valves, actuators, control panels, wiring and upgraded software and monitors to control the heating and cooling at Lee, Ridgeland and Turbeville.

Rationale: The HVAC controls are original to the institutions and are outdated and obsolete. Due to their age these systems are in poor shape and replacement parts and manufacturer support are increasing in cost and becoming harder to acquire, per the agency.

Facility Characteristics: Lee Correctional Institution is approximately 505,194 square feet and was constructed in 1993 (29 years old). This institution has an operating capacity of 1,358 inmates and currently has 167 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and was constructed in 1995 (27 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Turbeville Correctional Institution is approximately 428,630 square feet and was constructed in 1994 (28 years old). This institution has an operating capacity of 1,546 inmates and currently has 167 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is expected to result in an additional annual operating savings, but those amounts have not yet been determined.

Full Project Estimate: \$10,000,000 (internal) funded by Appropriated State, Operating Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m) Project: JBRC Item 44: Department of Natural Resources
P24.6006: Richland – Regional Skeet/Trap Event Range

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs for the construction of a Regional Skeet and Trap Event Facility, located at the DNR Wateree River in Richland County.

Included in CPIP: No – The division had to secure matching funds, then notify Administration of the need for additional project funding. These items were not settled until after the CPIP was finalized.

Phase I Approval: December 2019 (estimated at \$4,000,000) (SFAA)

Phase II Approval: October 2020 (estimated at \$4,000,000) (SFAA)

Phase II Increase Approval: Approval 2022 (estimated at \$5,863,870) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (42) (c)	60,000	690,000	750,000		750,000
Appropriated State, FY22 Carryforward				100,000	100,000
Federal, USFWS Grant		4,863,870	4,863,870	900,000	5,763,870
Other, Boyd Foundation Donation		200,000	200,000		200,000
Other, National Wild Turkey Federation		50,000	50,000		50,000
All Sources	<u>60,000</u>	<u>3,940,000</u>	<u>5,863,870</u>	<u>1,000,000</u>	<u>6,863,870</u>

Summary of Work: This project entails the design, permitting, site development, and construction of a Regional Skeet/Trap Event Facility. The project will entail the site preparation and construction to include eight skeet/trap field overlays, pavilion and classroom, sidewalks, access road, parking lots and improvements to the property and structures needed to support the State Skeet/Trap Event Facility and provide ADA accessibility.

Rationale: With this project, DNR is seeking to take advantage of federal funds that are being made available specifically for range construction projects. The importance of such funding opportunities is that they allow the agency to initiate projects which conform to DNR objectives. These objectives include: (1) a safe area for constituents to participate in recreational shooting or to practice shooting prior to going hunting; and (2) an area that the agency can utilize for hands-on training for hunter education students and recruitment for hunters and recreational shooters. This facility is needed to meet the increasing demand for shooting sports in the state, particularly in the agency's

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Scholastic Clay Targets Sports Program (SCTS). Over the years SCTS has seen an upsurge in participation which has resulted in the need for facilities with the capacity to host local, state and national events. The proposed Regional Skeet/Trap Event Range will be located in the central midlands making it easily accessible to all areas of the state.

Facility Characteristics: This Regional Skeet and trap Event facility will be located at the DNR Wateree River WMA on US Hwy 378 in lower Richland County near the Town of Eastover. The new facility will include a 2,027 square foot classroom, 6,174 square foot pavilion, 1,120 square foot total for restrooms, and a 1,120 square foot storage room for a total of 10,441 square feet.

Financial Impact: This increase will be funded from Appropriated State, FY22 Carryforward (uncommitted balance \$4.17 million at September 30, 2022), and US Fish & Wildlife Service for Hunter Education and Wildlife Restoration Grant Funds (uncommitted balance \$900K at October 14, 2022). Revenue received for the US Fish & Wildlife Service Grant is an allocation for Hunter Education and Wildlife Restoration, which is generated from a federal excise tax on ammunitions, firearms, archery equipment, etc. The project is expected to result in an increase of \$180,755 (year 1), and \$140,000 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$6,863,870 (internal) funded by FY20 Appropriated State, Proviso 118.16 (nonrecurring), USFWS Grant, Boyd Foundation Donation and National Wild Turkey Federation Funds. Contract execution is expected in March 2023 with construction completion in September 2023.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

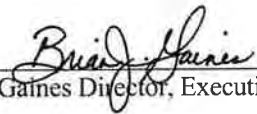
Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


Brian J. Gaines Director, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

(a) Project: JBRC Item 1: College of Charleston
H15.9679: 58 George Street Renovation

Request: Establish Phase I Predesign Budget to complete repairs and construct a small addition to the Barnard Elliot House in Charleston.

Included in CPIP: Yes – 2022 CPIP Priority 5 of 9 in FY23 (estimated at \$5,750,000)
CHE Approval: 11/03/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				143,750	143,750
All Sources				<u>143,750</u>	<u>143,750</u>

Summary of Work: The project will include full interior and exterior renovations, structural repairs, infrastructure modernization and demolition/reconstruction of a small addition to include accessible restrooms, elevator, and infrastructural system hubs. The portion of the building to be demolished and reconstructed is a structurally deficient non-historic addition at the rear of the building. The renovations to the original historic structure will provide a reception area, offices, interview rooms, and conference/collaboration areas for students and staff. The reconstructed non-historic addition will integrate a passenger elevator, ADA compliant restrooms, infrastructure support spaces and code compliant circulation.

Rationale: 58 George Street has significant structural issues with temporary indoor shoring to support the center of the building. The building was taken offline in 2015 due to structural instability and remains vacant. In order for the building to be re-occupied, repairs need to be made. This building is historically protected and cannot be demolished.

Facility Characteristics: The Barnard Elliot House at 58 George Street is a four-level, 6,327 gross square foot historic building in the heart of campus. It was constructed in 1803 (219 years old) and was renovated in 1987 (35 years ago). After renovations are complete the building will provide a new centrally located home for the student Edward J. Tuccio '91 Student Success Center and Center for Civic Engagement. The Student Success Center will consolidate resources to improve student retention, persistence and completion. The project will directly benefit 514 general population student residents, 96 honors student residents, 600 honors non-resident students and 12 faculty/staff. The project will indirectly benefit the entire CofC community of 10,677 students, 847 faculty, 865 staff, clients, visitors, parents, and potential students who may attend meetings and seminars in the facility.

Financial Impact: This phase of the project will be funded from Capital Improvement Project Funds (uncommitted balance \$21.51 million at September 22, 2022). Revenue to this fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$1,800 (year 1), \$1,854 (year 2), and \$1,910 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$483 of the \$966 is currently pledged for debt service. The balance of the fee, \$483 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,750,000 (internal) funded by \$4,500,000 in Capital Improvement Project Funds and \$1,250,000 in Private Gift Funds.

(b) Project: JBRC Item 2: College of Charleston
H15.9675: Craig Residence Hall 2022 Renovation

Request: Establish Phase II Full Construction Budget for building envelope and residence hall interior renovations.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 9 in FY23 (estimated at \$8,500,000)

Phase I Approval: December 2021 (estimated at \$8,500,000) (SFAA)

CHE Approval: 11/03/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	212,500		212,500	12,787,500	13,000,000
All Sources	<u>212,500</u>		<u>212,500</u>	<u>12,787,500</u>	<u>13,000,000</u>

Summary of Work: The project will replace roof membranes, exterior doors, windows, lighting, mechanical systems, fire alarm components, finishes and furnishings. Mechanical pipe systems, exterior stucco, and steel window lintels will be repaired. A fire sprinkler system and a DX dedicated outdoor air intake unit for humidity control will be added to the residence hall portion of the building. The existing roof will be replaced with a two-ply modified bitumen system. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The last significant renovation to the residence hall was in 2004. Windows and doors from the 1960's and 1970's have become increasingly difficult to operate and maintain. The existing HVAC system does not meet current indoor air quality standards. Numerous leaks from the residence hall plumbing infrastructure have flooded portions of the Office of Admissions.

Facility Characteristics: Craig Hall is a three-level, 55,792 gross square foot mixed-use building and was constructed in 1961 (61 years old). Approximately 30,700 square feet will receive interior renovations, and all of the exterior will be renovated. The existing roof was replaced or recovered in 2004 (18 years ago), with a two-ply modified bitumen roof system. The building was constructed as the college's first residence hall, cafeteria, and student union. Additions were constructed in 1970, (52 years old), 1978 (44 years old), and 1988 (34 years old). The cafeteria was relocated to another site in 2007. The cafeteria was converted to a catering kitchen and the vacant space was significantly renovated in 2009 (13 years old) to house a consolidated Office of Admissions, Dining Services, and mechanical equipment. The second and third floors remain student housing with 134 beds. Throughout the expansions and reconfigurations, building improvements focused on interiors. The facility houses 134 undergraduate students per year in an arrangement of 13 two-bedroom suites, 11 three-bedroom suites, and two four-bedroom suites. The residence hall also contains an administrative office, laundry facility, student lounge and a staff apartment.

Financial Impact: This project will be funded from Housing Revenue Funds (uncommitted balance \$15.97 million at September 22, 2022). Revenues to this fund are generated through the Student Housing Fee, paid per-semester by students who reside in on-campus housing. The fee varies based on amenities, condition, and age of the college's 13 residence halls and 24 historic student residences. The project is expected to result in a decrease of \$3,580 (year 1), \$3,652 (year 2), and \$3,725 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to \$906 for the academic years 2014-2015 to 2022-2023. \$483 of the \$966 is currently pledged for debt service. The balance of the fee, \$483 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$13,000,000 (internal) funded by Housing Revenue Funds. Contract execution is expected in March 2023 with construction completion in July 2024. The estimated cost to complete the project has increased from the Phase I estimate and the CPIP due to inflation and labor market demands, material and labor costs increases, as well as the exterior conditions were worse than anticipated.

(c) Project: JBRC Item 12: Office of the Adjutant General
E24.9842: CHTS Organizational Storage Building

Request: Establish Phase I Pre-Design Budget to construct a pre-engineered metal building at the Clarks Hill Training Site.

Included in CPIP: Yes – 2022 CPIP Priority 13 of 13 in FY24 (estimated at \$592,313)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau				17,342	17,342
All Sources				<u>17,342</u>	<u>17,342</u>

Summary of Work: The project will construct an approximately 10,000 square foot pre-engineered metal building that will provide storage space for various SC Army National Guard Unit Organizational Equipment, including associated electrical mechanical and HVAC equipment.

Rationale: Various SC Army National Guard Units utilize the Clarks Hill Training Site, and due to travel distances, on-site storage of some Organizational Equipment will reduce the number of vehicles needed to travel to and from the Clarks Hill Training Site for weekend training.

Facility Characteristics: The new pre-engineered metal storage building to be constructed will be approximately 10,000 square feet with a concrete slab foundation. Multiple National Guard units, which include approximately 120 soldiers, will utilize the building.

Financial Impact: The project will be funded with National Guard Bureau Funds (uncommitted balance \$10 million at October 3, 2022). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$1,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: \$1,156,143 (internal) funded by National Guard Bureau Funds.

(d) Project: JBRC Item 15: Office of the Adjutant General
E24.9811: Training Sites TT Enlisted Barracks Replacement

Request: Increase the Phase II budget for this annualized project to cover the design for one barracks at the Clarks Hill Training Site and one barrack at the McCrady Training Site.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 24 in FY22 (estimated at \$6,843,732)

Phase I Approval: May 2018 (estimated at \$1,404,000) (SFAA)

Phase II Approval: March 2019 (estimated at \$1,414,416) (SFAA)

Phase II Increase Approval: June 2020 (estimated at \$2,077,624) (SFAA)

Phase II Increase Approval: January 2022 (estimated at \$2,500,732) (SFAA)

Phase II Increase Approval: August 2022 (estimated at \$3,900,732) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	3,812,732	3,900,732	270,000	4,170,732
All Sources	<u>88,000</u>	<u>3,812,732</u>	<u>3,900,732</u>	<u>270,000</u>	<u>4,170,732</u>

Summary of Work: This annualized project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). At this time the construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4422) being demolished and replaced, on alternating years. The Clarks Hill Training Site will include five (5) new 16-man barracks, and the McCrady Training site will include five (5) new 32-man barracks. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. A slopped roof system is proposed for the barracks design, as the attic area will be utilized to house the air handler and duct work associated with HVAC system. A standing seam metal roof system will be installed as it follows the design standard of the SC Army National Guard utilized in the construction of new barracks. The roof will come with a minimum 20-year material and workmanship warranty. Installation of utilities and the extensions of utilities to the nearest service lines are also included. The McCrady Training Center barracks #3510 and #3511 have been awarded for construction. The Clarks Hill barrack (#4422) is 95% complete and barrack #4424 has been awarded for construction. This request will cover the design for one barrack at the Clarks Hill Training Site (#4541) and one barrack at the McCrady Training Site (#3501).

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards.

Facility Characteristics: Each of the five (5) new 32-man barracks buildings at McCrady Training Center will be approximately 4,700 square feet. Each of the five (5) new 16-man barracks buildings at Clarks Hill Training Site will be approximately 2,100 square feet. Approximately 300 Army National Guard soldiers use these facilities.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$10 million at October 3, 2022). Revenue to this fund is 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. The project is expected to result in an increase of \$7,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$4,170,732 (internal) funded by National Guard Bureau Funds. Construction completion for McCrady Training Site (#3510) and (#3511) is anticipated in October 2023. Construction completion for Clarks Hill Training Site (#4422) is anticipated in December 2022 and (#4424) is anticipated in October 2023. The total estimated cost to construct the five (5) 16-man barracks and the five (5) 32-man barracks is \$13,943,732.

Other: The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

(e) Project: JBRC Item 17: Office of the Adjutant General
E24.9830: Bachelors Officer Quarter's Showers (Buildings 3850, 3852, 3870, 3872)

Request: Increase Phase II Full Construction Budget to cover increased costs to renovate existing showers at McCrady Training Site.

Included in CPIP: Yes – 2022 CPIP Priority 13 of 24 in FY23 (estimated at \$899,409)

Phase I Approval: January 2021 (estimated at \$319,649) (JBRC)

Phase II Approval: September 2021 (estimated at \$191,655) (JBRC Staff)

Phase II Increase Approval: August 2022 (estimated at \$899,409) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	9,592	889,818	899,409	186,011	1,085,420
All Sources	<u>9,592</u>	<u>889,818</u>	<u>899,409</u>	<u>186,011</u>	<u>1,085,420</u>

Summary of Work: The scope of work includes the demolition of existing walls, waste lines, and existing bathroom fixtures and the installation of new walls, supply lines, drain lines, shower, toilet, fixtures and tile flooring along with any necessary electrical work. Originally, the project included shower upgrades in one of the buildings, but the additional funds will allow for shower upgrades in all four buildings.

Rationale: The existing fixtures and finishes are failing and require replacement. These updates will bring the bathroom areas into ADA and code compliance. These facilities are over 30 years old and have not received any renovations to the building interiors, since construction.

Facility Characteristics: There are four buildings (3850, 3852, 3870 and 3872), each 4,267 square feet, and with 350 square foot bathrooms, that were all constructed in 1990 (32 years old). These four buildings serve as the Bachelor Officers Quarters for approximately 150 soldiers each month.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$10 million at October 10, 2022). Revenue to the fund is 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. The project is expected to result in a decrease of \$400 (year 1), and \$350 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$1,085,420 (internal) funded by National Guard Bureau Funds. Contract execution is expected in December 2022 with construction completion in May 2023.

(f) Project: JBRC Item 21: Vocational Rehabilitation Department
H73.9620: Beaufort VR Center Reroofing

Request: Establish Phase II Full Construction Budget to re-roof the Beaufort VR Center building.

Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY23 (estimated at \$569,000)

Phase I Approval: August 2022 (estimated at \$569,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (43)	15,000		15,000	88,000	103,000
Federal, Vocational Rehabilitation Services Grant				940,000	940,000
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,028,000</u>	<u>1,043,000</u>

Summary of Work: The project will remove and replace the approximately 25,200 square foot of existing built-up roof and then apply a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1988 (34 years old) and includes a 25,200 square foot roof that is original to the building. The facility is utilized by 20 staff and 20 to 25 consumers.

Financial Impact: This request will be funded from FY17 Capital Reserve Funds (uncommitted balance \$88K at October 3, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance \$58.58 million at October 3, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,043,000 (internal) funded by FY17 Capital Reserve and Vocational Rehabilitation Services Grant Funds. Contract execution is expected in April 2023 and completion of construction in July 2023. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation, supply chain issues and high demand and limited availability of roofing materials.

(g) Project: JBRC Item 22: Vocational Rehabilitation Department
H73.9621: Greenwood VR Center Reroofing

Request: Establish Phase II Full Construction Budget to re-roof the Greenwood VR Center building.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 4 in FY23 (estimated at \$599,000)
Phase I Approval: August 2022 (estimated at \$599,000) (JBRC)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (44)	15,000		15,000	93,000	108,000
Federal, Vocational Rehabilitation Services Grant				996,250	996,250
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,089,250</u>	<u>1,104,250</u>

Summary of Work: The project will remove and replace the approximately 26,700 square foot of existing built-up roof and then apply a two-ply smooth granular surfaced modified bitumen roofing system with associated flashings and metal work. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1984 (38 years old) and includes a 26,700 square foot roof that is original to the building. The facility is utilized by 28 staff and 20 to 25 consumers.

Financial Impact: This request will be funded from FY17 Capital Reserve Funds (uncommitted balance \$93K at October 3, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance \$58.58 million at October 3, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,104,250 (internal) funded by FY17 Capital Reserve and Vocational Rehabilitation Services Grant Funds. Contract execution is expected in April 2023 and completion of construction in July 2023. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation, supply chain issues and high demand and limited availability of roofing materials.

(h) Project: JBRC Item 25: Department of Health & Environmental Control
J04.9540: DHEC Public Health and Environmental Lab Building

Request: Establish Phase II Full Construction Budget to construct a larger building to replace the existing Public Health and Hayne Environmental Testing Lab.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at \$106,488,000)

Phase I Approval: January 2022 (estimated at \$104,400,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY21 Carryforward	2,088,000		2,088,000		2,088,000
Federal, American Rescue Plan Act				104,400,000	104,400,000
Other, Covid Response Reimbursement				42,108,650	42,108,650
All Sources	<u>2,088,000</u>		<u>2,088,000</u>	<u>146,508,650</u>	<u>148,596,650</u>

Summary of Work: The project will construct a new building that will be used for the operations of the Public Health & Environmental labs (labs, offices, conference rooms, training and building common areas) and building operations (HVAC, electrical, plumbing, vent fans, and related). The building is being designed as a poured in place concrete structure, with a brick veneer and Class 2B occupancy. The building structure will consist of shallow spread footings that will support concrete columns and shear walls. The floors and roof of the buildings will consist of flat concrete slabs with thickened capitals around columns. The roof will be a low slope with a parapet (commonly referred to as a "flat roof"). The design team will consider several different high performance membrane roofing systems including multi-ply Modified Bitumen, EPDM and TPO. The current basis of design is a 3-ply built up modified bitumen roof. The roof will come with a minimum 20-year material and workmanship warranty. The existing Hayne Lab was evaluated for potential use for non-laboratory functions. Once a suitable use is determined, a separate project will be proposed for that use.

Rationale: A feasibility study was performed, and it was determined that the existing building does not have sufficient space nor is the infrastructure sufficient for a renovation as it would not be able to adhere to current laboratory building codes. The architect recommended that a larger building be constructed to accommodate for future expansion and testing requirements.

Facility Characteristics: The existing Hayne Lab is 88,020 square feet and the Lab Annex is 2,480 square feet and they were constructed in 1977 (45 years old). The new building to be constructed will be approximately 140,000 square feet and will adhere to new regulatory and accreditation standards, along with the ability for labs to expand for future testing and equipment needs. This building will house the Public Health and Environmental Labs, which include critical testing, such as newborn genetic screening, bioterrorism detection, rabies, tuberculosis, air quality, foodborne diseases, water safety, and emerging infectious diseases such as COVID, etc. Currently, there are 218 employees at the Hayne Lab. This space is not open to the public but serves all the constituents of South Carolina.

Financial Impact: This phase of the project will be funded from American Rescue Plan Act Funds (uncommitted balance \$104.4 million at October 11, 2022) and Covid Response Reimbursement Funds (uncommitted balance \$42.1 million at October 11, 2022). The building will be constructed to meet Two Green Globes certification standards with

anticipated energy savings of \$5,888,649 over a 30-year period. The project is expected to result in an increase of \$1,771,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: \$148,596,650 (internal) funded by Appropriated State, FY21 Carryforward, American Rescue Plans Act (ARPA) and Covid Response Reimbursement Funds. Contract execution is expected in December 2022 and completion of construction in December 2026. The estimated cost to complete the project has increased from the 2022 CPIP and Phase I amount due to inflation in construction costs.

(i) Project: JBRC Item 40: Department of Corrections
N04.9788: Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center

Request: Establish Phase I Pre-Design Budget to construct a Proprietary Fire Alarm Monitoring Stations and Emergency Response Center.

Included in CPIP: Yes – 2022 Priority 2 of 7 in FY24 (estimated at \$8,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				120,000	120,000
All Sources				<u>120,000</u>	<u>120,000</u>

Summary of Work: The project will construct an approximately 5,000 square foot metal framed building with brick or block veneer on grade. It is anticipated that the roof will be a standing seam metal roofing system, however, all roofing material options will be evaluated during the Phase I process. The roof will come with a minimum 20-year material and workmanship warranty.

Rationale: This centralized facility will monitor the day-to-day operations of every institution in the state, including the monitoring of the fire alarms and video surveillance. In addition to providing for a central facility to coordinate a response in the event of an emergency within the agency, this building will incorporate other emergency/security functions which are currently housed in a separate building that does not meet the requirements for a proprietary fire alarm monitoring station and due to the type of construction cannot be altered to meet the code requirements, per the agency. This building also does not have any room for expansion.

Facility Characteristics: The approximately 5,000 square foot building to be constructed will support the entire agency to include all 21 correctional institutions and all support buildings throughout the state. This building will replace an emergency action center, which will be repurposed after this new building is constructed. The new building will have approximately 11 employees per shift and will serve the entire agency which has approximately 4,000 employees and 16,000 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not yet been determined.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, Operating Funds.

(j) Project: JBRC Item 41: Department of Corrections
N04.9789: Statewide Cross Fencing and Recreation Yard Relocation

Request: Establish Phase I Pre-Design Budget to relocate the recreation yards at Turbeville, Ridgeland, and Kershaw, and install additional security fencing at these institutions as well as at the remaining 11, Level 2 and Level 3 institutions across the state.

Included in CPIP: Yes – 2022 Priority 6 of 7 in FY24 (estimated at \$6,200,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				93,000	93,000
All Sources				<u>93,000</u>	<u>93,000</u>

Summary of Work: The project will move the recreation yards at three institutions, Turbeville CI, Kershaw CI, and Ridgeland CI to the front of the dorms. Current designs call for 2,100 linear feet of fencing at Turbeville CI, 2,200 linear feet at Kershaw CI and 2,100 linear feet at Ridgeland CI. The remainder of the security fence will be spread out at the remaining Level 2 and 3 institutions across the state (11 Institutions) as security audits are conducted and additional needs are identified. The security fencing inside the institutions consists of 12 ft tall 9 gage chain link fence topped with at least one roll of razor wire (number of rolls of razor wire depend on the institution and location of the fence inside of the institution) embedded in a concrete ribbon. Electronic gates to control movement through the yards will be installed, and sidewalks and underground utilities will be rerouted as needed.

Rationale: Currently the recreation yard is located at the back of the housing unit at these correctional institutions, where inmates are blocked from most site lines of the staff. This project will increase the security and safety of the staff and inmates by increasing the staff's situation awareness, per the agency.

Facility Characteristics: The new recreation yards at Turbeville CI, Kershaw CI, and Ridgeland CI will be approximately 4,000 square feet each, and each dorm will have 2 recreation yards, one for each wing, totaling 8 yards for each institution. These yards will be used by approximately 3,449 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$6,200,000 (internal) funded by Appropriated State, Operating Funds.

(k) Project: JBRC Item 42: Department of Corrections
N04.9790: Statewide Fire Alarm Upgrades

Request: Establish Phase I Pre-Design Budget to upgrade the fire alarm systems at Broad River, Ridgeland and Allendale Correctional Institutions.

Included in CPIP: Yes – 2022 Priority 3 of 7 in FY24 (estimated at \$9,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				135,000	135,000
All Sources				<u>135,000</u>	<u>135,000</u>

Summary of Work: The project will repair and replace fire alarms, and make any related repairs and upgrades required for the new fire alarm system to operate.

Rationale: The upgrades will increase fire life safety and operations in these correctional institutions. The existing fire alarm systems at these institutions are obsolete and spare parts are increasingly difficult to obtain to repair the systems.

Facility Characteristics: Broad River Correctional Institution is approximately 442,092 square feet and the fire alarm system was installed in 1985 (37 years old). This institution has an operating capacity of 1,529 inmates and currently has 196 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and the fire alarm system was installed in 2007 (15 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Allendale Correctional Institution is approximately 291,199 square feet and the fire alarm system was installed in 2002 (20 years old). This institution has an operating capacity of 1,103 inmates and currently has 142 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$9,000,000 (internal) funded by Appropriated State, Operating Funds.

(I) Project: JBRC Item 43: Department of Corrections
N04.9791: Statewide HVAC Controls Replacement

Request: Establish Phase I Pre-Design Budget to replace HVAC controls at Lee, Ridgeland and Turbeville Correctional Institutions.

Included in CPIP: Yes – 2022 Priority 1 of 7 in FY24 (estimated at \$10,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The project will consist of changing supply water and return water sensors, chilled water and hot water control valves, actuators, control panels, wiring and upgraded software and monitors to control the heating and cooling at Lee, Ridgeland and Turbeville.

Rationale: The HVAC controls are original to the institutions and are outdated and obsolete. Due to their age these systems are in poor shape and replacement parts and manufacturer support are increasing in cost and becoming harder to acquire, per the agency.

Facility Characteristics: Lee Correctional Institution is approximately 505,194 square feet and was constructed in 1993 (29 years old). This institution has an operating capacity of 1,358 inmates and currently has 167 staff. Ridgeland Correctional Institution is approximately 373,716 square feet and was constructed in 1995 (27 years old). This institution has an operating capacity of 1,094 inmates and currently has 109 staff. Turbeville Correctional Institution is approximately 428,630 square feet and was constructed in 1994 (28 years old). This institution has an operating capacity of 1,546 inmates and currently has 167 staff.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$78.54 million on October 3, 2022). The project is expected to result in an additional annual operating savings, but those amounts have not yet been determined.

Full Project Estimate: \$10,000,000 (internal) funded by Appropriated State, Operating Funds.

(m) Project: JBRC Item 44: Department of Natural Resources
P24.6006: Richland – Regional Skeet/Trap Event Range

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs for the construction of a Regional Skeet and Trap Event Facility, located at the DNR Wateree River in Richland County.

Included in CPIP: No – The division had to secure matching funds, then notify Administration of the need for additional project funding. These items were not settled until after the CPIP was finalized.

Phase I Approval: December 2019 (estimated at \$4,000,000) (SFAA)

Phase II Approval: October 2020 (estimated at \$4,000,000) (SFAA)

Phase II Increase Approval: Approval 2022 (estimated at \$5,863,870) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (42) (c)	60,000	690,000	750,000		750,000
Appropriated State, FY22 Carryforward				100,000	100,000
Federal, USFWS Grant		4,863,870	4,863,870	900,000	5,763,870
Other, Boyd Foundation Donation		200,000	200,000		200,000
Other, National Wild Turkey Federation		50,000	50,000		50,000
All Sources	<u>60,000</u>	<u>3,940,000</u>	<u>5,863,870</u>	<u>1,000,000</u>	<u>6,863,870</u>

Summary of Work: This project entails the design, permitting, site development, and construction of a Regional Skeet/Trap Event Facility. The project will entail the site preparation and construction to include eight skeet/trap field overlays, pavilion and classroom, sidewalks, access road, parking lots and improvements to the property and structures needed to support the State Skeet/Trap Event Facility and provide ADA accessibility.

Rationale: With this project, DNR is seeking to take advantage of federal funds that are being made available specifically for range construction projects. The importance of such funding opportunities is that they allow the agency to initiate projects which conform to DNR objectives. These objectives include: (1) a safe area for constituents to participate in recreational shooting or to practice shooting prior to going hunting; and (2) an area that the agency can utilize for hands-on training for hunter education students and recruitment for hunters and recreational shooters. This facility is needed to meet the increasing demand for shooting sports in the state, particularly in the agency's Scholastic Clay Targets Sports Program (SCTS). Over the years SCTS has seen an upsurge in participation which has resulted in the need for facilities with the capacity to host local, state and national events. The proposed Regional Skeet/Trap Event Range will be located in the central midlands making it easily accessible to all areas of the state.

Facility Characteristics: This Regional Skeet and trap Event facility will be located at the DNR Wateree River WMA on US Hwy 378 in lower Richland County near the Town of Eastover. The new facility will include a 2,027 square foot classroom, 6,174 square foot pavilion, 1,120 square foot total for restrooms, and a 1,120 square foot storage room for a total of 10,441 square feet.

Financial Impact: This increase will be funded from Appropriated State, FY22 Carryforward (uncommitted balance \$4.17 million at September 30, 2022), and US Fish & Wildlife Service for Hunter Education and Wildlife Restoration Grant Funds (uncommitted balance \$900K at October 14, 2022). Revenue received for the US Fish & Wildlife Service Grant is an allocation for Hunter Education and Wildlife Restoration, which is generated from a federal excise tax on ammunitions, firearms, archery equipment, etc. The project is expected to result in an increase of \$180,755 (year 1), and \$140,000 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$6,863,870 (internal) funded by FY20 Appropriated State, Proviso 118.16 (nonrecurring), USFWS Grant, Boyd Foundation Donation and National Wild Turkey Federation Funds. Contract execution is expected in March 2023 with construction completion in September 2023.

SFAA Items - December 13, 2022

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H15	College of Charleston	9679	58 George Street Renovation	Establish Phase I	Yes	-	143,750	143,750	5,750,000	Other - Capital Improvement Project
(b)	2	H15	College of Charleston	9675	Craig Residence Hall 2022 Renovation	Establish Phase II	Yes	212,500	12,787,500	212,500	13,000,000	Other - Housing Revenue
(c)	12	E24	Office of the Adjutant General	9842	CHTS Organizational Storage Building	Establish Phase I	Yes	-	17,342	17,342	1,156,143	Federal - National Guard Bureau
(d)	15	E24	Office of the Adjutant General	9811	Training Sites TT Enlisted Barracks Replacement	Phase II Increase	Yes	3,900,732	270,000	88,000	4,170,732	Federal - National Guard Bureau
(e)	17	E24	Office of the Adjutant General	9830	Bachelors Officers Quarters Showers (Buildings 3850, 3852, 3870, 3872)	Phase II Increase	Yes	899,409	186,011	9,592	1,085,420	Federal - National Guard Bureau
(f)	21	H73	Vocational Rehabilitation Department	9620	Beaufort VR Center Reroofing	Establish Phase II	Yes	15,000	1,028,000	15,000	1,043,000	FY17 Capital Reserve / Federal - Vocational Rehabilitation Grant
(g)	22	H73	Vocational Rehabilitation Department	9621	Greenwood VR Center Reroofing	Establish Phase II	Yes	15,000	1,089,250	15,000	1,104,250	FY17 Capital Reserve / Federal - Vocational Rehabilitation Grant
(h)	25	J04	Department of Health & Environmental Control	9540	DHEC Public Health and Environmental Lab Building	Establish Phase II	Yes	2,088,000	146,508,650	2,088,000	148,596,650	Appropriated State - FY21 Carryforward / Federal - ARPA / Other - Covid Response Reimbursement
(i)	40	N04	Department of Corrections	9788	Agency Proprietary Fire Alarm Monitoring Station/Emergency Response Center	Establish Phase I	Yes	-	120,000	120,000	8,000,000	Appropriated State - Operating
(j)	41	N04	Department of Corrections	9789	Statewide Cross Fencing and Recreation Yard Relocation	Establish Phase I	Yes	-	93,000	93,000	6,200,000	Appropriated State - Operating
(k)	42	N04	Department of Corrections	9790	Statewide Fire Alarm Upgrades	Establish Phase I	Yes	-	135,000	135,000	9,000,000	Appropriated State - Operating
(l)	43	N04	Department of Corrections	9791	Statewide HVAC Controls Replacement	Establish Phase I	Yes	-	150,000	150,000	10,000,000	Appropriated State - Operating
(m)	44	P24	Department of Natural Resources	6006	Richland - Regional Steel/Trap Event Range	Phase II Increase	No	5,863,870	1,000,000	60,000	6,863,870	Appropriated State - FY20 Proviso 118.16 (nonrecurring) / Appropriated State - FY22 Carryforward / Federal - USFWS Grant / Other - Boyd Foundation Donation / - Other National Wild Turkey Federation

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Election Commission Lease at 1122 Lady Street, Columbia SC

The SC Election Commission requests approval to lease 15,759 rentable square feet of office space located at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking LLC. The Agency's current lease at this location is for 11,525 square feet at a current rate of \$17.60, and it expires on April 30, 2023. The Agency has been in the space since 2015.

A solicitation was conducted for 3, 5, and 7-year terms, and eight (8) responsive proposals were received. The current location was the fourth least expensive offer and the least expensive offer when accounting for relocation costs.

The lease term will be seven (7) years beginning May 1, 2023, at a rate of \$16.33 per rentable square foot for an annual aggregate amount of \$257,344.47 for the first year. Thereafter, basic rent increases 3% annually as shown in the table below. The total rent to be paid over the seven-year term will be \$1,971,766.08. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	May 1, 2023-April 30, 2024	\$257,344.47	\$21,445.37	\$16.33
YEAR 2	May 1, 2024-April 30, 2025	\$265,066.38	\$22,088.87	\$16.82
YEAR 3	May 1, 2025-April 30, 2026	\$272,945.88	\$22,745.49	\$17.32
YEAR 4	May 1, 2026-April 30, 2027	\$281,140.56	\$23,428.38	\$17.84
YEAR 5	May 1, 2027-April 30, 2028	\$289,650.42	\$24,137.54	\$18.38
YEAR 6	May 1, 2028-April 30, 2029	\$298,317.87	\$24,859.82	\$18.93
YEAR 7	May 1, 2029-April 30, 2030	\$307,300.50	\$25,608.38	\$19.50

In addition to rent, the lease provides for fifteen (15) reserved parking spaces in the building's basement parking garage with four (4) reserved spaces at no cost to Tenant and eleven (11) reserved spaces at \$80 per space per month.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Election Commission Lease at 1122 Lady Street, Columbia SC

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

Tenant	Location	Rate /SF**
Vacant*	7909 Parklane Road	\$18.50
Vacant*	240-246 Stoneridge	\$16.50
Vacant*	200 Arbor Lake	\$16.00
Vacant*	1400 Pickens	\$17.50
Vacant*	1320 Main Street	\$24.00
Vacant*	1441 Main Street	\$22.00
Department of Insurance	1201 Main Street	\$17.81
Worker's Compensation Commission	1333 Main Street	\$18.25

* Received in response to this solicitation

** Above rates subject to base rent and/or operating expense escalations

SC Election Commission has adequate funds for the lease according to a Budget Approval Form submitted October 27, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022, meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed seven-year lease of 15,759 square feet for the SC Election Commission at 1122 Lady Street in Columbia, SC.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: SC Election Commission Lease at 1122 Lady Street, Columbia SC

3. Summary and Background Information:

The SC Election Commission requests approval to lease 15,759 rentable square feet of office space located at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking LLC. The Agency's current lease at this location is for 11,525 square feet at a current rate of \$17.60, and it expires on April 30, 2023. The Agency has been in the space since 2015.

A solicitation was conducted for 3, 5, and 7-year terms, and eight (8) responsive proposals were received. The current location was the fourth least expensive offer and the least expensive offer when accounting for relocation costs.

The lease term will be seven (7) years beginning May 1, 2023, at a rate of \$16.33 per rentable square foot for an annual aggregate amount of \$257,344.47 for the first year. Thereafter, basic rent increases 3% annually as shown in the table below. The total rent to be paid over the seven-year term will be \$1,971,766.08. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	May 1, 2023-April 30, 2024	\$257,344.47	\$21,445.37	\$16.33
YEAR 2	May 1, 2024-April 30, 2025	\$265,066.38	\$22,088.87	\$16.82
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YEAR 7	May 1, 2029-April 30, 2030	\$307,300.50	\$25,608.38	\$19.50

In addition to rent, the lease provides for fifteen (15) reserved parking spaces in the building's basement parking garage with four (4) reserved spaces at no cost to Tenant and eleven (11) reserved spaces at \$80 per space per month.

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

Tenant	Location	Rate /SF**
Vacant*	7909 Parklane Road	\$18.50

Vacant*	240-246 Stoneridge	\$16.50
Vacant*	200 Arbor Lake	\$16.00
Vacant*	1400 Pickens	\$17.50
Vacant*	1320 Main Street	\$24.00
Vacant*	1441 Main Street	\$22.00
Department of Insurance	1201 Main Street	\$17.81
Worker's Compensation Commission	1333 Main Street	\$18.25

* Received in response to this solicitation

** Above rates subject to base rent and/or operating expense escalations

Agency has adequate funds for the lease according to a Budget Approval Form submitted October 27, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022 meeting.

-
4. **What is the Authority asked to do?** Approve the proposed seven-year lease of 15,759 square feet for the SC Election Commission at 1122 Lady Street in Columbia, SC.

-
5. **What is recommendation of the submitting agency involved?** Approve the proposed seven-year lease of 15,759 square feet for the SC Election Commission at 1122 Lady Street in Columbia, SC.

6. **Private Participant Disclosure – Check one:**

☐ No private participants will be known at the time the Authority considers this agenda item.

☒ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

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

(a) Authorized Signature: _____

(b) Office Name: [Click or tap here to enter text.](#)

8. **List of Supporting Documents:**

(a) Letter from Agency

October 28, 2022

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Real Property Services
S.C. Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Ms. Lancaster,

Please let this letter serve as this agency's formal notice of its approval of the lease terms for the leased space located at 1122 Lady Street, Columbia, SC 29201. The agency accepts the terms as negotiated below:

\$16.33 per sq. ft. with annual increases of 3% for a seven (7) year term, commencing May 1, 2023, and ending April 30, 2030.

The agency requests the S.C. Department of Administration propose this lease agreement to the Joint Bond Review Committee ("JBRC") and the State Fiscal Accountability Authority ("SFAA") for approval.

Please let me know if any further information is needed.

Best Regards,



Howard M. Knapp
Executive Director

COMMISSIONERS

JOHN WELLS
Chairman

JOANNE DAY

CLIFFORD J. EDLER

LINDA MCCALL

SCOTT MOSELEY

HOWARD M. KNAPP
Executive Director

1122 Lady Street
Suite 500
Columbia, SC 29201

P.O. Box 5987
Columbia, SC 29250

803.734.9060
Fax: 803.734.9366
www.sevotes.gov

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease of 3346 Rivers Avenue,
North Charleston, SC 29405

South Carolina Department of Social Services (DSS) requests approval to continue leasing 22,899 rentable square feet of office space at 3346 Rivers Avenue, Suites D1, D2, E and F in North Charleston, SC from Rivers and Cherokee, LLC. DSS has leased space at this location since April 1994. The space will be used by DSS for its Childcare Licensing, Adoption and Child Support divisions. The current lease at this location will expire on May 31, 2023, and the rate is \$17.32 per RSF.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3, 5, and 7-year terms. Three proposals were received. One proposal was deemed non-responsive because of insufficient parking. The selected location is the lowest offer of the two responsive proposals received.

The requested lease term will be five (5) years commencing June 1, 2023. The rental rate for the first year of the term will be \$18.95 per rentable square foot for an annual aggregate amount of \$433,936.05. Thereafter, the rental rate will escalate by 3 % annually as shown in the table below. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	June 1, 2023-May 31, 2024	\$433,936.05	\$36,161.34	\$18.95
YEAR 2	June 1, 2024-May 31, 2025	\$446,988.48	\$37,249.04	\$19.52
YEAR 3	June 1, 2025-May 31, 2026	\$460,498.89	\$38,374.91	\$20.11
YEAR 4	June 1, 2026-May 31, 2027	\$474,238.29	\$39,519.86	\$20.71
YEAR 5	June 1, 2027-May 31, 2028	\$488,435.67	\$40,702.97	\$21.33

The space will meet the state standard of 210 RSF/person with a density of 201 RSF/person. The following chart represents comparable lease rates of similar space in the Charleston area:

Tenant	Location	*Rate /SF
Vacant**	3950 Faber Place, North Charleston	\$26.00
Vacant	5301 Indigo Fields Blvd	\$28.00
Clemson University	701 E. Bay St., Charleston	\$36.05
Dept. of Revenue	2070 Northbrook Blvd., North Charleston	\$20.36
Dept. of Vocational Rehabilitation	2070 Northbrook Blvd., North Charleston	\$20.30
Vacant **	2155 Eagle Drive	\$35.00

*Above rates may be subject to operating expenses and base rent escalations.

**Submitted proposals for this solicitation.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease of 3346 Rivers Avenue,
North Charleston, SC 29405

DSS has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022. Lease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC on December 7, 2022.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed five-year lease for 22,899 rentable square feet of office space at 3346 Rivers Avenue, Suites D1, D2, E and F in North Charleston, for the SC Department of Social Services.

ATTACHMENTS:

Agenda item worksheet and attachment


STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: SC Department of Social Services Lease of 3346 Rivers Avenue, North Charleston, SC 29405

3. Summary Background Information:

South Carolina Department of Social Services (DSS) requests approval to continue leasing 22,899 rentable square feet of office space at 3346 Rivers Avenue, Suites D1, D2, E and F in North Charleston, SC from Rivers and Cherokee, LLC. DSS has leased space at this location since April 1994. The space will be used by DSS for its Childcare Licensing, Adoption and Child Support divisions. The current lease at this location will expire on May 31, 2023, and the rate is \$17.32 per RSF.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3, 5, and 7-year terms. Three proposals were received. One proposal was deemed non-responsive because of insufficient parking. The selected location is the lowest offer of the two responsive proposals received.

The requested lease term will be five (5) years commencing June 1, 2023. The rental rate for the first year of the term will be \$18.95 per rentable square foot for an annual aggregate amount of \$433,936.05. Thereafter, the rental rate will escalate by 3 % annually as shown in the table below. This is a full gross lease and includes all operating expenses.

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YEAR 5	June 1, 2027-May 31, 2028	\$488,435.67	\$40,702.97	\$21.33

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Dept. of Revenue	2070 Northbrook Blvd., North Charleston	\$20.36
Dept. of Vocational Rehabilitation	2070 Northbrook Blvd., North Charleston	\$20.30
Vacant **	2155 Eagle Drive	\$35.00

*Above rates may be subject to operating expenses and base rent escalations.

**Submitted proposals for this solicitation.

DSS has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022. Lease payments will be funded through state appropriations and federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC on December 7, 2022.

4. What is the Authority asked to do? Approve the proposed five-year lease for 22,899 rentable square feet of office space at 3346 Rivers Avenue, Suites D1, D2, E and F in North Charleston, for the SC Department of Social Services.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed five-year lease for 22,899 rentable square feet of office space at 3346 Rivers Avenue, Suites D1, D2, E and F in North Charleston, SC for the SC Department of Social Services.

6. Private Participant Disclosure – Check one:

☐ No private participants will be known at the time the Authority considers this agenda item.

☒ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: [Click or tap here to enter text.](#)

8. List of Supporting Documents:

(a) Letter from agency



HENRY McMASTER, GOVERNOR
MICHAEL LEACH, STATE DIRECTOR



October 20, 2022

Brittini Geny, Manager
SC Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Ms. Geny:

Please accept this letter as formal notice of the Agency's approval of the lease terms for the leased spaces located at 3346 Rivers Avenue, North Charleston, SC 29405. DSS accepts the terms as negotiated below:

\$18.95 PSF with annual increases of 3% for a 5-year term.

The Agency requests SC Department of Administration to bring this lease to JBRC and SFAA for approval.

If further information is required, please feel free to contact me at 803-898-4158.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerred Wooten', is written over a light gray rectangular background.

Jerred Wooten
Operations Manager
SC Department of Social Services

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease of 1628 Browning Road, Suite 100, Columbia, SC

The SC Department of Social Services (DSS) requests approval to continue leasing 38,500 rentable square feet of office space at 1628 Browning Road, Suite 100, Columbia, SC from Browning Office Investment, LLC. The Agency has leased space at this location since November 2013, for its Information Technology team, the Office of Strategic Planning and Policy, and the Office of Research and Continuous Quality Improvement. The current lease for 38,500 rentable square feet will expire on April 30, 2023, and the rate is \$15.04 per RSF.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, and 7-year terms. Six proposals were received with the current location being the least expensive offer.

The space meets the state standard of 210 RSF/person with a density of 123 RSF/person. The lease provides 286 free surface lot parking spaces for staff and visitors adjacent to the building.

The requested lease term is five (5) years commencing May 1, 2023. The rental rate for the first year of the term will be \$14.36 per square foot for an annual aggregate amount of \$552,860.00. Thereafter the rental rate will escalate by 2.5% annually as shown in the table below. The total rent to be paid over the five-year term will be \$2,905,980.00. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	May 1, 2023- April 30, 2024	\$552,860.00	\$46,071.67	\$ 14.36
YEAR 2	May 1, 2024-April 30, 2025	\$566,720.00	\$47,226.67	\$ 14.72
YEAR 3	May 1, 2025-April 30, 2026	\$580,965.00	\$48,413.75	\$ 15.09
YEAR 4	May 1, 2026- April 30, 2027	\$595,210.00	\$49,600.83	\$ 15.46
YEAR 5	May 1, 2027- April 30, 2028	\$610,225.00	\$50,852.08	\$ 15.85

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

Tenant	Location	Rate /SF*
Vacant**	1400 Pickens Street	\$18.50
Vacant**	151 Westpark Blvd	\$18.50
Health and Human Services	300 Arbor Lake Dr.	\$17.50
Vacant **	7909 Parklane Road	\$18.50
Vacant **	200 Arbor Lake Dr	\$16.50
Vacant **	300 Arbor Lake Dr	\$16.50

*Above rates may be subject to operating expenses and base rent escalations.

**Received in response to this solicitation

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease of 1628 Browning Road,
Suite 100, Columbia, SC

DSS has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022, meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed five-year lease for the SC Department of Social Services for 38,500 rentable square feet of space at 1628 Browning Road, Suite 100 in Columbia SC.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: SC Department of Social Services Lease of 1628 Browning Road, Suite 100, Columbia, SC

3. Summary Background Information:

The SC Department of Social Services (DSS) requests approval to continue leasing 38,500 rentable square feet of office space at 1628 Browning Road, Suite 100, Columbia, SC from Browning Office Investment, LLC. The Agency has leased space at this location since November 2013, for its Information Technology team, the Office of Strategic Planning and Policy, and the Office of Research and Continuous Quality Improvement. The current lease for 38,500 rentable square feet will expire on April 30, 2023 and the rate is \$15.04 per RSF.

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The space meets the state standard of 210 RSF/person with a density of 123 RSF/person. The lease provides 286 free surface lot parking spaces for staff and visitors adjacent to the building.

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Vacant **	300 Arbor Lake Dr	\$16.50

*Above rates may be subject to operating expenses and base rent escalations.

**Received in response to this solicitation

Agency has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022 meeting.

-
- 4. What is the Authority asked to do?** Approve the proposed five-year lease for the SC Department of Social Services for 38,500 rentable square feet of space at 1628 Browning Road, Suite 100 in Columbia SC.

-
- 5. What is recommendation of the division of Facilities Management and Property Services?** Approve the proposed five-year lease for the SC Department of Social Services for 38,500 rentable square feet of space at 1628 Browning Road, Suite 100 in Columbia SC.

6. Private Participant Disclosure – Check one:

☐ No private participants will be known at the time the Authority considers this agenda item.

☒ A Private Participant Disclosure form has been attached for each private participant.

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7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: [Click or tap here to enter text.](#)

8. List of Supporting Documents:

(a) Letter from Agency



HENRY McMASTER, GOVERNOR
MICHAEL LEACH, STATE DIRECTOR



October 12, 2022

Shawn DeJames, Assistant Director
SC Department of Administration
1200 Senate Street, Rm 610
Columbia, SC 29201

Dear Ms. DeJames:

Please accept this letter as formal notice of the Agency's approval of the lease renewals for the leased spaces located at 1628 Browning Road, Columbia, SC 29201. DSS accepts the terms as negotiated below:

Suite 100 – 38,500 rentable square feet
Suite 200 – 31,544 rentable square feet

\$14.36 PSF with annual increases of 2.5% for a 5-year term.

The Agency requests SC Department of Administration to bring this lease to JBRC and SFAA for approval.

If further information is required, please feel free to contact me at 803-898-4158.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Wooten', with a long, sweeping horizontal line extending to the right.

Jered Wooten
Operations Manager
SC Department of Social Services

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease at 1628 Browning Road,
Suite 200, Columbia SC

The SC Department of Social Services (DSS) requests approval to continue leasing 31,544 rentable square feet of office space at 1628 Browning Road, Suite 200, in Columbia SC from Browning Office Investment, LLC. The Agency has leased space at this location since December 2016, for its DSS Internal Audit, Office of Inspector General, Staff Training & Development, Individual & Provider Rights and Contract Monitoring. The current lease for 31,544 rentable square feet will expire on March 28, 2023, and the rate is \$13.53/RSF.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3, 5, and 7-year terms. Six proposals were received with the current location being the least expensive offer.

The space meets the state standard of 210 RSF/person with a density of 150 RSF/person. The lease provides 153 free surface lot parking spaces for staff and visitors adjacent to the building.

The requested lease term is five (5) years and one month commencing March 29, 2023. The rental rate for the first year will be \$14.36 per square foot which equals \$452,971.84 for the first year. Thereafter the rental rate will escalate by 2.5% annually as shown in the table below. The total rent to be paid over the 61-month term will be \$2,422,605.49. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	March 29, 2023-March 31, 2024	\$452,971.84+	\$37,747.65	\$ 14.36
YEAR 2	April 1, 2024-March 31, 2025	\$464,327.68	\$38,693.97	\$ 14.72
YEAR 3	April 1, 2025-March 31, 2026	\$475,998.96	\$39,666.58	\$ 15.09
YEAR 4	April 1, 2026-March 31, 2027	\$487,670.24	\$40,639.19	\$ 15.46
YEAR 5	April 1, 2027-April 30, 2028	\$541,636.77*	\$41,664.37	\$ 15.85

+No additional rent will be charged for the extra two days in the first year of the term.

* 13 months rental

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Social Services Lease at 1628 Browning Road, Suite 200, Columbia SC

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

Tenant	Location	Rate /SF*
Vacant**	1400 Pickens Street	\$18.50
Vacant**	151 Westpark Blvd	\$18.50
Health and Human Services	300 Arbor Lake Dr.	\$17.50
Vacant **	7909 Parklane Road	\$18.50
Vacant **	200 Arbor Lake Dr	\$16.50
Vacant **	300 Arbor Lake Dr	\$16.50

*Above rates may be subject to operating expenses and base rent escalations.

**Received in response to this solicitation

DSS has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022, meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed sixty-one month lease for the SC Department of Social Services for 31,544 rentable square feet of space at 1628 Browning Road, Suite 200 in Columbia SC.

ATTACHMENTS:

Agenda item worksheet and attachment


**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: SC Department of Social Services Lease at 1628 Browning Road, Suite 200, Columbia SC

3. Summary and Background Information:

The SC Department of Social Services (DSS) requests approval to continue leasing 31,544 rentable square feet of office space at 1628 Browning Road, Suite 200, in Columbia SC from Browning Office Investment, LLC. The Agency has leased space at this location since December 2016, for its DSS Internal Audit, Office of Inspector General, Staff Training & Development, Individual & Provider Rights and Contract Monitoring. The current lease for 31,544 rentable square feet will expire on March 28, 2023 and the rate is \$13.53/RSF.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3, 5, and 7-year terms. Six proposals were received with the current location being the least expensive offer.

The space meets the state standard of 210 RSF/person with a density of 150 RSF/person. The lease provides 153 free surface lot parking spaces for staff and visitors adjacent to the building.

The requested lease term is five (5) years and one month commencing March 29, 2023. The rental rate for the first year will be \$14.36 per square foot which equals \$452,971.84 for the first year. Thereafter the rental rate will escalate by 2.5% annually as shown in the table below. The total rent to be paid over the 61-month term will be \$2,422,605.49. This is a full gross lease and includes all operating expenses.

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+No additional rent will be charged for the extra two days in the first year of the term.

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Vacant **	200 Arbor Lake Dr	\$16.50
Vacant **	300 Arbor Lake Dr	\$16.50

*Above rates may be subject to operating expenses and base rent escalations.

**Received in response to this solicitation

Agency has adequate funds for the lease according to a Budget Approval Form submitted October 14, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC at its December 6, 2022 meeting.

4. What is the Authority asked to do? Approve the proposed sixty-one month lease for the SC Department of Social Services for 31,544 rentable square feet of space at 1628 Browning Road, Suite 200 in Columbia SC.

5. What is recommendation of the Division of Facilities Management and Property Services? Approve the proposed sixty-one month lease for the SC Department of Social Services for 31,544 rentable square feet of space at 1628 Browning Road, Suite 200 in Columbia SC.

6. Private Participant Disclosure – Check one:

☐ No private participants will be known at the time the Authority considers this agenda item.

☒ A Private Participant Disclosure form has been attached for each private participant. As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: [Click or tap here to enter text.](#)

8. List of Supporting Documents:

Letter from Agency



HENRY McMASTER, GOVERNOR
MICHAEL LEACH, STATE DIRECTOR



October 12, 2022

Shawn DeJames, Assistant Director
SC Department of Administration
1200 Senate Street, Rm 610
Columbia, SC 29201

Dear Ms. DeJames:

Please accept this letter as formal notice of the Agency's approval of the lease renewals for the leased spaces located at 1628 Browning Road, Columbia, SC 29201. DSS accepts the terms as negotiated below:

Suite 100 – 38,500 rentable square feet
Suite 200 – 31,544 rentable square feet

\$14.36 PSF with annual increases of 2.5% for a 5-year term.

The Agency requests SC Department of Administration to bring this lease to JBRC and SFAA for approval.

If further information is required, please feel free to contact me at 803-898-4158.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Wooten', with a long horizontal flourish extending to the right.

Jered Wooten
Operations Manager
SC Department of Social Services

AGENCY: Department of Administration, Real Property Services

SUBJECT: Coastal Carolina University Emergency Housing Leases

CCU has entered into two agreements to address its housing deficit in the current academic year. The first was entered into on August 10, 2022, and is with an apartment community known as The Pier Conway (Aptitude CCU LLC D.B.A. The Pier Conway) for eighty (80) furnished bedrooms from August 15, 2022, to May 15, 2023, at a rate of \$854/month per bedroom for a total of \$614,880 over the term. The agreement includes water, sewer, trash removal, internet service and cable television service, with the cost of electricity to be paid by CCU. CCU also paid a security deposit in the amount of \$100,000, such deposit to be refunded at the end of the term less any damages.

The second was entered into on August 12, 2022, and is with Four Points by Sheraton for 50 furnished rooms (98 beds) from August 15, 2022, to May 15, 2023 at a rate of \$70/night per room for a maximum obligation of \$896,000, including all operating expenses and breakfast. The agreement provides two options (November 28, 2022, and February 10, 2023) for CCU to reduce the number of rooms leased if they are no longer needed. During the fall semester, CCU had 50 rooms at Four Points. CCU will reserve 25 rooms over winter break (December 15 – January 7), and 34 rooms from the beginning of Spring semester through February 10. On February 10th, CCU will right-size the number of beds needed for the remainder of the Spring semester. CCU also paid a security deposit in the amount of \$100,000, such deposit to be refunded at the end of the term less any damages.

Both agreements are funded through student housing fees charged to the resident students assigned to the leased space and housing reserves, as necessary.

CCU conducted these acquisitions pursuant to the Consolidated Procurement Code as emergency procurements, as CCU thought that was the proper mechanism to acquire these rooms at the time. The agreements, however, are governed by the laws applicable to leases entered into by State agencies (e.g., § 1-11-55 and 1-11-56) not the Consolidated Procurement Code (R. 19-445.2000E(5)), and therefore SFAA approval is necessary.

As soon as this error was identified, CCU requested the assistance of the Department of Administration in acquiring the required approvals. Accordingly, these two agreements are presented for SFAA approval as required by Section 1-11-56.

The JBRC reviewed these agreements at its December 7, 2022, meeting.

AGENCY: Department of Administration, Real Property Services

SUBJECT: Coastal Carolina University Emergency Housing Leases

CCU anticipates the shortage in sufficient student housing to continue and has included new residence halls on its 2022 Comprehensive Permanent Improvement Plan in year 2025. In the meantime, CCU has begun working with RPS to solicit for a lease for up to 400 beds beginning in academic year 2023-24. Any resulting lease will be presented to the SFAA for approval.

AUTHORITY ACTION REQUESTED:

As requested by Coastal Carolina University through the Department of Administration, Real Property Services approve Coastal Carolina University's emergency student housing agreements.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: Coastal Carolina University Emergency Housing Leases

3. Summary and Background Information:

CCU has entered into two agreements to address its housing deficit in the current academic year. The first was entered into on August 10, 2022, and is with an apartment community known as The Pier Conway (Aptitude CCU LLC D.B.A. The Pier Conway) for eighty (80) furnished bedrooms from August 15, 2022, to May 15, 2023, at a rate of \$854/month per bedroom for a total of \$614,880 over the term. The agreement includes water, sewer, trash removal, internet service and cable television service, with the cost of electricity to be paid by CCU. CCU also paid a security deposit in the amount of \$100,000, such deposit to be refunded at the end of the term less any damages.

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Any resulting lease will be presented to the SFAA for approval.

-
4. **What is the Authority asked to do?** Approve Coastal Carolina University's emergency student housing agreements.

-
5. **What is recommendation of the submitting agency involved?** Approve Coastal Carolina University's emergency student housing agreements.
-

6. **Private Participant Disclosure – Check one:**

☒ No private participants will be known at the time the Authority considers this agenda item.

☐ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

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

(a) Authorized Signature: _____

(b) Office Name: Click or tap here to enter text.

8. **List of Supporting Documents:**

- CCU Letter Requesting SFAA approval
- CCU Timeline and Justification for Emergency Procurements for University Housing



COASTAL CAROLINA UNIVERSITY.

Office of Finance
and Administration

843.349.2777
coastal.edu

December 6, 2022

Ms. Ashlie Lancaster
Director
Division of Facilities Management and Property Services
SC Department of Administration
1200 Senate Street, Suite 600
Columbia, SC 29201

Dear Ms. Lancaster:

Prior to the start of Fall 2022 semester, Coastal Carolina University observed an increase in student matriculation and enrollment, creating a deficit in available housing for students. The University determined that the anticipated housing shortage warranted the necessity for emergency arrangements to accommodate students who had requested residential housing. Without on-campus housing or University-controlled off-campus housing, freshmen and sophomore students would be forced to seek their own housing arrangements and would lose the University oversight that comes through having resident advisors readily available, access to dining facilities, and the residential area monitoring by the University's Department of Public Safety. As a result, the University entered into agreements with nearby housing providers, The Pier Conway and Four Points by Sheraton, to address the anticipated housing deficit.

At the time the University obtained these agreements, the University thought it was following the proper procedures for an emergency procurement. There was no intent by the University to avoid the required processes for the approval of leases by the Joint Bond Review Committee (JBRC) or the State Fiscal Accountability Authority (SFAA) and, following guidance from the Department of Administration (Admin), the University is now requesting that these agreements be brought before SFAA for approval. The University is also working with the Admin to obtain a lease for student housing beginning in academic year 2023-24, which will be brought for approval by JBRC and SFAA once negotiated.

Feel free to contact me if you have questions, and please advise if you need further information.

Sincerely,

David A. Frost, CPA
Senior Vice President for Finance and Administration and
Chief Financial Officer



Timeline and Justification for Emergency Agreements for University Housing

The Pier and Four Points by Sheraton

Coastal Carolina University observed a trend in June 2022 of minimal withdraws from the University ahead of the fall semester, as compared to previous years. This trend extended to July 2022 and ultimately resulted in record enrollment. At the onset of this trend, the University began assessing resources to offset potential enrollment gains, including options for additional University Housing beds. Key variables the University considered were:

- Internal resources to meet demand
- Safety and security
- Access to campus resources
- Fiscal responsibility

Between the dates of June 13 – August 22, University Housing contacted the following off-campus properties to inquire about available vacancies:

- Beaver Creek
- Bellamy Coastal
- Coastal Club
- College Town
- Econo Lodge at The University
- Four Points by Sheraton
- Indigo at 110
- Patriots Hallow
- The Ascent
- The Cove
- The Pier
- The Wren
- University Suites
- Walk 2 Campus

Between the week of June 13 and the week of June 27, it was confirmed that the majority of off-campus student housing properties had no vacancy, with the exceptions of The Bellamy and The Pier; at this point, Indigo at 110 was unresponsive.

In addition to investigating short-term beds to contract, the University inquired with Econo Lodge at The University about opportunities to rent short-term rooms for students awaiting a permanent, on-campus bed space. During a typical year, a number of beds become available at the beginning of the semester, once vacated by students who unenroll from the University or fail to show up. A BPO was established with the Econo Lodge for these additional beds in the event more students arrived to campus than University Housing beds. Econo Lodge was chosen because of its available beds and close proximity to campus, allowing seamless integration into our Transportation Services route schedule. No other hotel accommodation could provide comparable access to campus without adding significant University resources to current operations.

Between the week of July 4 and the week of July 25, it was determined that the only off-campus property with both availability and walkable access to campus was The Pier. At this point in time, Bellamy Coastal was beyond the University's acceptable distance and available spaces were diminishing daily. Thus, conversations initiated to create a BPO for The Pier, and contract 80 beds, for ten months of use. The rate was negotiated by University Housing and The Pier, and later confirmed by the Vice President of Finance and Administration. All utilities and fees were included, except parking, and an atypical 10-month contract was executed by University Counsel.

During this time period, an additional 40 spaces were created on-campus by adding a third bed to 40 previously double-occupancy rooms. In addition, specific groups of residents were offered an \$800 CINO Cash incentive to opt-out of University Housing, to make room for required residents.

Despite adding 40 beds on-campus, incentivizing students to live off-campus, and moving forward with 80 beds at The Pier, University Housing was still more than 100 beds short from the projected need.

The week of July 25, University Housing was able to make contact with Indigo at 110. Indigo shared they had 111 beds available to be contracted. Indigo at 110 was not an ideal partner given its distance from campus, however with no alternative options, the University began discussions about this option and drafted a BPO.

Unfortunately, on August 9, conversations with Indigo at 110 ownership ended due to an inability to come to terms, including property readiness and a 10-month option. This same week, it was determined that using Econo Lodge at The University was not possible due to safety and security reasons.

The week of August 15, move-in week, a BPO was established with Four Points by Sheraton with the following conditions:

- Contract 50 rooms, 98 total beds, at a rate of \$70 per night/per room, including breakfast

- Agreement is separated into three periods:
 - August 15, 2022 – December 15, 2022 (Fall Semester)
 - December 15, 2022 – January 7, 2022 (Winter Break)
 - January 7, 2022 – May 5, 2022 (Spring Semester)

By separating the agreement into three periods, the University is able to strategically reduce or increase occupancy at key points during the academic year. This minimizes paying for unused rooms as well as provides flexibility to absorb potential spring semester enrollment gains. The rate was determined by the hotel owner following a meeting with the University, and confirmed by the Vice President of Finance and Administration. The agreed upon rate was significantly discounted from published costs. Additional University resources, including the addition of shuttle routes, were needed to support this contract.

University Housing reported 103.11% occupancy on Friday, August 26 representing 4,954 residents. 79 residents moved in to The Pier, and 68 residents move in to Four Points by Sheraton.

These arrangements are adequate for academic year 2022-23; however, the University has a need to enter into a three-year lease for up to 400 beds beginning academic year 2023-24. The University has included new residence halls on its 2022 CIP in year 2025. An interim three-year solution will allow time for the University to monitor the economy and enrollment trends to make the best long-term decision for the institution.



David A. Frost
Senior Vice President for Finance and Administration and
Chief Financial Officer

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF December 13, 2022

REGULAR SESSION
ITEM NUMBER 10

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification - Midlands Technical College

At its August 30, 2022, meeting, the Authority directed Midlands Technical College to provide a written corrective action plan for the preparation and maintenance of sole source documentation to the Division of Procurement Services (DPS) for submittal to the Authority. Attached is the College's written corrective action plan.

Additionally, the Authority directed the College to immediately suspend no less than 20% of its P-Cards until August 31, 2023, and notify DPS of which cards have been suspended by September 30, 2022. The College provided a list of suspended P-Cards to DPS on September 29, 2022.

AUTHORITY ACTION REQUESTED:

Receive the Midlands Technical College's corrective action for the preparation and maintenance of sole source documentation plan for information only.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

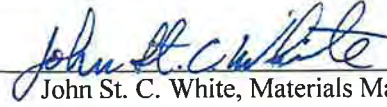
Meeting Scheduled for: December 13, 2022

Regular Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:



John St. C. White, Materials Management Officer

2. Subject: Audit and Certification

3. Summary and Background Information:

At its August 30, 2022, meeting, the Authority directed Midlands Technical College to provide a written corrective action plan for the preparation and maintenance of sole source documentation to the Division of Procurement Services (DPS) for submittal to the Authority. Attached is the College's written corrective action plan.

Additionally, the Authority directed the College to immediately suspend no less than 20% of its P-Cards until August 31, 2023, and notify DPS of which cards have been suspended by September 30, 2022. The College provided a list of suspended P-Cards to DPS on September 29, 2022.

4. What is Authority asked to do?

Receive the College's corrective action plan for information only.

5. What is recommendation of the submitting agency involved?

The Division recommends that the Authority receive the College's corrective action plan for information only.

6. Private Participant Disclosure – Check one:

☒ No private participants will be known at the time the Authority considers this agenda item.

☐ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

(a) Corrective Action Plan for Sole Source Documentation

(b) Sole Source Procurement Checklist

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.



October 11, 2022

Mr. Crawford Milling
Director of Audit & Certification
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

**Subject: Midlands Technical College
Corrective Action Plan for the Preparation and Maintenance of Sole Source Documentation
Audit of July 1, 2018 through June 30, 2021**

Dear Mr. Milling,

This letter, as requested by the Division of Procurement Services for submittal to the Authority no later than **November 1, 2022**, provides a written corrective action plan for preparation and maintenance of the College's Sole Source Procurements.

The College was cited, by the state's auditor, as follows:

1. Failure to maintain a copy of the signed and dated Sole Source Justification (SSJ) form – MMO #102.
2. Although signed, failure to date the Sole Source Justification (SSJ) form– MMO #102.
3. Dating the Sole Source Justification (SSJ) form – MMO #102 after the PO was finalized and sent to the vendor.

The following changes to correct these oversights have been made by the College.

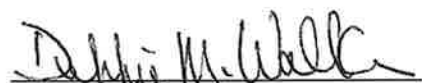
1. All requests to Sole Source a good and/or service must be sent, by the way of the Sole Source Justification form – MMO #102, to the Procurement Director for review and approval.
2. If in agreement, the Procurement Director will:
 - a. Place his/her initials next to his/her name on the SSJ and date the Sole Source Justification form – MMO #102.
 - i. The Procurement Director is now responsible for dating all SSJ forms.
 - b. Instruct the Procurement Officer to generate an Intent to Sole Source document for advertisement in the South Carolina Business Opportunities (SCBO) publication.
3. The Sole Source Justification form – MMO #102 will then be forwarded on by the Procurement Director for further processing to include the signing of the document by the Vice President for Business Affairs.
4. The signed and dated document (i.e. the Sole Source Justification form – MMO #102) will be sent back to the assigned Procurement Officer for further processing in his/her office.
5. The assigned Procurement Officer must utilize the tool for how to process a Sole Source Procurement to confirm the procurement file is in order and complete to include all required documents in accordance to the state's procurement code. See the attached tools.

6. The assigned Procurement Officer will forward a copy of applicable documents to the Procurement Officer responsible for reporting all sole sources to the Division of Procurement Services within two business days of finalizing the purchase order.
7. The assigned Procurement Officer's failure to follow instructions could result in employee disciplinary actions to include possible termination.

As it is the intent of the College to always adhere to all governing procurement policies and procedures, procurement staff training has been conducted and these changes have been implemented by the College's Procurement Department.

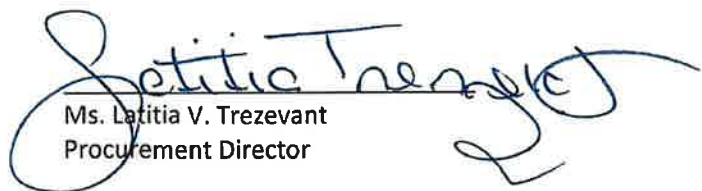
In closing, if you have any further questions and/or concerns, feel free to contact Latitia V. Trezevant either by telephone at (803) 822-3597 or via email at trezevantl@midlandstech.edu.

Sincerely,



Ms. Debbie M. Walker

Vice President for Business Affairs



Ms. Latitia V. Trezevant
Procurement Director

Sole Source Checklist

(There is no certification limit for Sole Source Procurements)

SOLE SOURCE PROCURMENTS & NOTICE OF INTENT TO SOLE SOURCE TOOL

(For Procurement Department Use Only)

(Advertised # of days)

In accordance to SFAA, the College must advertise all sole source procurements, regardless of amount, for one year, ending August 31, 2023.

PROCESSING OF THE JUSTIFICATION FOR SOLE SOURCE (MMO FORM #102):

Once the assigned Procurement Officer has determined the procurement is a sole source:

1. The assigned Procurement Officer will generate the Sole Source Justification (SSJ).
2. The SSJ must be forwarded to the Procurement Department Director for the review, initialing and dating of the document.
3. The SSJ will then be forwarded to the Director of Auxiliary, Support Services and Internal Audit for review, initialing, verifying it has been dated and forwarding to the Vice President for Business Affairs.
4. The Vice President for Business Affairs will sign and return the signed document to the assigned Procurement Officer in the College's Procurement Department.

COLLEGE'S PROCEDURES AND FILE INFORMATION CHECKLIST:

- ☐ Purchase Order (PO) – **Do not finalize the PO until:**
 - ☐ You have verified, signed and dated SSJ (MMO form #102).
 - ☐ You have verified there were no vendor responses to the Intent to Sole Source.
 - ☐ You have reviewed all responses received from other vendors, opened and closed discussions with the vendor, and documented the file.
 - ☐ You have verified you have completed all of the steps below and have all documents for the College's procurement file.
- ☐ Approval Sheet – Colleague's Approval Sheet showing approval of the purchase order.
- ☐ Source Selection Requirements – SSJ must be signed and dated for **all** proposed Sole Source Procurements:
 - ☐ Intent to Sole Source (if advertised, Signed Sole Source Justification Required)
 - ☐ Signed Sole Source Justification (SSJ) – MMO form #102
 - ☐ Required Initials on the SSJ -
 - the Procurement Department Director
 - the Director of Auxiliary, Support Services and Internal Audit
 - ☐ Required Signature on the SSJ –
 - Vice President for Business Affairs
 - In his/her absence:

- the Associate Vice President of Finance
 - the Director of Auxiliary, Support Services and Internal Audit
- ☐ Vendor's Quote
- ☐ Market Research (i.e. websites, email communications with vendors) - Documentation of market research and outreach to other vendors with similar products/services.
 - ☐ If the vendor is the only regional, state or local authorized dealer, a signed and dated letter must be on file from the manufacturer for confirmation.
 - **Obtain a signed copy of the vendor's authorized dealer status.**
 - **If the vendor's letter is not on file, the procurement is not authorized as a sole source procurement.**
 - ☐ Other Vendor responses
 - ☐ Websites reviewed
 - ☐ Past procurement history for the same/identical product
- ☐ SCBO AD – Procurement Officer must login to SCBO to complete this process, if applicable
- ☐ Responsibilities Check:
 - ☐ Secretary of State (<https://businessfilings.sc.gov/BusinessFiling/Entity/Search>)
 - When attempting to register if there is a lien by SCDOR, it will not allow them to register.
 - Will identify other concerns.
 - ☐ Reference Checks
 - ☐ If applicable, LLR (Labor, Licensing & Regulation) verification
 - ☐ If applicable, Financial Status –
 - Dun & Bradstreet
- ☐ Email approval from Procurement Department Director – To advertise as a Intent to Sole Source
- ☐ Applicable communications from internal customers
- ☐ Email approval from Procurement Department Director – To finalize the purchase order (PO)
- ☐ Copy of the email sent to the vendor – must be a part of the file
 - ☐ Copy the initiator on the email
- ☐ Copy of this form – must be a part of the file
- ☐ Forward a copy of all applicable documents to the Procurement Officer responsible for reporting all sole sources to the Division of Procurement Services within two business days of finalizing the purchase order (PO)

For clarification of terms and conditions, generate a contract through SCEIS or attach the standard state PO state terms and conditions.

Failure to follow these procedures could result in employee disciplinary actions.

AGENCY: Patriots Point Development Authority

SUBJECT: Legal - Approval of settlement of *Robert Patterson d/b/a Top Shelf Catering Company, LLC and Jefferey C. Swank Jr. d/b/a Vidorra Productions, LLC vs. Patriots Point Development Authority, 2021CP1000297.*

Patriots Point Development Authority (PPDA) rents portions of the USS Yorktown to groups for special events. PPDA entered such a contract with Plaintiffs, permitting Plaintiffs to conduct a New Year's Eve Party on the Yorktown on December 31, 2020, as they had done for eight years. The event was properly permitted. Plaintiffs sold 1000 tickets to the event and began incurring costs. As the date approached, health officials reported a spike in Covid cases, and some officials and politicians urged people to avoid public gatherings to mitigate the spread of Covid. As a result, on December 30, the day before the planned event, the PPDA board conducted an emergency meeting and voted to cancel the event, concluding the cost of cancellation was warranted to avoid permitting a potential superspreader event and the possibility of attendees suffering serious illness or death.

On January 22, 2021, Plaintiffs filed suit against PPDA, ultimately claiming \$242,376 in actual damages (things such as food, labor, credentialing, staffing and entertainment) resulting from the cancellation, plus future lost profits, and reputational damage. PPDA's expert substantiated \$140,765 in actual damages to Plaintiffs. The lawsuit was mediated twice, resulting in a settlement of \$200,000 to be paid by PPDA to plaintiffs, subject to the approval of the Authority. As part of the settlement, the plaintiffs agreed to hold the PPDA harmless from any claims by creditors of plaintiffs, including purchasers of tickets.

Outside counsel for PPDA recommends the settlement as reasonable, believing that plaintiffs would recover at least some of their claimed damages. Furthermore, the cost of the ongoing defense and trial would be substantial. PPDA also recommends the settlement.

The settlement amount will be paid from PPDA's existing funds.

AUTHORITY ACTION REQUESTED:

Pursuant to Section 11-1-45, approve the settlement.

ATTACHMENTS:

- 1) S.C. Code Section 11-1-45
- 2) Letter from PPDA's attorney, William Craver, 11/08/2022, outlining facts and settlement;
- 3) Executed Settlement Agreement and Mutual Release dated 9/21/2022, with mediation settlement statement of 08/26/2022;
- 4) Complaint with Exhibit;
- 5) Answer
- 6) Report of PPDA's damages expert, Roy Strickland, CPA - Forvus

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 13, 2022

Regular Session

1. Submitted by:

- (a) Agency: Patriots Point Development Authority
- (b) Authorized Official Signature:


Wayne Adams, Vice-Chairman

2. Subject: **APPROVAL OF SETTLEMENT** per S.C. Code Section 11-1-45 in the lawsuit *Robert Patterson d/b/a Top Shelf Catering Company, LLC and Jefferey C. Swank Jr. d/b/a Vidorra Productions, LLC vs. Patriots Point Development Authority*, 2021CP1000297) Charleston County Court of Common Pleas

3. Summary Background Information:

This proposed settlement arises from a lawsuit brought by Robert Patterson/Top Shelf Catering and Jeffery Swank/Vidorra Productions against PPDA for damages incurred as a result of PPDA cancelling, on 12/30/2020, the plaintiffs' planned 12/31/20 New Years Eve event on the Yorktown. Plaintiffs had sold 1000 tickets to the event and incurred significant costs in preparing for it. The event was properly permitted. As the date approached, health officials reported a spike in Covid cases, and some officials and politicians urged people to avoid public gatherings to mitigate the spread of Covid. As a result, on December 30, the PPDA board conducted an emergency meeting and voted to cancel the event, concluding the cost of cancellation was warranted to avoid permitting a potential superspreader event and the possibility of attendees suffering serious illness or death.

Plaintiffs filed suit against PPDA, ultimately claiming \$242,376 in actual damages (things such as food, labor, credentialing, staffing and entertainment) resulting from the cancellation, plus future lost profits, and reputational damage. PPDA's expert substantiated \$140,765 of plaintiffs' alleged damages. The lawsuit was mediated twice, resulting in a settlement of \$200,000 to be paid by PPDA to plaintiffs, subject to the approval of the Authority. As part of the settlement plaintiffs agreed hold the PPDA harmless from any claims by creditors of plaintiffs, including purchasers of tickets.

Outside counsel for the PPDA recommends the settlement as reasonable, believing that plaintiffs would be entitled to recover some of their claimed damages. Furthermore, the cost of the ongoing defense and trial would be substantial. PPDA also recommends the settlement.

The settlement amount of \$200,000 will be paid from PPDA's existing funds.

4. What is the Authority asked to do?

Approve and authorize the settlement.

5. What is recommendation of Board Division involved?

Approve and authorize the proposed settlement.

6. Recommendation of other office (as required)? Not applicable.

(a) Authorized Signature: _____

(b) Office Name: _____

7. Supporting Documents:

- 1) S.C. Code Section 11-1-45
- 2) Letter from PPDA's attorney, William Craver, 11/08/2022, outlining facts and settlement;
- 3) Executed Settlement Agreement and Mutual Release dated 9/21/2022, with mediation settlement statement of 08/26/2022;
- 4) Complaint with Exhibit;
- 5) Answer
- 6) Report of PPDA's damages expert, Roy Strickland, CPA - Forvus

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2021-CP-10-_____

Robert M. Patterson, d/b/a)
Top Shelf Catering Company, LLC,)
and Jeffery C. Swank, Jr., d/b/a/ Vidorra)
Productions, LLC,)

Plaintiffs,

SUMMONS

vs.

(Jury Trial Demanded)

Patriots Point Development Authority,)
---------------------------------------	---

Defendants.

TO THE DEFENDANT ABOVE-NAMED:

YOU ARE HEREBY SUMMONED AND required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer to the said Complaint on the subscriber, Mark A. Mason, Esquire, at his office located at 465 W. Coleman Boulevard, Suite 302, Mount Pleasant, South Carolina, 29464, within thirty (30) days after service hereof, exclusive of the day of such service.

YOU ARE HEREBY GIVEN NOTICE FURTHER that if you fail to appear and defend and fail to answer the Complaint as required by this Summons within thirty (30) days after the service hereof, exclusive of the day of such service, judgment by default will be entered against you for the relief demanded in the Complaint.

[SIGNATURE LINE TO FOLLOW]

Respectfully submitted,

s/ Mark A. Mason

BY:

Mark A. Mason, Esquire
S.C. Bar 3676
Delaney J. Mason, Esquire
S.C. Bar 104692
THE MASON LAW FIRM, P.A.
Tidewatch Centre on Shem Creek
465 W. Coleman Boulevard, Suite 302
Mount Pleasant, S.C. 29464
Telephone: (843) 884-1444
Facsimile: (843) 884-3595
delaney@masonlawfirm.com
mark@masonlawfirm.com

Attorneys for the Plaintiffs

Mount Pleasant, South Carolina
January 22, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2021-CP-10-_____
Robert M. Patterson, d/b/a)	
Top Shelf Catering Company, LLC,)	
and Jeffery C. Swank, Jr., d/b/a/ Vidorra)	
Productions, LLC,)	
)	
Plaintiffs,	)	COMPLAINT
)	
vs.)	
)	
Patriots Point Development Authority,)	
)	
Defendants.)	
)	

The Plaintiffs above-named, complaining of the Defendant herein, would respectfully show unto this Honorable Court as follows:

1. Plaintiff, Robert M. Patterson, is a citizen and resident of Charleston County, South Carolina. He is the manager of Top Shelf Catering Company, LLC (hereinafter "TSC" or "Plaintiff"), a limited liability company, organized and existing under the laws of South Carolina, with its principal place of business being located in Charleston County. It is engaged in business as a catering company.

2. Plaintiff, Jeffery C. Swank, Jr., is a citizen and resident of Charleston County, South Carolina. He is the manager of Vidorra Productions, LLC (hereinafter "VP" or "Plaintiff"), a limited liability company, organized and existing under the laws of South Carolina, with its principal place of business being located in Charleston County. It is engaged in business as an events production company. The members of VP are Patterson and Swank.

3. Defendant, Patriots Point Development Authority (hereinafter "PPDA" or "Defendant"), was established in the 1970s to develop a naval and maritime museum with the

World War II aircraft carrier, USS YORKTOWN, as its centerpiece. Patriots Point has become one of the state's most popular tourist attractions with more than 300,000 visitors each year.

4. Defendant, PPDA, is a body politic and corporate under the laws of South Carolina, consisting of and governed by a board of nine members, referred to as the Authority pursuant to S.C. Code Ann. §51-13-710 (1976, as amended), and PPDA has the capacity and authority to enter into binding contracts which it must honor.

5. At the time of the events hereinafter alleged the PPDA Board members were: Mr. Wayne Adams, Vice Chairman, Ms. Susan Marlowe, Board Member, Mr. Zeb C. Williams, Board Member, South Carolina Legislative Council, Senior Legal Counsel, Mayor Will Haynie, Board Member, City of Mount Pleasant, Mayor, Mr. George "Pat" Waters, Board Member, and Mr. Darwin Simpson, Board Member.

6. At the time of the events hereinafter alleged, Charles R. "Bobby" Kotlowski was the Defendant's designated Event Manager.

7. Defendant advertises that "with unmatched views of the harbor and the Charleston City skyline, with 42,000 tons of steel under foot, the USS YORKTOWN at Patriot's Point is an unforgettable event location. There is no place like it; a setting where history is the remarkable backdrop for special occasions. Patriots Point has evolved as one of the region's most memorable travel destinations since its inception in 1975. It has been the site for hundreds of events of all types. Interior and exterior areas provide options for large and small groups. Guests now have access to spaces that were not previously available, including the Admiral's Quarters, providing perspective on past life on board a Navy ship."

8. Defendant advertises that "Patriots Point works with several entertainment, lighting, and sound vendors that are familiar with the ships and the venue spaces. Please contact

Bobby Kotlowski at **(843) 881-5989** to coordinate any support outside of Patriots Point's services. Additionally, Top Shelf Catering Company is the official caterer of Patriots Point. Top Shelf has a wide variety of menu options, from traditional southern barbecue, oyster roasts, and various vegetarian dishes. Numerous tables, linens, and table settings combinations are also available. Please contact Top Shelf at **topshelf@patriotspoint.org** or **(843) 971-4152** for any questions.”

9. This Court has jurisdiction over the parties and the subject matter of this action and venue is proper in this Court.

10. For the previous eight (8) years, Plaintiffs have promoted and successfully executed a similar New Year’s Eve countdown event aboard the YORKTOWN. The NYE countdown event has become an important component of Plaintiff’s business, and it has yielded a profit in each year it has been conducted.

11. Plaintiffs invested substantial sums to establish, promote and execute the NYE Countdown Event, as a popular ongoing tradition.

12. A copy of the Agreement for Special Event at Patriots Point” contract is attached hereto as Exhibit “A” and incorporated herein by reference (hereinafter the “Contract”).

13. On December 17, 2020, Plaintiffs and Defendant entered into a Contract for Plaintiff to rent the USS Yorktown on December 31, 2020 for use as the venue for the 2020 New Year’s Event, on the Date of 12/31/20 – 1/1/21, from 7pm to 1 am, for a “Number of Guests 1000.”

14. The Contract was prepared by and signed by Bobby Kotlowski, the PPDA special events manager, who had full authority to enter into the said Contract on behalf of Defendant.

15. The Contract states that the “number of guests permitted to attend this event is 1,000. Patriots Point or designated authority will monitor.”

16. On December 7, 2020, Plaintiff obtained approval to have a 1,000 guest event aboard the USS Yorktown from the South Carolina Department of Commerce.

17. The Contract required TSC to “provide a COVID-19 action plan.”

18. TSC’s provided a COVID019 action plan to Defendants on December 17, 2020.

19. All conditions required of Plaintiff’s under the Contract were timely, fully and properly performed.

20. The NYE event sold out in advance. Plaintiffs sold 1,000 tickets to the event and many of those ticket holders also purchased tickets for a pre-event dinner at an additional cost. PPDA had actual knowledge the event was sold out prior to December 30, 2020.

21. The Contract Defendant drafted does not contain a *force majeure* clause, or any express provision which gave Defendant the legal right to postpone, or cancel the NYE Countdown event for any reason, including but not limited to, a reason related to COVID-19. If postponement or cancellation was a possibility, Defendant should have so provided in the Contract it drafted.

22. On December 29, 2020, pursuant to the Contract, Plaintiff’s began to physically locate tents, portable toilets, and various event provisions aboard and the USS Yorktown and upon the premises of Defendant, with Defendant’s express permission, and under the direct supervision of Defendant’s staff, in near final preparation for the event.

23. On the morning of December 30, 2020, at 10:40 am, Defendant’s special events manager Bobby Kotlowski, via text message, requested Plaintiffs make the final installment payment of the special event rent, which was not yet then due under the Contract, and Plaintiffs complied by making an advance payment of the final rent installment.

24. On December 30, 2020, at 1 p.m. without public notice, or actual notice to Plaintiffs, upon information and belief, Defendant held an unnoticed PPDA board meeting, and it

was thereafter reported in the news that the PPDA board voted to “postpone” the NYE event, which was then set to take place the next day.

25. Following the said board meeting, Chris Hauff, Defendant’s public relations spokesperson, made statements to the news media about the event cancellation that he was authorized by Defendant to make on its behalf.

26. Plaintiffs learned of the event’s postponement / cancellation through the grapevine and not directly from Defendant. To date, Defendant has not stated to Plaintiff any claimed justification for its action.

27. Plaintiffs were not notified of the event’s postponement, or cancellation, in time to mitigate their damages in any meaningful way, since irreversible actions involving perishable goods, and services in fact provided by employees and third parties, had already significantly taken place.

28. To this date, Defendant has retained the rental payment funds after cancelling the event.

29. Under the terms of the Contract, Defendant had no legal justification or excuse giving it the contractual right to “postpone” or cancel the NYE Countdown event.

30. The 1,000 person event was not prohibited by any local, state or federal regulations, or by any non-binding guidance, in effect at the time the Contract was entered into, and/or in effect as of the date of postponement, or cancellation.

31. The SCDHEC guidance on “Mass Gatherings on Novel Coronavirus or COVID-19 in effect on December 30, 2020, provided in pertinent part, that “At this time. DHEC does not recommend closing large community events in our state.”

32. Defendant continued to operate the Yorktown as a tourist attraction up to the time Defendant postponed / cancelled Plaintiff's NYE event, and thereafter kept the attraction open, often having hundreds of persons on board and on the property in said timeframe.

33. During the relevant timeframe, Defendant hosted large gatherings about the USS Yorktown, all after the outbreak of COVID-19, including an event for MUSC, Roper St. Francis, Ducks Unlimited and the GOP, with hundreds of persons in attendance, and Defendant also executed a "pay what you can" weekend, in an effort to boost tourism aboard the Yorktown.

34. Plaintiffs were in compliance with all state and federal regulations in regards to capacity, safety and Town of Mount Pleasant Ordinances as it pertains to conducting special events.

35. Upon information and belief, PPDA board members illegally communicated with one another about their anticipated votes prior to the emergency unnoticed meeting of December 30, 2020; they were improperly influenced by third-party social media communications criticizing the event, and they shirked their duty to follow the law and honor contractual commitments when they took action to postpone / cancel the event without legal justification and without due regard for the damages and losses Defendant's breach of its contractual obligations would cause to Plaintiffs and 1000 other persons. Now it is time for Defendant to pay in full for its wrongful actions.

36. PPDA and its board members knew or should have known that the postponement of the event just before it was to start, would cause substantial monetary loss and damage to Plaintiffs, to other businesses performing ancillary services, and to the 1,000 persons who purchased tickets and spent nonrefundable money on travel, accommodations, event dresses and the like.

FOR A FIRST CAUSE OF ACTION

(Breach of Contract)

37. Plaintiffs repeat and reallege the foregoing allegations of the Complaint as if set forth herein verbatim.

38. Defendant entered into a Contract to lease the Yorktown property to Plaintiffs for a 2020 New Year's Eve special event to be held on December 31, 2020, pursuant to the Contract attached hereto as Exhibit A, and incorporated herein by reference.

39. Defendant breached said Contract without legal excuse or justification by voting to postpone / cancel the event by Board action taken on December 30, 2020.

40. Defendant is liable to Plaintiffs for its breach of contract for whatever damages follow as a natural consequence and a proximate result of such breach.

41. As a direct and proximate result of the breach, Plaintiff sustained actual monetary loss and damage in the sum of the value of all the time and money expended in the promotion of the event, by way of damage to their established good business reputation established over eight (8) years, by reason of Plaintiff being exposed to multiple legal claims to refund ticket money collected, by reason of Plaintiff being exposed to multiple legal claims from third party vendors, special damages sustained in the nature of lost profits from this annual event, ongoing administrative expenses, losses, attorney's fees and costs, and other actual, incidental, special and consequential damages in an amount to be determined by the trier of fact.

FOR A SECOND CAUSE OF ACTION

(Promissory Estoppel)

42. Plaintiffs repeat and reallege the foregoing allegations of the Complaint as if set forth herein verbatim.

43. Defendant made an unambiguous promise to rent Plaintiff's its Yorktown property for the 2020 NYE Countdown special event scheduled for December 31, 2020.

44. Plaintiffs reasonably relied upon said unambiguous promise.

45. It was entirely foreseeable by Defendant that Plaintiffs would rely on said promise in spending substantial time and money to promote and execute the 2020 NYE Countdown special event scheduled for December 31, 2020.

46. Plaintiffs sustained loss and damage by reason of Defendant's last minute postponement / cancellation of the said event.

47. As a direct and proximate result of Defendant's illegal conduct, Plaintiff sustained actual monetary loss and damage in the sum of the value of all the time and money expended in the promotion of the event, by way of damage to their established good business reputation established over eight (8) years, by reason of Plaintiff being exposed to multiple legal claims to refund ticket money collected, by reason of Plaintiff being exposed to multiple legal claims from third party vendors, special damages sustained in the nature of lost profits from this annual event, ongoing administrative expenses, losses, attorney's fees and costs, and other actual, incidental, special and consequential damages in an amount to be determined by the trier of fact.

WHEREFORE, Plaintiffs pray for judgment against Defendant as follows:

1. For all actual, special, incidental and consequential damages which follow as a natural consequence and a proximate result of such breach in an amount to be determined by the trier of fact as to the First Cause of Action;

2. For all actual, special, incidental and consequential damages which follow as a natural consequence and a proximate result of justifiable reliance on Defendant's unambiguous promise in an amount to be determined by the trier of fact as to the Second Cause of Action;

3. For a trial by jury;

4. For pre-judgment interest;

5. For attorney's fees;

6. For the costs and disbursements of this action; and

7. For such other and further relief as this Court may deem just and proper.

Respectfully submitted,

s/ Mark A. Mason

BY:

Mark A. Mason, Esquire
SC Bar No. 3676
Delaney J. Mason, Esquire
SC Bar No. 104692
THE MASON LAW FIRM, P.A.
Tidewatch Centre on Shem Creek
465 W. Coleman Boulevard, Suite 302
Mount Pleasant, S.C. 29464
Telephone: (843) 884-1444
Facsimile: (843) 884-3595
delaney@masonlawfirm.com
mark@masonlawfirm.com

Attorneys for the Plaintiffs

Mount Pleasant, South Carolina
January 22, 2021

EXHIBIT "A"

PATRIOTS POINT NAVAL & MARITIME MUSEUM

AGREEMENT FOR SPECIAL EVENT AT PATRIOTS POINT

Order #:	42591
Client:	2020 New Year's Event
Date of Event:	12/31/20
Venues to be Used & Services to be Provided:	<div style="display: flex; justify-content: space-between;"> <div style="width: 10%; text-align: center;">1 1 1 1 1</div> <div style="width: 90%;"> Event Rental (1) Aircraft Movement per Aircraft General Laborer Lift Crew per hour Y-Entire Ship </div> </div>
Special Conditions:	<p>1. CLIENT AGREES TO BE IN FULL COMPLIANCE WITH ALL STATE AND FEDERAL REGULATIONS IN REGARDS TO CAPACITY, SAFETY AND TOWN OF MOUNT PLEASANT CITY ORDINANCES AS IT PERTAINS TO CONDUCTING SPECIAL EVENTS.</p> <p>2. NYE STAFF TO PROVIDE POINT OF CONTACT THRU THE ENTIRE EVENT AS WELL AS DURING CLEANING OF THE SHIP AFTER THE EVENT CONCLUDES.</p> <p>3. NO CONFETTI OF ANY TYPE TO BE USED DURING THE EVENT.</p> <p>4. ALL TRASH ON FLIGHT DECK IS PICKED UP AND BAGGED.</p> <p>5. BAGGED TRASH ON THE FLIGHT DECK IS TRANSPORTED TO THE BOMB ELEVATOR RUN BY PATRIOTS POINT STAFF. THE PASSENGER ELEVATOR WILL NOT BE USED TO TRANSPORT TRASH. (NO EXCEPTIONS)</p> <p>6. NO UNOPENED OR UNUSED ALCOHOL OR FOOD TO REMAIN ON THE FLIGHT DECK OR IN THE HANGAR BAYS.</p> <p>7. ALL TRASH IN THE HANGAR BAYS AND FANTAIL OR ANY OTHER VENUE IS TO BE PICKED UP AND BAGGED AND REMOVED FROM SHIP BY THE ASSIGNED CLEANING STAFF.</p> <p>8. ALL PLASTIC TARPS, TAPE AND MATERIAL USED TO BLOCK TOUR ROUTES IS REMOVED AND DISPOSED OF PROPERLY.</p> <p>9. ALL HANGAR BAYS AND FLIGHT DECK AS WELL AS OTHER VENUES TO INCLUDE THE FANTAIL ARE PROPERLY SWEEPED AND MOPPED.</p> <p>10. TOUR ROUTE 3 LEADING TO THE FLIGHT DECK AS WELL AS THE ESCALATOR ROUTE WILL BE FREE OF</p>

Client's initials P
17 December 2020

TRASH AND CLEANED.

11. COAT RACK AND HANGARS ARE REMOVED FROM SHIP.

12. BAGGED TRASH IS TRANSPORTED TO THE HOIST RUN BY PATRIOTS POINT STAFF FOR THE OFF LOAD TO THE PIER.

13. BAGGED TRASH IS TAKEN FROM THE PIER TO THE DUMPSTER.

14. A JOINT WALK THRU AND INSPECTION WITH THE NYE POINT OF CONTACT AS WELL AS THE CATERING SUPERVISOR OR DESIGNATED MANAGER WILL TAKE PLACE WITH THE DIRECTOR OF OPERATIONS. NO NYE STAFF OR TOP SHELF STAFF OF CLEANING CREW CAN SECURE UNTIL THE INSPECTION OF THE VENUES IS COMPLETE AND MEETS THE APPROVAL OF THE OPERATIONS DIRECTOR. PLEASE NOTE IF FOR ANY REASON PATRIOTS POINT STAFF IS REQUIRED TO COMPLETE TASKS INITIALLY DESIGNATED TO THE ASSIGNED CLEANING CREW THEN A SERVICE CHARGES WILL BE ASSESSED TO NYE DIRECTOR AND WILL BE DETERMINED BASED ON LABOR COSTS AND TIME INVOLVED.

15. INITIAL DEPOSIT FOR NYE PAYMENT (50%) MUST BE RECEIVED NO LATER THAN CLOSE OF BUSINESS OCTOBER 1, 2020.

16. WRISTBAND EXCHANGE DATES TO BE DETERMINED A LEAST ONE MONTH PRIOR TO THE DATE OF THE EVENT.

17. THERE WILL BE NO CHARGE TO PARK ON THE NIGHT OF THE EVENT.

18. CLIENT TO PROVIDE AND COUNT AND BY NAME ROSTER OF ALL STAFF TO INCLUDE SECURITY, CATERING, ENTERTAINMENT AS WELL AS ALL VENDORS.

19. A PARKING PASS WILL BE PROVIDED TO VENDORS ONLY.

20. THE CLOSING AND CLEARING OF THE EMPLOYEE PARKING LOT WILL BE DETERMINED BY THE OPERATIONS DIRECTOR AND WILL BE CONFIRMED IN INITIAL MEETINGS.

21. THE LOAD IN SCHEDULED DATE MUST BE APPROVED BY THE OPERATIONS DIRECTOR PRIOR TO IMPLIMENTATION.

22. AIRCRAFT ON THE FLIGHT DECK WILL BE MOVED AS NEEDED.

23 PATRIOTS POINT HEATERS WILL BE USED IN HANGAR BAY 3 ONLY.

24. AS THIS IS NOT A PATRIOTS POINT SPONSORED EVENT WE WILL NOT BE ABLE TO PROMOTE THIS EVENT ON SOCIAL MEDIA OR USE MARKETING ASSETS FOR THE SAME.

	<p>25. THE NUMBER OF GUESTS PERMITTED TO ATTEND THIS EVENT IS 1000. PATRIOTS POINT OR DESIGNATED AUTHORITY WILL MONITOR.</p> <p>26. APOLLO CAPSULE TO BE REPOSITIONED IN HANGAR BAY PER NYE REQUEST.</p> <p>27. LABOR COSTS LISTED INCLUDES LIFT CREW, CUSTODIAL, ADMINISTRATIVE, PUBLIC SAFETY, ELECTRICIAN AND INCOMPASSES SUPPORT OVER THE LOAD IN AND LOAD OUT PROCESS AS WELL AS SUPPORT DURING THE ACTUAL EVENT DATE.</p> <p>28. PROVIDE AN EMERGENCY ACTION PLANE FOR THE NYE EVENT.</p> <p>29. PROVIDE AN COVID-19 ACTION PLAN THAT COMPLIES WITH SCDHEC AND DEPARTMENT OF COMMERCE REQUIREMENTS.</p>
--	---

VENUE TERMS AND CONDITIONS

Please note that Patriots Point is a public attraction that is open to the public from 9:00 AM – 6:30 PM each day. Patriots Point also allows groups to stay onboard the YORKTOWN at night as part of the Overnight Camping Program. Unless specific arrangements are made to the contrary, there may be overnight campers on the ship during your event. These campers have unrestricted access to all public areas of the ship, however, they will not be allowed into your event venue area if the event area is enclosed with pipe and drape. Also, please be aware that if there are campers onboard, we may be required to conduct a fire drill for them during your event. Your guests are not required to participate, but they may hear the fire alarm sound briefly as part of that drill.

Tours/Tour Guides

Touring of the museum is not included in the venue price. However, guests are permitted to roam the hangar bays during their event. Tour guides are available for an additional fee. If you'd prefer to tour on your own, a special group rate for tickets is available. Please note that no outside tour guides are permitted at Patriots Point. Alcohol may be restricted to the venue space if campers are onboard.

Accessibility:

The vessels are National Historic Landmarks. Some venues have been modified to allow easy accessibility for handicapped guests. Some parts of the vessels are not handicapped accessible because making the necessary modifications would significantly alter the appearance and fabric of the historic structure.

Beverage service:

Client's initials
17 December 2020



Alcohol consumption is allowed during special events, but of course, alcohol may not be served to minors or anyone appearing to be intoxicated. The South Carolina Alcohol Beverage and Control Board requires that all alcohol be supplied by a professional bar service with the necessary licenses and liability insurance. The required onboard beverage service provider, Top Shelf Catering (843-375-1366) is the required onboard beverage service provider. Upon signing this agreement, the client agrees to indemnify and hold harmless Patriots Point Development Authority and the State of South Carolina, and its employees from any damages, costs or expenses, including reasonable attorney fees, which may arise as a result of consumption of alcoholic beverages by the client and any of the client's guests. If there are overnight campers onboard the ship, alcoholic beverages must remain within the designated event area, inside the pipe and drape enclosure.

Catering:

Top Shelf Catering is our onboard caterer. Please contact them at 843-375-1366 for all of your food and beverage needs.

Event Coordinator:

The Client must designate a qualified event coordinator to serve as the point of contact with PPDA for planning all details of the event. This Event Coordinator must have the authority to make decisions on behalf of the client with catering and bar service, florists, rentals, etc. and will be our point of contact during the actual event. The Event Coordinator's name will appear on the signed license agreement. Upon completion of your event, the Manager on Duty will walk through the venue area to determine whether any damages have occurred, or if excessive cleanup will be required. We strongly recommend that the client's Event Coordinator be present for this walk through, as it is at this time that any charges will be assessed against the security deposit made by the client.

Equipment/Furniture:

Top Shelf Catering can provide most of the equipment and furnishings that will be needed for the food and beverage portion of your event; otherwise, all other equipment and furnishings needed for the event must be arranged for, set up, and broken down by the client.

Patriots Point Service Requirements:

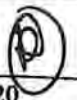
Requirements for support with regards to electrical, lift, custodial, public safety, and any other assistance, must be submitted via email to bkotlowski@patriotspoint.org no later than 10 days prior to the event date. This may include, but not be limited to, a load-in and load-out schedule, electrical needs, other power requirements, lift services, and any other items that may or may not be listed in this contract. Failure to comply with this may result in Patriots Point not being able to provide the services requested.

Hazardous Weather:

For the safety of all involved, should hazardous weather occur, severe thunderstorms or hurricane watches and warnings, PPDA reserves the right to mandate taking shelter, stop alcoholic beverage dispensing, and require bands or musicians to cease amplified music until the hazardous weather is deemed by PPDA to no longer be a threat. In the event PPDA determines that hazardous weather requires the evacuation of the property for the safety of the guests, the event will be terminated and guests will be required to vacate the premises. Once the event has started, no refund will be given under any circumstances. In all of the above

Client's initials

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cases for hazardous weather, the Manager on Duty will make regular announcements to inform the guests of the situation progress and the next steps to be taken. If the event is cancelled prior to the event's scheduled start time, the 50% deposit is non-refundable for any reason including, but not limited to, hazardous weather, natural disasters, acts of God, or terrorist acts. Patriots Point reserves the right to cancel any event due to predicted hazardous weather for any named storm.

Inclement Weather:

PPDA assumes no responsibility or liability for the weather conditions during your event. If your event is scheduled in an area which may get wet or windy, we encourage you to book a back-up location that is more protected from the weather; however, when renting the Flight Deck event space, you will be required to rent the Hangar Bay III event space as well.

Logistics:

If any assistance is required from PPDA staff to move equipment or supplies on and off the ship, a charge of up to \$150.00 per hour, or any portion of an hour, will apply. This includes any requirement to operate the hoist for getting material on and off the ship, and use of the cargo elevator to move materials to/from the flight deck. If this service is needed after the event to get materials off the ship, a fee of \$80.00 per hour will apply during the actual event since the labor must remain on station waiting for the event to end.

Manager on Duty:

PPDA will have a Manager on Duty working during your event. This person will be your point of contact for any needs that you might have, will be knowledgeable about the support requirements agreed to in this agreement, and has the authority to make decisions on behalf of PPDA.

Music:

While we do allow bands, DJs, and other types of musical entertainment, all amplified music must cease at 10:30 PM if we have overnight campers onboard, and 11:00 PM if there are no campers onboard. The client's Event Coordinator is responsible for ensuring that the music, at all times, complies with the Town of Mount Pleasant's noise ordinance.


Parking:

Unless prior arrangements are made, each passenger vehicle arriving for the event will be charged \$5.00 for parking in our northern parking lot. If your guests are arriving by motor coach, complimentary parking will be provided in our southern parking lot. No vehicles may be left on PPDA property overnight without prior permission.

Rental Deposit and Security Deposit:

A 50% rental deposit will be due within 14 calendar days of booking your event venue. After 14 calendar days, if the deposit has not been received, the venue will be released and made available to other clients seeking to hold events on that date. This 50% deposit will secure your date and is non-refundable for any reason including, but not limited to, hazardous weather, natural disasters, acts of God, or terrorist acts.

The final payment of the balance of 50% is due no later than 30 calendar days prior to the date of your event.

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A security deposit of \$750.00 in the form of a separate check may be required for events that take place on the property. The Manager on Duty will determine if there is any excessive clean-up or damage to the property as a result of your event and, if necessary, the security deposit will be applied towards any needed repairs or work. If the Manager on Duty determines that there are no additional charges, the security deposit will be returned to the Event Coordinator after the final walk through at the end of the event.

Smoking:

All of the vessels at Patriots Point are National Historic Landmarks. In the interest of protecting them and in compliance with fire regulations, there is no smoking allowed on any vessel. We also do not allow smoking on any of the piers during hours we are open to the public. If your event is after hours, when we are not open to the public, a special smoking area will be designated on the pier, under the main entrance steps. Our guest relations staff will assist with making guests aware of this designated area. Smoking is allowed, at any time, in the pavilion-covered area, landside.

Time Overage:

Venue fees are based upon an event of no longer than four hours. If additional time is scheduled, or the scheduled end time of the event is exceeded, an added fee of \$____/hour will apply. The additional time must be approved and paid for prior to the event or the added charges will be deducted from the security deposit.

PATRIOTS POINT NAVAL & MARITIME MUSEUM


AGREEMENT FOR USE OF SPACES AND SERVICES

No part of this agreement may be altered without agreement by both parties, nor may it be transferred or sublet by the client. Full payment must be received no later than 30 days prior to the scheduled date of the event. Your event will be reserved upon receipt of this signed agreement, including all pages of the terms and conditions, and the non-refundable rental deposit. If these are not received within 14 calendar days of booking your event, the date may be made available to other clients.

Client's Name:	2020 New Year's Eveny
Event Coordinator's Name:	Robert Patterson
Street Address or PO Box:	40 Patriots Point Road
	MOUNT PLEASANT , SC 29464
Phone:	843-421-4408
Email:	Robert Patterson (robert@specialopsevents.com)
Date of Event:	12/31/20-1/1/21
Event Start Time:	7:00 PM
Event End Time:	1:00 AM
Number of Guests:	1000

PAYMENT INFORMATION

Location Fee:	\$	6562.50	(Per Page 1 of the Agreement)
Fees for Services/Equipment:	\$	3500.00	(Per Page 1 of the Agreement)
Fees for Touring:	\$		(Per Page 1 of the Agreement)
Fees for Parking:	\$		(If not paid individually by guest)
Time Overage Fee:	\$		(\$250 per every additional hour over 4 hours)
Total Fee:	\$	10,162.50	
50% Deposit of Total Fee:	\$	5081.25	(Due within 14 days of booking event)
Security Deposit:	\$		(Separate check due with the balance payment)
Balance Due After Deposit:	\$	5081.25	(Due no later than 30 days prior to the date of the event)

Client's initials 
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PATRIOTS POINT NAVAL & MARITIME MUSEUM

METHOD OF PAYMENT

Please make checks payable to: Patriots Point Development Authority

Mail to:
40 Patriots Point Road
Mount Pleasant, SC 29464
Attn: Special Events

Check: ☐ Credit Card: ☐ (please provide the following information)

VISA / MC / AMEX / DISCOVER
(circle one of the above)

Expiration Date:

Security Code:

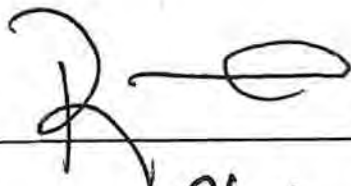
Name on the Card:

Statement Billing Address:

The individual, agent or entity signing this agreement, along with the event guests and any contracted labor, will hold the State of South Carolina and Patriots Point Development Authority, all employees and affiliates, individually and jointly and severally harmless for any loss, damage, or injury to person or property resulting from the use, occupancy, or possession of the premises.

I, Robert Patterson, hereby acknowledge that I have read the above agreement, and the foregoing terms and conditions, and I agree to the terms and conditions listed herein.

Client's signature: _____



Date: _____

12/17/20

PPDA Representative's signature: _____



Date: _____

Client's initials

17 December 2020



PATRIOTS POINT

NAVAL & MARITIME


MUSEUM

The individual, agent or entity signing this agreement, along with the event guests and any contracted labor, will provide any and all media content to PPDA Information Technology

Media must meet the following criteria:


- All media files should be received at least 72 hours prior to event
- Must provide physical media (USB thumb drive)
- Media content **MUST** be provided in a mp4 or wmv format
- Resolution should be HD 1920x1080 pixels
- File size is limited to a maximum of 2 GB

Order #:	42591
Client:	2020 New Year's Eveny
Date of Event:	12/31/20
Event Start Time:	7:00 PM
Venues to be Used & Services to be Provided:	
Special Conditions:	<p>1. CLIENT AGREES TO BE IN FULL COMPLIANCE WITH ALL STATE AND FEDERAL REGULATIONS IN REGARDS TO CAPACITY, SAFETY AND TOWN OF MOUNT PLEASANT CITY ORDINANCES AS IT PERTAINS TO CONDUCTING SPECIAL EVENTS. 2. NYE STAFF TO PROVIDE POINT OF CONTACT THRU THE ENTIRE EVENT AS WELL AS DURING CLEANING OF THE SHIP AFTER THE EVENT CONCLUDES. 3. NO CONFETTI OF ANY TYPE TO BE USED DURING THE EVENT. 4. ALL TRASH ON FLIGHT DECK IS PICKED UP AND BAGGED. 5. BAGGED TRASH ON THE FLIGHT DECK IS TRANSPORTED TO THE BOMB ELEVATOR RUN BY PATRIOTS POINT STAFF. THE PASSENGER ELEVATOR WILL NOT BE USED TO TRANSPORT TRASH. (NO EXCEPTIONS) 6. NO UNOPENED OR UNUSED ALCOHOL OR FOOD TO REMAIN ON THE FLIGHT DECK OR IN THE HANGAR BAYS. 7. ALL TRASH IN THE HANGAR BAYS AND FANTAIL OR ANY OTHER VENUE IS TO BE PICKED UP AND BAGGED AND REMOVED FROM SHIP BY THE ASSIGNED CLEANING STAFF. 8. ALL PLASTIC TARPS, TAPE AND MATERIAL USED TO BLOCK TOUR ROUTES IS REMOVED AND DISPOSED OF PROPERLY. 9. ALL HANGAR BAYS AND FLIGHT DECK AS WELL AS OTHER VENUES TO INCLUDE THE FANTAIL ARE PROPERLY SWEEPED AND MOPPED. 10. TOUR ROUTE 3 LEADING TO THE FLIGHT DECK AS WELL AS THE ESCALATOR ROUTE WILL BE FREE OF TRASH AND CLEANED. 11. COAT RACK AND HANGARS ARE REMOVED FROM SHIP. 12. BAGGED TRASH IS TRANSPORTED TO THE HOIST RUN BY PATRIOTS POINT STAFF FOR THE OFF LOAD TO THE PIER. 13. BAGGED TRASH IS TAKEN FROM THE PIER TO THE DUMPSTER. 14. A JOINT WALK THRU AND INSPECTION WITH THE NYE POINT OF CONTACT AS WELL AS THE CATERING SUPERVISOR</p>

Client's initials 
17 December 2020

OR DESIGNATED MANAGER WILL TAKE PLACE WITH THE DIRECTOR OF OPERATIONS. NO NYE STAFF OR TOP SHELF STAFF OF CLEANING CREW CAN SECURE UNTIL THE INSPECTION OF THE VENUES IS COMPLETE AND MEETS THE APPROVAL OF THE OPERATIONS DIRECTOR. PLEASE NOTE IF FOR ANY REASON PATRIOTS POINT STAFF IS REQUIRED TO COMPLETE TASKS INITIALLY DESIGNATED TO THE ASSIGNED CLEANING CREW THEN A SERVICE CHARGES WILL BE ASSESSED TO NYE DIRECTOR AND WILL BE DETERMINED BASED ON LABOR COSTS AND TIME INVOLVED. 15. INITIAL DEPOSIT FOR NYE PAYMENT (50%) MUST BE RECEIVED NO LATER THAN CLOSE OF BUSINESS OCTOBER 1, 2020. 16. WRISTBAND EXCHANGE DATES TO BE DETERMINED A LEAST ONE MONTH PRIOR TO THE DATE OF THE EVENT. 17. THERE WILL BE NO CHARGE TO PARK ON THE NIGHT OF THE EVENT. 18. CLIENT TO PROVIDE AND COUNT AND BY NAME ROSTER OF ALL STAFF TO INCLUDE SECURITY, CATERING, ENTERTAINMENT AS WELL AS ALL VENDORS. 19. A PARKING PASS WILL BE PROVIDED TO VENDORS ONLY. 20. THE CLOSING AND CLEARING OF THE EMPLOYEE PARKING LOT WILL BE DETERMINED BY THE OPERATIONS DIRECTOR AND WILL BE CONFIRMED AND INITIAL MEETINGS. 21. THE LOAD IN SCHEDULED DATE MUST BE APPROVED BY THE OPERATIONS DIRECTOR PRIOR TO IMPLEMENTATION. 22. AIRCRAFT ON THE FLIGHT DECK WILL BE MOVED AS NEEDED. 23. PATRIOTS POINT HEATERS WILL BE USED IN HANGAR BAY 3 ONLY. 24. AS THIS IS NOT A PATRIOTS POINT SPONSORED EVENT WE WILL NOT BE ABLE TO PROMOTE THIS EVENT ON SOCIAL MEDIA OR USE MARKETING ASSETS FOR THE SAME. 25. THE NUMBER OF GUESTS PERMITTED TO ATTEND THIS EVENT IS 1000. PATRIOTS POINT OR DESIGNATED AUTHORITY WILL MONITOR. 26. APOLLO CAPSULE TO BE REPOSITIONED IN HANGAR BAY PER NYE REQUEST. 27. LABOR COSTS LISTED INCLUDES LIFT CREW, CUSTODIAL, ADMINISTRATIVE, PUBLIC SAFETY, ELECTRICIAN AND INCOMPASSES SUPPORT OVER THE LOAD IN AND LOAD OUT PROCESS AS WELL AS SUPPORT DURING THE ACTUAL EVENT DATE. 28. PROVIDE AN EMERGENCY ACTION PLANE FOR THE NYE EVENT. 29. PROVIDE AN COVID-19 ACTION PLAN THAT COMPLIES WITH SCDHEC AND DEPARTMENT OF COMMERCE REQUIREMENTS.

I, ROBERT PATTERSON, hereby acknowledge that I have read the above agreement, and the foregoing terms and conditions, and I agree to the terms and conditions listed herein.

Client's signature:  Date: 12/17/20

PPDA Representative's signature:  Date: _____

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NUMBER: 2021-CP-10-00297
Robert M. Patterson, d/b/a Top Shelf)	
Catering Company, LLC, and Jeffery C.)	
Swank, Jr., d/b/a Vidorra Productions, LLC,)	
)	
Plaintiffs,)	
	)	ANSWER TO COMPLAINT
vs.)	
)	
Patriots Point Development Authority,)	
)	
Defendant.)	
)	

The Defendant, Patriots Point Development Authority (hereinafter “Defendant” or “PPDA”), hereby responding to the Complaint of the Plaintiffs, alleges and states as follows:

FOR A FIRST DEFENSE
(General Denial)

1. All allegations of Plaintiffs’ Complaint not hereinafter admitted, denied, or otherwise modified are denied and strict proof thereof is demanded.
2. Defendant admits, upon information and belief, the allegations of Paragraphs 1 and 2 of Plaintiffs’ Complaint.
3. Defendant admits the allegations of Paragraphs 3, 4, 5 and 6 of Plaintiffs’ Complaint.
4. With respect to the allegations of Paragraphs 7 and 8 of Plaintiffs’ Complaint, PPDA prays reference to the documents referred to therein, which speak for themselves, and denies any allegation of Plaintiffs’ Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

5. Paragraph 9 of Plaintiffs' Complaint calls for a legal conclusion to which no response is required. To the extent a response is required, the same is denied and strict proof thereof is demanded.

6. In responding to the allegations of Paragraph 10 of Plaintiffs' Complaint, Defendant admits, upon information and belief that Plaintiff Swank has promoted and executed a New Year's Eve countdown event aboard the Yorktown and that Plaintiff Patterson has been involved in some capacity in such event. Defendant lacks sufficient knowledge or information to admit or deny the remaining allegations of Paragraph 10 and, therefore, denies same and demands strict proof thereof.

7. Defendant lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 11 of Plaintiffs' Complaint and, therefore, denies the same and demands strict proof thereof.

8. With regard to the allegations of Paragraphs 12 and 13 of Plaintiffs' Complaint, Defendant prays reference to the documents referred to therein, which speak for themselves, and denies any allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

9. Defendant, responding to the allegations of Paragraph 14 of Plaintiffs' Complaint, admits that Mr. Kotlowski had the authority to enter into the agreement attached to the Complaint as Exhibit A. Any other allegations or inferences of Paragraph 14 are denied and strict proof thereof is demanded.

10. In responding to the allegation of Paragraph 15 of Plaintiffs' Complaint, Defendant craves reference to the document referred to therein, which speaks for itself, and

denies any allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

11. Defendant lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 16 of Plaintiffs' Complaint and, therefore, denies same and demands strict proof thereof.

12. In responding to the allegations of Paragraph 17 of Plaintiffs' Complaint, Defendant prays reference to the document referred to therein, which speaks for itself, and denies any allegation of Plaintiffs' Complaint which is contrary thereto and inconsistent therewith.

13. The allegations of Paragraph 18 of Plaintiffs' Complaint are admitted to the extent a Covid-19 action plan was provided. Any inference that the Covid-19 action plan was timely, sufficient, proper, workable or satisfied the obligations of any applicable contract or requirement is denied and strict proof thereof is demanded.

14. Defendant denies the allegations of Paragraph 19 of Plaintiffs' Complaint and demands strict proof thereof.

15. Defendant lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 20 of Plaintiffs' Complaint and, therefore, denies same and demands strict proof thereof.

16. Regarding the allegations of Paragraph 21 of Plaintiffs' Complaint, PPDA prays reference to the contract referred to therein, which speaks for itself, and denies any allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

17. Regarding Paragraph 22 of Plaintiffs' Complaint, Defendant admits that on December 29, 2020, Robert Patterson, or persons acting on his behalf, began to locate items

aboard the Yorktown. As to the remaining allegations, Defendant lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 22 of Plaintiffs' Complaint and, therefore, denies the same and demands strict proof thereof.

18. With regard to the allegations of Paragraph 23 of Plaintiffs' Complaint, Defendant prays reference to any documents or messages referred to therein, which speak for themselves, and denies any allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

19. Responding to the allegations of Paragraph 24 of Plaintiffs Complaint, PPDA admits that it held a board meeting on December 30, 2020 at 1:00 PM. All other allegations of Paragraph 24 are denied and strict proof thereof is demanded.

20. Defendant lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 25 of Plaintiffs' Complaint and, therefore, denies same and demands strict proof thereof.

21. Defendant denies the allegations of Paragraphs 26, 27 and 28 of Plaintiffs' Complaint and demands strict proof thereof.

22. Defendant denies the allegations of Paragraph 29 of Plaintiffs' Complaint and demands strict proof thereof.

23. PPDA lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 30 of Plaintiffs' Complaint and, therefore, denies the same and demands strict proof thereof.

24. With regard to the allegations of Paragraph 31 of Plaintiffs' Complaint, Defendant prays reference to the guidelines referred to therein, which speak for themselves, and denies any

allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith and demands strict proof thereof.

25. Defendant admits the allegations of Paragraphs 32 and 33 of Plaintiffs' Complaint, but denies any implication or insinuation that events similar to the proposed event described in Plaintiffs' Complaint occurred during the referenced or relevant time frame, whatever those may be, and demands strict proof thereof.

26. Defendant denies the allegations of Paragraphs 34, 35 and 36 of Plaintiffs' Complaint and demands strict proof thereof.

27. In response to Paragraph 37 of Plaintiffs' Complaint, Defendant restates its response to Plaintiffs' Complaint as if fully set forth herein verbatim.

28. In responding to the allegations of Paragraph 38 of Plaintiffs' Complaint, Defendant prays reference to the contract referred to therein, which speaks for itself, and denies any allegation of Plaintiffs' Complaint which is contrary thereto and inconsistent therewith and demands strict proof thereof.

29. Defendant denies the allegations of Paragraphs 39, 40 and 41 of Plaintiffs' Complaint and demands strict proof therein.

30. In response to the allegations of Paragraph 42 of Plaintiffs' Complaint, Defendant restates its responses to the Plaintiffs' Complaint as if set forth herein verbatim.

31. Responding to the allegations of Paragraph 43 of Plaintiffs' Complaint, as Defendant has previously stated, the agreement attached to the Complaint as Exhibit A speaks for itself. Any allegation of Plaintiffs' Complaint which is contrary thereto or inconsistent therewith is denied and strict proof thereof is demanded.

32. PPDA denies the allegations of Paragraphs 44, 45, 46 and 47 of Plaintiffs' Complaint and demands strict proof thereof.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Rule 12(b)(6))

33. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

34. Some or all of the Plaintiffs' causes of action fail to state a claim against the Defendant upon which relief can be granted, and, therefore, must be dismissed pursuant to Rule 12(b)(6), *SCRPC*.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Failure of Consideration)

35. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

36. Some or all of the alleged contract(s) are unenforceable against Defendant due a lack of consideration, or a subsequent failure of consideration.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Unclean Hands)

37. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

38. Some or all of Plaintiffs' claims are barred because the Plaintiff comes to Court with unclean hands.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Breach of Contract by Plaintiffs)

39. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

40. Defendant alleges that to the extent Plaintiffs seek to recover in contract, 2020 New Year's Eveny (*sic*), the "Client" in the contract, materially breached the terms and conditions of the subject agreement and is entitled to no relief thereon.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Lack of Standing)

41. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

42. Plaintiffs do not have standing to assert their alleged claims.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Waiver and Laches)

43. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

44. Defendant would allege Plaintiffs' Complaint is barred by the doctrine of wavier and/or laches.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Impossibility/Impracticability)

45. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

46. The claims are barred in whole or in part because performance of some or all of the material obligations of the referenced contract were impossible or impracticable.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Failure to Mitigate)

47. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

48. Plaintiffs have failed to mitigate their damages.

**FURTHER ANSWERING PLAINTIFFS' COMPLAINT AND AS AN
AFFIRMATIVE DEFENSE THERETO**
(Plaintiffs' Claims are Speculative)

49. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

50. The claims of Plaintiffs are speculative in whole or in part and should therefore be barred.

RESERVATION AND NON-WAIVER

52. Defendant realleges and restates the allegations in all preceding paragraphs herein as if stated verbatim.

53. Defendant reserves the right to assert, and does not waive, any additional or further defenses as may be revealed by additional information that may be acquired in discovery or otherwise.

WHEREFORE, having fully answered the Plaintiffs' Complaint, Defendant prays that the same be dismissed with prejudice and that Defendant be entitled to recover all costs, including reasonable attorneys' fees, incurred in defending this action together with such other and further relief as this Court may deem just and proper.

LYLES & ASSOCIATES, LLC

s/Robert T. Lyles, Jr.

Robert T. Lyles, Jr. (SC Bar No. 10299)
1037 Chuck Dawley Blvd., Suite G-100
Mt. Pleasant, South Carolina 29464
(843)577-7730
rtl@lylesfirm.com
Attorneys for Defendant

Mt. Pleasant, South Carolina

March 26, 2021

AGENCY: State Fiscal Accountability Authority, Office of Executive Director

SUBJECT: Bank Account Transparency and Accountability

Proviso 117.79 (GP: Bank Account Transparency and Accountability) of the Fiscal Year 2022-23 Appropriations Act requires agencies with composite reservoir bank accounts or other accounts which are not included in the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted from this requirement. The proviso also provides for an agency to petition the State Fiscal Accountability Authority for an exemption from the detailed reporting requirements if release of the information would be detrimental to the state or agency. Agencies exempted from the detailed transaction reporting by action of the former Budget and Control Board must provide the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.

The SFAA Office of Executive Director requested state agencies to provide the required reports by October 1, 2022. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on its website. Attached is a list which submitted a report in accordance with Proviso 117.79 of the FY 2022-23 Appropriations Act.

AUTHORITY ACTION REQUESTED:

- a) Receive as information the list of agencies which have submitted reports in accordance with Proviso 117.79, concerning bank account transparency and accountability.
- b) Request the State Auditor's Office to continue to include a review of agency composite accounts when performing audits of agencies.

ATTACHMENTS:

Proviso 117.79; Summary of Agency responses

FY 2021-2022 AGENCY COMPOSITE BANK ACCOUNTS

AGENCY	EXEMPTION REQUESTED	EXEMPTION GRANTED	REPORT RECEIVED
ADJUTANT GENERAL'S OFFICE	NO		YES
ATTORNEY GENERAL'S OFFICE	YES	YES	YES
DEPARTMENT OF COMMERCE	NO		YES
DEPARTMENT OF COMMERCE - PALMETTO RAILWAYS	NO		YES
DEPARTMENT OF CORRECTIONS	YES	YES	YES
DEPARTMENT OF DISABILITIES & SPECIAL NEEDS	YES	YES	YES
DEPARTMENT OF EMPLOYMENT AND WORKFORCE	YES	YES	YES
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL	NO		YES
DEPARTMENT OF HEALTH AND HUMAN SERVICES	NO		YES
DEPARTMENT OF JUVENILE JUSTICE	YES	YES	YES
DEPARTMENT OF LABOR,LICENSING AND REGULATION	NO		YES
DEPARTMENT OF MOTOR VEHICLES	YES	YES	YES
DEPARTMENT OF NATURAL RESOURCES	YES	YES	YES
DEPARTMENT OF PARKS RECREATION AND TOURISM	NO		YES
DEPARTMENT OF PUBLIC SAFETY	YES	YES	YES
DEPARTMENT OF REVENUE	YES	YES	YES
DEPARTMENT OF SOCIAL SERVICES	YES	YES	YES
DEPARTMENT OF TRANSPORTATION	NO		YES
GOVERNOR'S MANSION AND GROUNDS	NO		YES
JOBS ECONOMIC DEVELOPMENT AUTHORITY	NO		YES
SC GOVERNOR'S SCHOOL FOR AGRICULTURE AT JOHN DE LA HOWE	YES	YES	YES
SC GOVERNOR'S SCHOOL FOR THE ARTS AND HUMANITIES	NO		YES
SC GOVERNOR'S SCHOOL FOR SCIENCE AND MATHEMATICS	NO		YES
SC LAW ENFORCEMENT DIVISION	YES	YES	YES
SCHOOL FOR THE DEAF AND BLIND	NO		YES
SECRETARY OF STATE	NO		YES
STATE TREASURER'S OFFICE	NO		YES
VOCATIONAL REHABILITATION DEPARTMENT	YES	YES	YES
WIL LOU GRAY OPPORTUNITY SCHOOL	YES	YES	YES

PART IB
SECTION 117 - X900 - GENERAL PROVISIONS

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

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

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

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF December 13, 2022

REGULAR SESSION
ITEM NUMBER 13

AGENCY: Executive Director

SUBJECT: Request for Carryforward Allocation of 2022 Private Activity Bond Ceiling

South Carolina State Housing requests that the State Fiscal Accountability Authority grant it a carryforward allocation of that portion of the State's 2022 Private Activity Bond Ceiling ("Bond Ceiling") that remains unallocated at the end of the calendar year.

AUTHORITY ACTION REQUESTED:

Approve a carryforward allocation of that portion of the State's 2022 Private Activity Bond Ceiling ("Bond Ceiling") that remains unallocated at the end of the calendar year.

ATTACHMENTS:

1. Petition, Resolution and attachments
2. 2022 Act 202 (H. 5075)



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

**Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com**

**C. Todd Latiff
Chairman**

**Bonita H. Shropshire
Executive Director**

*Writer's Direct Numbers
(803) 896-9551*

E-mail: ellen.eudy@schousing.com

October 25, 2022

**Delbert H. Singleton, Jr., Esquire
Secretary
State Fiscal Accountability Authority
1200 Senate Street
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201**

Re: Request for Carryforward Allocation of 2022 Private Activity Bond Ceiling

Dear Delbert:

I enclose a petition requesting an allocation of the remaining 2022 Private Activity Bond Ceiling for the State of South Carolina and a copy of the South Carolina State Housing Finance and Development Authority's Board of Commissioner's Resolution approving such petition that was adopted by the Authority's Board on October 19, 2022. Also enclosed is a memorandum explaining the Authority's need for bond ceiling.

I would greatly appreciate if this matter could be placed on the agenda for the State Fiscal Accountability Authority's meeting in December.

Thank you for your assistance.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ellen Eudy", is written over a circular blue stamp or seal.

**Ellen Eudy
Chief Financial Officer**

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

TO THE SOUTH CAROLINA STATE

FISCAL ACCOUNTABILITY AUTHORITY

P E T I T I O N

This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority") respectfully shows:

1. The Authority is an "issuing authority" contemplated in Article 3 of Title 1, Chapter 11 of the SC Code of Laws, as amended (the "Allocation Act") and is authorized to receive an allocation of the State of South Carolina's private activity bond volume cap limit set forth in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code") imposed by Section 146 of the Code.

2. The Authority is informed and believes that a portion of the State Ceiling established by Section 146 of the Code (the "State Ceiling") has not yet been allocated and will, unless allocated on a carryforward basis, be lost to the State of South Carolina at the end of the current calendar year.

3. Based upon the need which it has found to exist, the Authority has determined it may issue one or more series of its revenue bonds or mortgage credit certificates pursuant to the authorizations granted to it under Title 31, Chapter 13, Code of Laws of South Carolina, 1976, as amended, which will be new issues and which will require allocations of the State Ceiling.

4. In order to preserve the unallocated portion of the 2022 State Ceiling, and in order further to lessen the demand for future State Ceiling, the Authority respectfully requests that it be allocated on a carryforward basis, such of the 2022 State Ceiling as shall remain unallocated at the end of 2022, such ceiling to be apportioned between the issuance of Mortgage Revenue Bonds/Mortgage Credit Certificates and Qualified Residential Rental Bonds in such amounts as shall be requested by the Authority prior to the filing by the State Fiscal Accountability Authority of South Carolina of its IRS Form 8328, "Carryforward Election of Unused Private Activity Bond Volume Cap".

5. This Petition is submitted pursuant to Section 1-11-530(D) of the Allocation Act.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority of South Carolina accept the filing of the Petition presented herewith, that it allocate to the Authority on a carryforward basis, such of the 2022 State Ceiling as shall remain unallocated at the end of 2022, such ceiling to be apportioned between the issuance of Mortgage Revenue Bonds/Mortgage Credit Certificates and Qualified Residential Rental Bonds in such amounts as shall be requested by the Authority prior to such allocation.

October 25, 2022

Respectfully submitted,
**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

By:

Ellen Eudy
Chief Financial Officer

A RESOLUTION

AUTHORIZING A PETITION TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA REQUESTING CARRYFORWARD ALLOCATION OF THE REMAINING PORTION OF THE STATE CEILING ESTABLISHED BY THE TAX REFORM ACT OF 1986.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the "**Authority**") is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "**Act**") to issue bonds, the principal proceeds of which will be used to provide sanitary and safe residential housing for persons and families of low income and of moderate to low income (collectively, the "**beneficiary classes**") at prices which such persons can afford; and

WHEREAS, the Authority is an "issuing authority" contemplated in 1-11-510 of the SC Code of Laws, as amended, and is authorized to receive an allocation of the State of South Carolina's private activity bond volume cap limit set forth in Section 146 of the Internal Revenue Code of 1986, as amended (the "**Code**"); and

WHEREAS, the Authority has, pursuant to the Act, previously issued multiple series of its revenue bonds and mortgage credit certificates and has used the proceeds thereof to provide money for the financing of housing to be occupied by members of the beneficiary classes; and

WHEREAS, in light of additional demand for housing that is affordable to members of the beneficiary classes, the Authority has formulated a plan for the issuance of its bonds or mortgage credit certificates in one or more series pursuant to the Act, such plan being conditioned, *inter alia*, upon the granting by the State Fiscal Accountability Authority of South Carolina (the "**State Board**") of an allocation of the State Ceiling established by the Section 146 of the Code (the "**State Ceiling**") relating to the issuance of private activity bonds; and

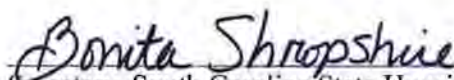
WHEREAS, the Authority proposes to make provision for one or more additional series of bonds or mortgage credit certificates which will be new issues (collectively, the "**New Issues**") and may require an allocation of the State Ceiling; and

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED: that the Executive Director, Chief Financial Officer or General Counsel is authorized to submit to the State Fiscal Accountability Authority a Petition requesting that the unused portion of the 2022 State Ceiling be allocated on a carryforward basis to the New Issues proposed to be issued by the Authority.

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned Assistant Secretary of the South Carolina State Housing Finance and Development Authority (the "**Authority**"), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on October 19, 2022.

WITNESS MY HAND this 19th day of October, 2022.



Secretary, South Carolina State Housing Finance and
Development Authority



South Carolina State Housing Finance and Development Authority

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Telephone: 803.896.9001 TTY: 803.896.8831

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
Writer's Direct Numbers

(803) 896-9551

E-mail: ellen.eudy@schousing.com

MEMORANDUM

To: Delbert H. Singleton, Jr.
Secretary, State Fiscal Accountability Authority

From: Ellen Eudy 
Chief Financial Officer, State Housing Finance & Development Authority

Re: Request for Carryforward Allocation of 2022 Private Activity Bond Ceiling

Date: October 25, 2022

The purpose of this Memorandum is to provide support for SC Housing's request that the State Fiscal Accountability Authority grant it a carryforward allocation of that portion of the State's 2022 Private Activity Bond Ceiling ("Bond Ceiling") that remains unallocated at the end of the calendar year. Bond Ceiling must either be allocated to private activity bonds issued during the calendar year for which it was received from the federal government or allocated at the end of such year on a carryforward basis to support the issuance of bonds within the next three years. At the end of a calendar year, unused Bond Ceiling that is not the subject of a carryforward allocation is lost to the State and cannot thereafter be retrieved. In the past SC Housing has utilized Bond Ceiling that would otherwise have been lost.

The program through which SC Housing provides financing for the development of affordable low-income housing by private-sector developers and the program through which it provides home ownership opportunities to low-to-moderate income families are financed by the issuance of private activity bonds that require the allocation of Bond Ceiling. SC Housing has also begun issuing mortgage credit certificates which can help make home ownership more affordable for qualified borrowers. By requesting a carryforward allocation of unused 2022 Bond Ceiling, it is the intent of SC Housing to assist the State of South Carolina by lessening the demand for subsequent years' Bond Ceiling. As you are aware, the passage of the Workforce and Senior Affordable Housing Act (H.B. 3998) and the subsequent fixing of the associated federal tax credit at 4%, created overwhelming interest in the multifamily bond program by private-sector developers.

As you are aware, the 2022 and 2023 Ceiling Allocation Plans did not assign current-year state ceiling to the Multi-Family Housing category. Instead, developers are encouraged to apply through SC Housing, using the existing carryforward pool. We anticipate significant demand on this resource and expect full utilization for any amounts in the current carryforward pool.

SC Housing requests that any such allocation of new carryforward be apportioned between the issuance of Mortgage Revenue Bonds/Mortgage Credit Certificates and the issuance of Qualified Residential Rental Bonds. SC Housing is researching other manners of utilizing bond authority and is always exploring the next bond financing for the single family home ownership program. Unless a carryforward allocation is made, the remaining 2022 allocation will expire as of December 31, 2022 and be lost to the State of South Carolina.

South Carolina General Assembly
124th Session, 2021-2022

A202, R228, H5075

STATUS INFORMATION

General Bill

Sponsors: Reps. G.M. Smith and West

Document Path: I:\council\bill\ncd\11339dg22.docx

Companion/Similar bill(s): 1120

Introduced in the House on March 3, 2022

Introduced in the Senate on April 7, 2022

Last Amended on May 4, 2022

Passed by the General Assembly on May 10, 2022

Governor's Action: May 16, 2022, Signed

Summary: Housing tax credit

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
3/3/2022	House	Introduced and read first time (House Journal-page 23)
3/3/2022	House	Referred to Committee on Ways and Means (House Journal-page 23)
3/31/2022	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 31)
4/5/2022	House	Member(s) request name added as sponsor: West
4/5/2022		Scrivener's error corrected
4/6/2022	House	Amended (House Journal-page 77)
4/6/2022	House	Read second time (House Journal-page 77)
4/6/2022	House	Roll call Yeas-99 Nays-5 (House Journal-page 85)
4/7/2022	House	Read third time and sent to Senate
4/7/2022	Senate	Introduced and read first time (Senate Journal-page 11)
4/7/2022	Senate	Referred to Committee on Finance (Senate Journal-page 11)
4/7/2022		Scrivener's error corrected
4/12/2022	Senate	Recalled from Committee on Finance (Senate Journal-page 6)
4/13/2022		Scrivener's error corrected
4/20/2022	Senate	Amended (Senate Journal-page 32)
4/20/2022	Senate	Read second time (Senate Journal-page 32)
4/20/2022	Senate	Roll call Ayes-44 Nays-0 (Senate Journal-page 32)
4/21/2022	Senate	Read third time and returned to House with amendments (Senate Journal-page 8)
4/21/2022		Scrivener's error corrected
4/25/2022		Scrivener's error corrected
4/27/2022	House	Debate adjourned (House Journal-page 33)
5/4/2022	House	Senate amendment amended (House Journal-page 52)
5/4/2022	House	Roll call Yeas-106 Nays-3 (House Journal-page 53)
5/4/2022	House	Returned to Senate with amendments (House Journal-page 54)
5/5/2022		Scrivener's error corrected
5/10/2022	Senate	Concurred in House amendment and enrolled (Senate Journal-page 83)
5/10/2022	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 83)
5/12/2022		Ratified R 228 (Senate Journal-page 229)
5/16/2022		Signed By Governor

5/31/2022 Effective date See Act for Effective Date
5/31/2022 Act No. 202

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VERSIONS OF THIS BILL

[3/3/2022](#)
[3/31/2022](#)
[4/5/2022](#)
[4/6/2022](#)
[4/7/2022](#)
[4/12/2022](#)
[4/13/2022](#)
[4/20/2022](#)
[4/21/2022](#)
[4/25/2022](#)
[5/4/2022](#)
[5/5/2022](#)

(A202, R228, H5075)

AN ACT TO AMEND SECTION 12-6-3795, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SOUTH CAROLINA HOUSING TAX CREDIT, SO AS TO DEFINE TERMS AND LIMIT THE CREDIT; TO PROVIDE A ONE-TIME AUTHORIZATION OF SOUTH CAROLINA HOUSING TAX CREDITS FOR CERTAIN PROJECTS APPROVED BEFORE 2022; TO AMEND ARTICLE 3 OF CHAPTER 11, TITLE 1, RELATING TO THE ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS, SO AS TO REQUIRE THE STATE FISCAL ACCOUNTABILITY AUTHORITY TO DEVELOP A STATE CEILING ALLOCATION PLAN ANNUALLY, TO SPECIFY REQUIREMENTS OF THE PLAN, AND TO PROVIDE A PROCESS FOR PERIODIC ALLOCATIONS OF THE STATE CEILING; AND TO REPEAL SECTION 1-11-370 RELATING TO INDEBTEDNESS INCLUDED WITHIN ANY LIMITS ON PRIVATE ACTIVITY BONDS.

Be it enacted by the General Assembly of the State of South Carolina:

South Carolina Housing Tax Credit

SECTION 1. A. Section 12-6-3795 of the 1976 Code, as added by Act 137 of 2020, is amended to read:

“Section 12-6-3795. (A) As used in this section:

(1) ‘Eligibility statement’ means a statement authorized and issued by the South Carolina State Housing and Finance Development Authority certifying that a given project qualifies for the South Carolina housing tax credit, including any preliminary determination thereof.

(2) ‘Federal housing tax credit’ means the federal tax credit as provided in Section 42 of the Internal Revenue Code of 1986, as amended.

(3) ‘Median income’ means those incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(4) ‘Project’ means a housing project that has restricted rents that do not exceed thirty percent of income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied

by persons or families having incomes of fifty percent or less of the median income.

(5) 'Qualified project' means a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located in South Carolina and receives approval for tax credits from the South Carolina Housing and Finance Development Authority provided pursuant to this section.

(6) 'Taxpayer' means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes pursuant to Section 12-6-510, Section 12-6-530, Chapter 11, Title 12, or Chapter 7, Title 38.

(7) 'Federal 9 percent tax credit' means the federal housing tax credit described in Section 42(b)(1)(B)(i) of the Internal Revenue Code.

(8) 'Federal 4 percent tax credit' means the federal housing tax credit described in Section 42(b)(1)(B)(ii) of the Internal Revenue Code.

(9) 'Credit period' has the meaning defined in Section 42(f)(1) of the Internal Revenue Code.

(10) 'State housing authority' means the South Carolina State Housing Finance and Development Authority.

(11) 'Department of Revenue' means the South Carolina Department of Revenue.

(B)(1) A state tax credit pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11, Title 12, corporate license fees imposed pursuant to Chapter 20, Title 12, and insurance premium and retaliatory taxes imposed pursuant to Chapter 7, Title 38, to be termed the South Carolina housing tax credit, and is allowed with respect to each qualified project placed in service after January 1, 2020, and before December 31, 2030, in an amount not to exceed the federal housing tax credit allowed with respect to such qualified project, subject to the limitations of item (5). In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowed pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

(2)(a) If under Section 42 of the Internal Revenue Code of 1986, as amended, a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming any South Carolina housing tax credit with respect to such project also is required to recapture a portion of any South Carolina housing tax credit authorized by this section. The state recapture amount is equal to the proportion of the South Carolina housing tax credit claimed by the taxpayer that equals the proportion the federal recapture amount bears to the original federal housing tax credit amount subject to recapture.

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF December 13, 2022

ITEM NUMBER 14

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 9:30 a.m. on Tuesday, January 31, 2023, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Tuesday, January 31, 2023, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: