

**TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY**

**Meeting of Tuesday, January 30, 2024 -- 9:30 A. M.**

**Room 252, Edgar A. Brown Building**

***REGULAR SESSION AGENDA INDEX***

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<b>Item No.</b>	<b>Agency</b>	<b>Subject</b>
<b>A.</b>	<b>ADOPTION OF PROPOSED AGENDA</b>	
<b>B.</b>	<b>REGULAR SESSION</b>	
1.	Tobacco Settlement Revenue Management Authority	Adoption of Budget
2.	Tobacco Settlement Revenue Management Authority	Financial Statement for the Fiscal Year Ended June 30, 2023
<b>C.</b>	<b>ADJOURNMENT</b>	

TOBACCO SETTLEMENT

REVENUE MANAGEMENT AUTHORITY

REGULAR SESSION

MEETING OF January 30, 2024

ITEM NUMBER 1

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AGENCY: Office of the State Treasurer

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SUBJECT: Adoption of Budget

In accord with South Carolina Code of Laws Section 11-49-60 (12), the Authority is asked to adopt the attached proposed fiscal year budget for the period July 1, 2024, through June 30, 2025, as submitted by the State Treasurer. The proposed budget is anticipated to cover, in part, expenses including, but is not limited to, professional services, payment of insurance premiums for members of the Authority Board, and other expenses related to the operation and administration of the Authority.

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AUTHORITY ACTION REQUESTED:

Adopt the operating budget for the Authority's fiscal year budget for the period July 1, 2024, through June 30, 2025.

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ATTACHMENTS:

Loftis 12/18/2023 letter; Proposed Budget; Code Section 11-49-60 (12)



**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

December 18, 2023

Mr. Delbert Singleton  
Secretary, Tobacco Settlement  
Revenue Management Authority  
600 Wade Hampton State Office Building  
Columbia, South Carolina 29201

Re: Tobacco Settlement Revenue Management Authority  
Annual Budget 2023-2024

Dear Delbert:

In accordance with South Carolina Code of Laws Section 11-49-60(12), I am pleased to submit herewith the annual budget proposed for the Tobacco Settlement Revenue Management Authority for the Fiscal Year beginning July 1, 2024 and ending June 30, 2025.

Please place this item on the agenda for the Authority's meeting on January 30, 2024.

Respectfully submitted,

A handwritten signature in blue ink, reading "Curtis M. Loftis, Jr.", written over a large, stylized blue circular flourish.

Curtis M. Loftis, Jr.  
State Treasurer

Enclosure

**Tobacco Settlement Revenue Management Authority**  
(A Component Unit of the State of South Carolina)

Operating Budget for the Budget Year Ending June 30, 2024

(Cash Basis)

	Fiscal Year 2023 / 2024		Expenditure Variance	Fiscal Year 2024 / 2025
	Budgeted	Projected @ 12/31/2023	Budget / Projected Over / (Under)	Budget
<b>Funds held By Tobacco Authority:</b>				
Cash Balance, Beginning	\$ 5,110,915	\$ 5,110,915 <sup>1</sup>		\$ 5,085,705 <sup>6</sup>
<b>Revenue:</b>				
Tobacco settlement revenue	77,000,000	73,000,000 <sup>2</sup>		69,000,000
Total Cash Available	82,110,915	78,110,915		74,085,705
<b>Expenditures</b>				
Administrative and operating expense				
Professional fees and expenses				
Audit and accounting	16,000	20,200 <sup>3</sup>	4,200	25,000
Arbitrage, deallocation and disclosure	16,000	- <sup>3</sup>	(16,000)	16,000
Insurance				
Tort insurance for authority members	5,010	5,010 <sup>3</sup>	-	6,000
General operating				
Contingency	-	-	-	-
<b>Distributions per Proviso</b>				
Attorney General	1,253,000	1,253,000 <sup>4</sup>		1,253,000
South Carolina Law enforcement Division	450,000	450,000 <sup>4</sup>		450,000
Department of Revenue	325,000	325,000 <sup>4</sup>		325,000
Department of Health and Human Services	74,972,000	70,972,000 <sup>5</sup>		66,972,000
Total Cash Disbursements	77,037,010	73,025,210	\$ (11,800)	69,047,000
Cash Balance, Ending	\$ 5,073,905	\$ 5,085,705 <sup>6</sup>		\$ 5,038,705

Notes and Assumptions as of December 31, 2022.

- 1 Ending cash balance retained by TSRMA at June 30, 2023.
- 2 Revised Estimate (per AG) of TSRMA Revenues to be received Spring 2024.
- 3 Actual Expenditure as of December 18, 2023.
- 4 TSRMA Revenue to be distributed - Proviso 118.11 of FY2023-24.
- 5 Estimated remainder revenue to be distributed - Proviso 118.11 of FY2023-24.
- 6 Estimated cash balance to be retained by TSRMA at June 30, 2024.

**SECTION 11-49-60. Powers of board to operate and administer authority.**

In addition to the powers contained elsewhere in this chapter, the board has all power necessary, useful, or appropriate to operate and administer the authority, to effectuate the purposes of the authority, and to perform its other functions including, but not limited to, the power to:

- (1) have perpetual succession;
- (2) sue and be sued in its own name;
- (3) adopt, promulgate, amend, and repeal bylaws, not inconsistent with provisions in this chapter for the administration of the authority's affairs and the implementation of its functions;
- (4) have a seal and alter it at its pleasure, although the failure to affix the seal does not affect the validity of an instrument executed on behalf of the authority;
- (5) enter into contracts, arrangements, and agreements with government units and other persons and execute and deliver all financing agreements, including bonds issued to support the borrowing by such government units to pay eligible costs of qualified projects, and other instruments necessary or convenient to the exercise of the powers granted in this chapter;
- (6) enter into agreements with a department, agency, political subdivision or instrumentality of the United States or of this State or of another State for the purpose of planning and providing for the financing of qualified projects or for the administration of the purposes and programs of this chapter;
- (7) enter into agreements with the tobacco trust fund for the purpose of managing and controlling the transfer of funds between the authority and the tobacco trust fund and governing the investment and the monitoring and recordkeeping of these funds, for purposes of maintaining the exemption from federal income tax of interest on bonds and for other purposes;
- (8) enter into, amend, and terminate agreements in the nature of interest rate swaps, forward security supply contracts, agreements for the management of interest rate risks, agreements for the management of cash flow, and other agreements of a similar nature, with respect to bonds issued pursuant to this chapter;
- (9) procure insurance, guarantees, letters of credit, and other forms of collateral or security or credit support from any public or private entity, including any department, agency, or instrumentality of the United States or this State, for the payment of any bonds, including the power to pay premiums or fees on any insurance, guarantees, letters of credit, and other forms of collateral or security or credit support;
- (10) borrow money through the issuance of bonds as provided in this chapter, and through the issuance of notes in anticipation of the issuance of these bonds;
- (11) enter into contracts and expend funds to obtain accounting, management, legal, financial consulting, trusteeship and other professional services necessary or convenient to the operations of the authority; however, all matters relating to the designation and selection of bond counsel to the authority is within the discretion of the State Treasurer;
- (12) in order to pay budgeted items pursuant to a budget adopted in accordance with Section 11-49-100, to expend funds for the costs of administering the operations of the authority;

TOBACCO SETTLEMENT REVENUE  
MANAGEMENT AUTHORITY

REGULAR SESSION

MEETING OF January 30, 2024

ITEM NUMBER 2

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AGENCY: Tobacco Settlement Revenue Management Authority

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SUBJECT: Financial Statement for the Fiscal Year Ended June 30, 2023

South Carolina Code of Laws Section 11-49-100 requires that the Tobacco Settlement Revenue Management Authority “keep an accurate account of all of its activities and all of its receipts and expenditures and annually, in the month of January shall make a report of its activities to the [State Fiscal Accountability Authority], the report to be in a form prescribed by the [State Fiscal Accountability Authority].” The Authority is asked to approve the submittal of its Financial Statement to the State Fiscal Accountability Authority in accord with Section 11-49-100.

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AUTHORITY ACTION REQUESTED:

In accord with Code Section 11-49-100, receive as information the Tobacco Settlement Revenue Management Authority’s Financial Statement for the Fiscal Year Ended June 30, 2023, and approve the submittal of the Financial Statement to the State Fiscal Accountability Authority.

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ATTACHMENTS:

Loftis 12/18/2023 letter with attachment; Code Section 11-49-100



**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

December 18, 2023

To the members of the Tobacco Settlement Revenue Management Authority and  
The State Fiscal Accountability Authority

In accordance with S.C. Code Section 11-49-100, which requires that the Tobacco Settlement Revenue Management Authority provide an annual report of its activities to the State Fiscal Accountability Authority (then State Budget and Control Board) during the month of January, I am providing copies of the Authority's audited financial statements for the fiscal year ended June 30, 2023. Management's Discussion and Analysis and the Notes to Financial Statements contained therein describe the Authority's activities in all material respects.

I have asked Mr. Singleton to place this item on the agenda for the Authority's meeting on January 30, 2024.

Respectfully submitted,

A handwritten signature in blue ink, reading "Curtis M. Loftis Jr.", written over the typed name.

Curtis M. Loftis, Jr.  
State Treasurer

Enclosure

TOBACCO SETTLEMENT REVENUE  
MANAGEMENT AUTHORITY  
(A Component Unit of the State of South Carolina)

Financial Statements

June 30, 2023



September 27, 2023

Members of the Tobacco Settlement Revenue  
Management Authority  
Columbia, South Carolina

This report on the audit of the financial statements of the Tobacco Settlement Revenue Management Authority for the fiscal year ended June 30, 2023, was issued by The Hobbs Group, P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA  
State Auditor

GLKIII/trb

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A Component Unit of the State of South Carolina)

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## INDEPENDENT AUDITORS' REPORT

Mr. George L. Kennedy, III, CPA  
State Auditor  
Office of the State Auditor  
Columbia, South Carolina

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the financial statements of Tobacco Settlement Revenue Management Authority (the "Authority"), a component unit of the State of South Carolina as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance

with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Columbia, South Carolina  
September 27, 2023

*The Halle Group, P.A.*

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023

This section of the annual financial report of the Tobacco Settlement Revenue Management Authority (the "Authority") presents the analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the financial statements and their accompanying notes, which follow this section.

**The Authority**

The Authority was created by Act No. 387 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina (the "General Assembly"), Regular Session of 2000, as codified at Section 11-49-10 of the South Carolina Code of Laws 1976, as amended (the "Act"), as an instrumentality of the State of South Carolina (the "State"). The Act created the Authority to receive all of the State's payments under the Master Settlement Agreement (the "MSA"). The MSA was entered into on November 23, 1998, among the attorneys general of 46 states (including South Carolina), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands (collectively the "Settling States") and the four largest United States tobacco manufacturers: Philip Morris Incorporated, R. J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, and Lorillard Tobacco Company (collectively the "Original Participating Manufacturers" or "OPMs"). The MSA resolved cigarette smoking-related litigation among the Settling States and the OPMs, released the OPMs from past and present smoking-related claims by the Settling States, and provides for a continuing release of future smoking-related claims in exchange for certain payments to be made to the Settling States. The MSA also provides for the imposition of certain tobacco advertising and marketing restrictions, among other things. The Authority is not a party to the MSA.

The State is entitled to certain periodic payments made under the MSA. Pursuant to the Act, the Authority has been assigned all Tobacco Settlement Receipts ("TSRs"), which are the State's right, title and interest in payments due after June 30, 2001 under the MSA. The assignment of the TSRs is irrevocable during any time when bonds are outstanding, plus one year and one day thereafter, and is a part of the contractual obligation owed to the Authority's bondholders.

**Overview of the Financial Statements**

This analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements consist of three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements.

- *The Statement of Net Position and Governmental Fund Balance Sheet* include all of the Authority's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. The *Statement of Net Position* reports information about the Authority using accounting methods similar to those used by private sector companies and presents all assets and liabilities of the Authority – both current and long-term. The *Governmental Fund Balance*

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023

*Sheet* of the General Fund focuses only on the Authority’s resources available for expenditure at the end of the fiscal year.

- All the current year’s activity is accounted for in the *Statement of Activities* and *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance*. These statements measure the success of the Authority’s operations over the past year and can be used to determine the Authority’s credit-worthiness and ability to meet its financial objectives. The *Statement of Activities* presents information on how the Authority’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance* focuses only on the Authority’s near-term inflows and outflows of resources available for expenditure for the fiscal year.

**Summary of Financial Results**

The Authority’s financial results are summarized, discussed and compared to the prior fiscal year in the sections following.

*Government-Wide Financial Statements*

Statement of Net Position. The following table summarizes the Authority’s Net Position for the period ending June 30, 2023, along with comparative data for the prior fiscal year.

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Difference	%
<b>Assets</b>				
Cash and cash equivalents	\$ 5,132,534	\$ 5,195,699	\$ (63,165)	-1.2%
Tobacco settlement payments receivable	36,500,000	40,000,000	(3,500,000)	-8.8%
<b>Total assets</b>	<b>41,632,534</b>	<b>45,195,699</b>	<b>(3,563,165)</b>	<b>-7.9%</b>
<b>Liabilities</b>				
Due to Health and Human Services	22,183	66,074	(43,891)	-66.4%
<b>Total liabilities</b>	<b>22,183</b>	<b>66,074</b>	<b>(43,891)</b>	<b>-66.4%</b>
<b>Net position</b>				
Restricted by statute	36,500,000	40,000,000	(3,500,000)	-8.8%
Unrestricted	5,110,351	5,129,625	(19,274)	-0.4%
<b>Total net position</b>	<b>\$ 41,610,351</b>	<b>\$ 45,129,625</b>	<b>\$ (3,519,274)</b>	<b>-7.8%</b>

The Authority’s assets include cash and cash equivalents, and accrued earnings on those cash and cash equivalents. Certain of the Authority’s assets are classified as restricted by statute because they are subject to external legal constraint for appropriation by the State in accordance with the expenditure provisions of Section 11-11-170 of the South Carolina Code of Laws 1976, as amended (the “Expenditure Act”). The remaining assets are held by the Authority to pay its authorized operating expenses.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023

The Authority’s cash and cash equivalents decreased by 1.2 % over the course of the fiscal year. This decrease is due to the Authority remitting additional funds it previously held on behalf of the South Carolina Department of Health and Human Services (“HHS”) which were due to HHS per State proviso. The Authority held \$22,183 of cash due to HHS, which represented a 66.4% decrease due to the amounts remitted to HHS as discussed above. Tobacco settlement payments receivable decreased by \$3,500,000, or 8.8%, due to a decrease in anticipated payments during fiscal year 2023 based on expected cigarette sales. Total assets decreased by 7.9% reflecting these same factors.

Net position restricted by statute is comprised of that portion of TSRs forecasted to be earned in the current fiscal year but received in the ensuing fiscal year. The amount of TSRs is dependent on many factors including future tobacco consumption, certain adjustments, and the financial capability of the OPMs and consequently, except as noted above, do not meet asset recognition criteria under accounting principles generally accepted in the United States of America (“GAAP”).

Statement of Activities. The following table summarizes the Authority’s activities for the period ending June 30, 2023 with comparative amounts for the prior fiscal year.

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Difference	%
<b>General revenues</b>				
Tobacco settlement revenues	\$ 75,499,471	\$ 88,543,750	\$ (13,044,279)	-14.7%
Investment earnings	120,085	478,440	(358,355)	-74.9%
Total general revenues	75,619,556	89,022,190	(13,402,634)	-15.1%
<b>Expenses</b>				
General government	2,046,710	2,059,210	(12,500)	-0.6%
Total expenses	2,046,710	2,059,210	(12,500)	-0.6%
Excess of general revenues over expenses before transfers	73,572,846	86,962,980	(13,390,134)	-15.4%
<b>Transfers</b>				
Transfers to state funds and programs pursuant to proviso	(77,092,120)	(84,994,189)	7,902,069	-9.3%
Total transfers	(77,092,120)	(84,994,189)	7,902,069	-9.3%
Change in net position	(3,519,274)	1,968,791	(5,488,065)	-278.8%
Net position - beginning of year	45,129,625	43,160,834	1,968,791	4.6%
Net position - end of year	\$ 41,610,351	\$ 45,129,625	\$ (3,519,274)	-7.8%

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023

General revenues of approximately \$75,500,000 million reflect the receipt of and accrual for TSRs and investment earnings. Revenues decreased year over year by \$13,044,279 or 14.7% which represent decreases in tobacco settlement payments that have been received by the Authority for the year ended June 30, 2023 furthered by a decrease of \$3,500,000 for the amount of estimated tobacco settlement payments receivable which will be collected in April 2024. These payments are dependent on remittances received by the State under the MSA each year. In addition, investment earnings of \$120,085 were earned during the year ended June 30, 2023, which decreased by \$358,355 due to a decrease in cash balances held during the fiscal year as well as poorer overall investment performance.

The Authority's expenses primarily consisted of its administrative expenses and directed transfers to other state agencies for diligent enforcement. Total expenses during the year ended June 30, 2023 approximated those for the year ended June 30, 2022. Transfers to the state fund decreased by \$7,902,069 as a result of the decrease in tobacco settlement payments received during the year ended June 30, 2023, which are subsequently transferred to State funds and programs.

*Governmental Funds*

As of the end of the current fiscal year, the ending fund balance in the Authority's governmental fund was \$41,610,351, a decrease of \$3,519,274 by comparison to the prior fiscal year due to a decrease in receipt of TSRs. Of the total fund balance, \$36,500,000 is restricted for statutory expenditures. The factors contributing to the change in fund balance year over year are the same as those described above in the discussion and analysis of the government-wide financial statements.



**Long-Term Debt Activity**

On March 22, 2001, the Authority issued \$934,530,000 aggregate principal amount of Tobacco Settlement Asset-Backed Bonds (the "Series 2001 Bonds") pursuant to an indenture between the Authority and United States Trust Company of New York (subsequently acquired by the Bank of New York), as trustee, dated as of March 1, 2001, and the Tobacco Settlement Revenue Management Authority Act. On June 26, 2008, the Authority defeased the Series 2001 Bonds with certain cash funds and proceeds of \$275,730,000 Tobacco Settlement Revenue Management Authority Tobacco Settlement Revenue Asset-Backed Refunding Bonds, Series 2008 (the "Series 2008 Bonds") issued pursuant to an indenture between The Bank of New York Trust Company, N.A., as trustee, and the Tobacco Settlement Revenue Management Authority. All of the Series 2001 Bonds are deemed paid within the meaning of and with the effect expressed in, and accordingly are no longer outstanding under, the Trust Indenture. On June 1, 2012, the Authority redeemed the outstanding Series 2008 Bonds as Turbo Redemptions; accordingly, all of the Authority's debt has been fully discharged.

The Authority has no present plans to undertake the issuance of additional debt.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023

**Budgetary Highlights**

The Authority annually adopts an operating budget as required by its by-laws. From a budgetary perspective, the Authority realized a \$18,708 deficiency of revenues over expenditures during the fiscal year ended June 30, 2023 which arose due to factors described in the Summary of Financial Results contained herein. The difference between the budgetary excess, as compared to the excess reported on the Statement of Activities, is due primarily to the lack of recognition of the \$3,500,000 decrease in tobacco settlement payments receivable under the budgetary basis of accounting.

**Economic Factors and Outlook**

As noted above, the amount of TSRs is dependent on many factors including future tobacco consumption, certain adjustments, and the financial capability of the OPMs; accordingly, the amount of future TSRs, and particularly the financial effects of the Disputed Payments Settlement thereon, cannot be presently determined with precision.

Since all of the Authority's debt has been fully discharged and the Authority has no present plans to undertake the issuance of additional indebtedness, the effects of these factors on the Authority's debt profile have been abated. The Authority's continuing responsibility thereafter is limited to the receipt and distribution of future TSRs as prescribed by law.

**Contacting the Authority**

Persons needing additional information concerning this report or otherwise needing to contact the Authority should address requests to:

SC Office of the Treasurer  
1200 Senate Street, Suite 214  
Wade Hampton Office Building  
Columbia, SC 29201

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 5,132,534
Tobacco settlement payments receivable	36,500,000
Total assets	<u>41,632,534</u>
Liabilities	
Due to Health and Human Services	<u>22,183</u>
Total liabilities	<u>22,183</u>
Net position	
Restricted by statute	36,500,000
Unrestricted	5,110,351
Total net position	<u>\$ 41,610,351</u>

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities
Program expenses	
General government	\$ 2,046,710
Total expenses	2,046,710
Net program expense	2,046,710
General revenues	
Tobacco settlement revenues	75,499,471
Investment earnings	120,085
Total general revenues	75,619,556
Change in net position before transfers	73,572,846
Transfers	
Transfers to state funds and programs pursuant to proviso	(77,092,120)
Change in net position	(3,519,274)
Net position	
Beginning of the year	45,129,625
End of the year	\$ 41,610,351

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
GOVERNMENTAL FUND BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 5,132,534
Tobacco settlement payments receivable	36,500,000
Total assets	41,632,534
 <b>Liabilities</b>	
Due to Health and Human Services	22,183
Total liabilities	22,183
 <b>Fund balance</b>	
Restricted by statute	36,500,000
Committed to operating expenses	5,110,351
Total fund balance	41,610,351
Total liabilities and fund balance	\$ 41,632,534

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund
Revenues	
Tobacco settlement revenues	\$ 75,499,471
Investment earnings	120,085
Total revenues	75,619,556
Expenditures	
General government	2,046,710
Total expenditures	2,046,710
Excess of revenues over expenditures before transfers	73,572,846
Transfers	
Transfers to state funds and programs pursuant to proviso	(77,092,120)
Total transfers	(77,092,120)
Net change in fund balance	(3,519,274)
Fund balance	
Beginning of the year	45,129,625
End of the year	\$ 41,610,351

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 1. Reporting Entity**

The Tobacco Settlement Revenue Management Authority (the “Authority”) is a public body and an instrumentality of the State of South Carolina (the “State”) established in 2001 pursuant to Section 11-49-10 et seq. of the South Carolina Code of Laws 1976, as amended. The State transferred to the Authority all of its rights and interests under the Master Settlement Agreement (the “MSA”) and the Consent Decree and Final Judgment (the “Decree”) between all participating States and the participating Tobacco manufacturers. These rights include the State’s share of all Tobacco Settlement revenue received after June 30, 2001 and in perpetuity to be received under the MSA.

The core of a financial reporting entity is the primary government which has a separately elected governing body. As required by accounting principles generally accepted in the United States of America, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In turn, component units may have component units.

An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is identified herein as a primary entity. The Authority has determined that it qualifies as a primary entity, it is a component unit of the State of South Carolina, and it has no component units.

A primary government or entity is financially accountable if its officials or appointees appoint a voting majority of an organization’s governing body including situations in which the voting majority consists of the primary entity’s officials serving as required by law (e.g., employees who serve in an ex-officio capacity on the component unit’s board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally independent if it holds all of the following powers:

- (1) Determines its budget without another government having the authority to approve and modify that budget.
- (2) Levies taxes or sets rates or charges without approval by another government.
- (3) Issues bonded debt without approval by another government.

The organization is fiscally dependent on the primary government or entity that holds one or more of the above powers. Based on these criteria, the Authority is a blended component unit of the primary government of the State. Accordingly, the financial statements are blended in the State’s special revenue funds in the State’s Annual Comprehensive Financial Report.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 1. Reporting Entity (continued)**

The Authority is governed by a board, which consists of five members. The members are the Governor or his designee, the State Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The Governor serves as chairman; in the absence of the Governor, the meeting is chaired by the State Treasurer. All members of the Board serve ex officio.

**Note 2. Summary of Significant Accounting Policies**

**General**

In its accounting and financial reporting in conformity with accounting principles generally accepted in the United States of America, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB").

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government-wide financial statements (i.e., the statement of net position and the statement of activities) do not provide information by fund. Significantly, the statement of net position may include non-current assets and liabilities, which generally are not included in the fund statements. The statement of net position includes three components of net position.

- (1) Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The Authority does not have any capital assets; thus this classification is not used.
- (2) Restricted net position consists of net position subject to external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The Authority reports that portion of its net position restricted by statutory constraints as restricted net position.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

- (3) Unrestricted net position consists of net position that does not meet the definition of restricted net position or invested in capital assets, net of related debt. The Authority reports that portion of its net position not externally constrained, primarily funds available for payment of its authorized operating expenses, as unrestricted net position.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers who purchase, use, or benefit from the services provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues. The Authority has no program revenues.

In addition to the government-wide financial statements, the Authority has prepared financial statements for the Authority's only governmental fund. Governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. Tobacco Settlement Revenues ("TSRs") are recognized as soon as they are considered measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within one year after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

The Authority reports one governmental fund, the General Fund, which is the general operating fund of the Authority. It is used to account for all financial resources of the Authority. As a blended component unit of the State, the Authority's General Fund is reported as a special revenue fund in the financial statements of the State.

**Asset Recognition Criteria for TSRs**

The Authority implemented GASB Technical Bulletin No. 2004-1: *Tobacco Settlement Recognition and Financial Reporting Entity Issues* (the "Bulletin"), effective July 1, 2003. The Bulletin requires the Authority to recognize TSRs when the event giving rise to recognition occurs (the domestic shipment of cigarettes by the tobacco manufacturers) in the government-wide financial statements, and when the event occurs and the TSRs become available in the fund financial statements. Other than the asset recognition criteria required by the Bulletin, future collections are not measurable and are therefore not recorded as assets in either the government-wide financial statements or the government fund financial statements.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

Cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date acquired by the Authority.

**Investments**

Investments, if any, are recorded on the Statement of Net Position and the Governmental Fund Balance Sheet at fair value. All investment income, including changes in the fair value of investments, is reported as revenue in the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Fund Balance**

The Authority reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications for governmental funds that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported therein. The Statement requires governments to disclose information in the notes about the processes through which constraints are imposed, as well as accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to be spent.

The Authority conforms its fund balance reporting to the classification and hierarchy structure of the State, generally as follows:

*Restricted*

Fund balance is reported as restricted when constraints placed on resource use are either (a) externally imposed by creditors, grantors, contributors, laws or regulation of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payments of resources from resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party can compel the government to honor.

*Committed*

Fund balance is reported as committed if the Authority's by-laws or official actions, including adoption of its annual budget, constrain the use of its resources. Committed constraints can be removed only through similar action that created the constraint.

*Assigned*

Fund balance is reported as assigned if the fund balance is constrained by the Authority's intent to expend resources for specific purposes. Such intent may be expressed by an official or body pursuant to delegation by the Authority.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

**Fund Balance (continued)**

*Non-spendable*

Fund balance is reported as non-spendable if the balance has a lack of availability in form or substance of the assets and liabilities reported in the fund to meet its obligations in the near future.

*Unassigned*

Fund balance is reported as unassigned for all residual amounts not otherwise classified.

The Authority has no assigned, non-spendable or unassigned fund balance.

The Authority's bond enabling act provides a covenant for the irrevocable assignment of certain of the Authority's assets during any time bonds are outstanding, plus one year and one day thereafter. All of the Authority's outstanding bonds were retired on June 1, 2012. Accordingly, until June 2, 2013, certain of the Authority's assets were classified as restricted by bond covenants because they were subject to a legally enforceable external constraint by the terms of the Trust Indenture.

Subsequent to June 2, 2013, assets previously restricted by bond covenants are available to the State in accordance with the expenditure provisions of Section 11-11-170 of the South Carolina Code of Laws 1976, as amended (the "Expenditure Act"). The Authority classifies all TSRs held at, or received or receivable subsequent to June 2, 2013, as restricted by statute, since the Expenditure Act constrains the use of that portion of the Authority's resources. The remaining portion of net position is reported as unrestricted.

Likewise, in the Governmental Fund Balance Sheet, the portion of fund balance that is subject to the Expenditure Act is reported as restricted by statute; however, the remaining portion of fund balance is reported as committed to operating expense inasmuch as that portion of fund balance is constrained by the Authority's annually adopted budget. The Authority has full statutory power to adopt, revise and rescind its budget, and to expend funds for the costs of administering its operations.

The Authority classifies the expenditure of funds when incurred based on the nature of the expenditure, with externally directed expenditures generally made from restricted funds, and expenditures made within the discretion of the Authority or subject to its own budget, primarily its authorized operating expenditures, made from committed funds.

The Authority is required by State proviso to transfer any remaining TSRs, after transfers to the South Carolina Attorney General and Law Enforcement Division, to the South Carolina Department of Health and Human Services ("HHS"). At HHS' request, the Authority held \$22,183 of cash due to HHS at June 30, 2023 and has recorded a liability to HHS as a result for the remaining transfer of these funds.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

**Administrative Expenses**

The State of South Carolina and certain of its agencies perform certain accounting, administrative, legal and enforcement services for the Authority, and the value of these services is accounted for as general government expenses in the financial statements. Note 6 – Related Party Transactions contains descriptions of and amounts expended for these purposes.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Note 3. Deposits**

Prior to June 2, 2013, the Authority’s cash deposits held by the trustee were held in several restricted accounts in the name of the Authority, subject to investment restrictions imposed by the Trust Indenture. The Authority has not adopted a formal policy for these deposits because the Trust Indenture contains these restrictions.

Subsequent to June 2, 2013, all of the Authority’s cash deposits are under the control of the State Treasurer who, by law, has sole authority for investing State funds. State law requires full collateralization of all bank balances under the control of the State Treasurer, who must correct any deficiencies in collateral within two days. At June 30, 2023, all bank balances under the control of the State Treasurer were fully insured or collateralized with securities held by the State’s agent in the name of the State Treasurer.

The following schedule reflects the Authority’s deposits at their fair and reported values at June 30, 2023, and reconciles the amounts reported in the statement of net position to the notes.

	Notes		Statements
Deposits			
Held by State Treasurer	\$ 5,132,534	Cash and cash equivalents	\$ 5,132,534
Totals	\$ 5,132,534		\$ 5,132,534

Further information concerning among other things values and risks of deposits and investments under the control of the State Treasurer, including disclosure under GASB Statement No. 40, Deposits and Investments - Risk Disclosures, is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina, which may be accessed at [www.cg.sc.gov](http://www.cg.sc.gov).

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 4. Bonds Payable**

On March 22, 2001, the Authority issued \$934,530,000 aggregate principal amount of Tobacco Settlement Asset-Backed Bonds (the "Series 2001 Bonds") pursuant to an indenture between the Authority and United States Trust Company of New York (subsequently acquired by the Bank of New York), as trustee, dated as of March 1, 2001, and the Tobacco Settlement Revenue Management Authority Act. On June 26, 2008, the Authority defeased the Series 2001 Bonds with certain cash funds and proceeds of \$275,730,000 Tobacco Settlement Revenue Management Authority Tobacco Settlement Revenue Asset-Backed Refunding Bonds, Series 2008 (the "Series 2008 Bonds") issued pursuant to an indenture between The Bank of New York Trust Company, N.A., as trustee, and the Tobacco Settlement Revenue Management Authority. On June 1, 2012, the Authority redeemed the outstanding Series 2008 Bonds as Turbo Redemptions; accordingly, all of the Authority's debt has been fully discharged.

At June 30, 2023, a total of \$64,890,000 of the Authority's legally and economically defeased Series 2001 Bonds remained outstanding; however, all of the Series 2001 Bonds are deemed paid within the meaning of and with the effect expressed in, and accordingly are no longer outstanding under, the Trust Indenture.

**Note 5. Disputed Payments**

Under the provisions of the MSA, the participating manufacturers ("PMs") are potentially entitled to an adjustment of their required payments under the MSA (an "NPM Adjustment") in the event that all of the PMs, in the aggregate, lose more than two percentage points of market share compared to the market share of the PMs in 1997. However, the annual adjustment cannot be applied against settling states that have enacted and diligently enforced an escrow fund statute during the applicable year. Each year since 1999, the PMs have requested that the Independent Auditor, PricewaterhouseCoopers, apply the NPM Adjustment. In accordance with the terms of the MSA, the Independent Auditor will not apply any given year's adjustment until a panel of three arbitrators determines the diligent enforcement efforts of all states. In 2003, the MSA signatories settled the NPM Adjustment disputes for 1999 through 2002.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**Note 5. Disputed Payments (continued)**

In May 2013, South Carolina joined 21 other states and the PMs in agreeing to terms of a settlement of the NPM adjustment disputes for the years 2003 through 2012. In October 2017, the terms of the settlement for 2003 through 2012, were memorialized in the NPM Adjustment Settlement Agreement (the "Agreement"). Between 2013 and October 2017, the number of signatory states increased to 35, and during that same period, those states and the PMs agreed to settle the 2013 through 2015 NPM Adjustment disputes. Thereafter, in November 2018, an addendum to the Agreement resolved the 2016 and 2017 disputed payments. In July 2020, the Agreement was further extended to resolve the 2018 through 2022 disputes. The number of signatory states is now 37. The State of New York settled its disputed payments in a separate agreement with the PMs. The Agreement and addendum provided that the signatory states would receive certain payments released from the disputed payments account and that the PMs would be entitled to take certain credits from MSA payments. In addition to the financial terms of the settlement, the PMs agreed to reduce withholding amounts for future disputed payments, and the parties agreed to a modification of the diligent enforcement standards for future NPM Adjustment disputes.

As of its most recent payment dates of April 17, 2023 and April 20, 2023, South Carolina has received \$154,812,944 released from the MSA Disputed Payment Account (DPA) related to the Agreement on a cumulative basis. For the same time period, South Carolina related MSA payment credits and DPA funds disbursed to the PMs totaled \$93,800,337 on a cumulative basis.

The \$93,800,337 in South Carolina related MSA payment credits and DPA funds disbursed to the PMs was retained by the PMs as a result of the settling of NPM adjustment disputes. The State of South Carolina has chosen not to continue litigating the PMs assertion that South Carolina has not diligently enforced statutes created in response to the MSA between the State of South Carolina and the PMs.

South Carolina's current estimated minimum exposure related to the NPM adjustment is \$18,224,057 (Sales Year 2022) relating to challenges of diligent enforcement and other settlement factors. At this time the result of this dispute cannot be determined.

**Note 6. Related Party Transactions**

The State of South Carolina, through the Office of Attorney General, the State Law Enforcement Division, and the South Carolina Department of Revenue, provides certain legal and enforcement services to the Authority. During the fiscal year ended June 30, 2023, the Authority made or provided for \$2,028,000 in expenditures from its general fund to these state agencies to cover costs of providing these services. The Office of State Treasurer provides administrative, investment, operations, record keeping, and other support services to the Authority; however, no reimbursements were made by the Authority during the fiscal year ended June 30, 2023 to cover costs of providing these services.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Note 7. Risk Management**

The Authority is exposed to risks of loss from torts and maintains State coverage for these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from coverage in the prior year. The insurer promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits except for the deductibles. The Authority and other entities pay premiums to the State's Insurance Reserve Fund ("IRF") which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to torts. The IRF is a self-insurer whose rates are determined actuarially.

No payments for uninsured losses were made during the fiscal year ended June 30, 2023.

**Note 8. Subsequent Events**

The Authority has evaluated all events subsequent to the statement of net position date of June 30, 2023 through the date of issuance of these financial statements, September \_\_, 2023, and has determined that there are no subsequent events requiring disclosure.

**TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY**  
 (A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance Positive/(Negative)
	Original	Final		
<b>Revenues</b>				
Tobacco settlement receipts	\$ 73,000,000	\$ 73,000,000	\$ 78,999,471	\$ 5,999,471
Investment earnings	-	-	120,651	120,085
<b>Total revenues</b>	<b>73,000,000</b>	<b>73,000,000</b>	<b>79,120,122</b>	<b>6,120,122</b>
<b>Expenditures</b>				
Contractual services	32,000	32,000	13,700	18,300
Fixed charges and contributions	5,010	5,010	5,010	-
<b>Total expenditures</b>	<b>37,010</b>	<b>37,010</b>	<b>18,710</b>	<b>18,300</b>
<b>Transfers</b>				
Transfers to other state agencies	73,000,000	73,000,000	79,120,120	(6,120,120)
<b>Total transfers</b>	<b>73,000,000</b>	<b>73,000,000</b>	<b>79,120,120</b>	<b>(6,120,120)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (37,010)</b>	<b>\$ (37,010)</b>	<b>\$ (18,708)</b>	<b>\$ 18,302</b>

See accompanying notes to required supplementary information.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA)  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

**Note 1. Basis of Presentation**

Section 11-49-60 of the South Carolina Code of Laws 1976, as amended requires the Authority to adopt an annual budget for its operational expenditures. The accompanying budgetary comparison schedule compares the Authority’s legally adopted budget to actual results on the budgetary basis.

**Note 2. Budgetary Revisions**

The Authority maintains budgetary control at the object category of expenditure and must approve any transfer of appropriations between the object categories.

**Note 3. Differences in Budgetary and GAAP Reporting**

The accompanying budgetary comparison schedule compares the Authority’s legally adopted budget with actual results in accordance with the Authority’s basis of budgeting. The Authority’s primarily cash basis budgetary accounting principles, however, differ significantly from GAAP. These different accounting principles may result in basis differences in the excess (deficiency) of revenues over expenditures. Basis differences arise because the basis of budgeting differs from the GAAP basis used to prepare the governmental fund statement of revenues, expenditures and changes in fund balance. The primary differences reflected in the budgetary comparison schedule for the fiscal year ended June 30, 2023 were as follows:

Total revenues, budgetary basis	\$	79,120,122
Decrease in accrual for TSRs not accounted for under the budgetary basis		(3,500,000)
Unrealized losses not recorded under budgetary basis		(566)
Total revenues, GAAP basis	\$	75,619,556
Total expenditures, budgetary basis	\$	18,710
Transfers accounted for as expenditures for GAAP		2,028,000
Total expenditures, GAAP basis	\$	2,046,710

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mr. George L. Kennedy III, CPA  
State Auditor  
Office of the State Auditor  
Columbia, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Tobacco Settlement Revenue Management Authority (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 27, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina  
September 27, 2023

*The Hall Group, P.A.*

**SECTION 11-49-100. Accounts to be maintained separately; annual report.**

All accounts of the authority must be held and maintained separately from all other funds, properties, assets, and accounts of this State and its other agencies. The board shall keep an accurate account of all of its activities and all of its receipts and expenditures and annually, in the month of January, shall make a report of its activities to the State Budget and Control Board, the report to be in a form prescribed by the State Budget and Control Board. Audited financial statements must be submitted to the Comptroller General by October fifteenth following the end of the fiscal year.

HISTORY: 2000 Act No. 387, Part II, Section 69A.2; 2005 Act No. 164, Section 13.

**Code Commissioner's Note**

At the direction of the Code Commissioner, reference in this section to the former Budget and Control Board has not been changed pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), until further action by the General Assembly.

**STATE FISCAL ACCOUNTABILITY AUTHORITY**  
**Meeting of Tuesday, January 30, 2024 – 9:30 A.M.**  
**Room 252, Edgar A. Brown Building**

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*REGULAR SESSION AGENDA INDEX -- Page 1*

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
<b>A.</b>		<b>MEETING OF THE TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY</b>
<b>B.</b>		<b>MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY</b>
<b>C.</b>		<b>ADOPTION OF PROPOSED AGENDA</b>
<b>D.</b>		<b>MINUTES OF PREVIOUS MEETINGS</b>
<b>E.</b>		<b>REGULAR SESSION</b>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Office of the State Auditor	Overview of Fiscal Year 2023 Statewide Financial Audit
3.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
4.	Department of Administration, Facilities Management and Property Services	Easements
5.	Department of Administration, Facilities Management and Property Services and State Fiscal Accountability Authority	Short-Term Leasing of Student Housing by Higher Education
6.	Department of Administration, Facilities Management and Property Services	Aiken Technical College Ground Lease at 2276 Jefferson Davis Highway, Graniteville SC to the Aiken County Board of Education

**STATE FISCAL ACCOUNTABILITY AUTHORITY**  
**Meeting of Tuesday, January 30, 2024 – 9:30 A.M.**  
**Room 252, Edgar A. Brown Building**

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*REGULAR SESSION AGENDA INDEX -- Page 2*

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
7.	Department of Administration, Facilities Management and Property Services	South Carolina Governor’s School for Agriculture at John de la Howe at Tomb Road, McCormick 29835 in McCormick County Lease-Out and Easement
8.	Department of Administration, Facilities Management and Property Services	Winthrop University Emergency Housing Lease
9.	Executive Director	South Carolina State Ceiling Allocation Plan – 2024 Administrative Updates
10.	State Fiscal Accountability Authority	Future Meeting

MEETING OF January 30, 2024

ITEM NUMBER 1

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**AGENCY:** State Treasurer's Office

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**SUBJECT:** Bond Counsel Selection

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**CONDUIT/OTHER ISSUES:**

<b>Description of Issue</b>	<b>Agency/Institution (Borrower)</b>	<b>Bond Counsel</b>	<b>Issuer's Counsel</b>	<b>Date STO Approved</b>
\$11,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds (Taxable), Series 2024; Last Step Recycling, LLC	Last Step Recycling, LLC  Conduit: SCJEDA	Parker Poe – Emily Zackon and Tyler Smith	Pope Flynn Group - Joe Lucas	11/15/2023

**SPECIAL ASSIGNMENT OF BOND COUNSEL:**

<b>Description of Issue</b>	<b>Agency/Institution (Borrower)</b>	<b>Bond Counsel</b>	<b>Issuer's Counsel</b>	<b>Date STO Approved</b>
Advice and counsel to College of Charleston in connection with certain matters of public finance.	College of Charleston	Burr Forman LLP – Rion Foley	N/A	12/5/2023

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**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 January 30, 2024 meeting:**

**CONDUIT/OTHER ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$11,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds (Taxable), Series 2024; Last Step Recycling, LLC	Last Step Recycling, LLC Conduit: SCJEDA	Parker Poe – Emily Zackon and Tyler Smith	Pope Flynn Group - Joe Lucas	11/15/2023

**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
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**SPECIAL ASSIGNMENT OF BOND COUNSEL:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
Advice and counsel to College of Charleston in connection with certain matters of public finance.	College of Charleston	Burr Forman LLP – Rion Foley	N/A	12/5/2023

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF January 30, 2024

ITEM NUMBER 2

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AGENCY: Office of the State Auditor

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SUBJECT: Overview of Fiscal Year 2023 Statewide Financial Audit

Auditing standards require that at the conclusion of an audit of financial statement, the auditor communicate certain matters to those charged with governance. The attached communication addresses all matters required to be communicated related to the audit of statewide financial statements for the year ended June 30, 2023. The financial statements were issued with a report date of December 20, 2023 and are available on the Office of the State Audit website at [osa.sc.gov/reports](http://osa.sc.gov/reports).

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AUTHORITY ACTION REQUESTED:

Receive the communication from the Office of the State Auditor related to the audit of the statewide financial statement for the year ended June 30, 2023, for the State with financial statements as information.

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ATTACHMENTS:

Letter to Authority members dated December 20, 2023

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

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Meeting Scheduled for: 1/30/2024

Choose an item. Agenda

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1. **Submitted by:** George Kennedy

(a) Agency: Office of the State Auditor

(b) Authorized Official Signature:

*George F. Kennedy, III*

Click or tap here to enter text.

---

2. **Subject: Other-Specify** Overview of Fiscal Year 2023 Statewide Financial Audit

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3. **Summary and Background Information:** Provide Authority members with an overview of the audit including required communications and internal control findings

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4. **What is the Authority asked to do?** Receive the report as information

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5. **What is recommendation of the submitting agency involved?** Receive the report as information

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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.

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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 :** Governance Communication 2023 (to be provided in January)

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9. **Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.**

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# Report to Governance on the Audit of the State of South Carolina

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For the year ended June 30, 2023



December 20, 2023

The Honorable Henry D. McMaster, Governor  
Members of the State Fiscal Accountability Authority  
and Members of the General Assembly  
State of South Carolina  
Columbia, South Carolina

We hereby transmit our *Report to Governance on the Audit of the State of South Carolina*.

We have jointly audited with CliftonLarsonAllen LLP the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina (the State) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 20, 2023. Our report includes a reference to other auditors who audited the financial statements of certain agencies and component units of the State as described in our report on the State's financial statements.

The purpose of this report is to communicate certain information related to our audit required by professional standards.

George L. Kennedy, III, CPA  
State Auditor

# Contents

<b>1</b>	<b>Introduction</b>
<b>2</b>	<b>How to Access the ACFR</b>
<b>3</b>	<b>Overview/Communication to Governance</b>
<b>5</b>	<b>Report on Internal Control and on Compliance</b>
<b>9</b>	<b>Material Weakness</b>
<b>11</b>	<b>Management Response</b>
<b>13</b>	<b>Management Letter and Responses</b>
<b>19</b>	<b>Exhibit A – Corrected Misstatements</b>
<b>22</b>	<b>Exhibit B – Uncorrected Misstatements</b>
	<b>Exhibit C – Management Representations</b>
<b>30</b>	<b>Comptroller General</b>
<b>38</b>	<b>Treasurer</b>

# Introduction

## Purpose of this report

The State Fiscal Accountability Authority (Authority) has oversight responsibility for the financial reporting process for the State of South Carolina. This report communicates matters to you regarding our audit of the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023.

The matters covered by this Report are guided by the requirements of Statements of Auditing Standards 114, *The Auditor's Communication With Those Charged With Governance*, and 115, *Communicating Internal Control Related Matters Identified in an Audit*, issued by the American Institute of Certified Public Accountants.

## How this report is organized

This report includes required communications related to our audit of the State's ACFR for the year ended June 30, 2023:

- **Overview/Communication to Governance** (page 3) - This communication informs members of the Authority of certain matters related to the audit while providing an overview of the audit.
- **Report on Internal Control Over Financial Reporting and on Compliance Matters** (page 5) – During our audit, we may become aware of deficiencies in internal control. This report summarizes the deficiencies we identified that we consider to be either significant deficiencies or material weaknesses. For the fiscal year ended June 30, 2023, we identified 1 deficiency that we consider to be material weaknesses.
- **Exhibits** (beginning on page 19) – The following exhibits are referenced in the overview/communication which begins on page 3.
  - Corrected misstatements – Exhibit A summarizes the misstatements identified as a result of audit procedures that were corrected by management.

- Uncorrected misstatements – Exhibit B summarizes the misstatements identified as a result of audit procedures that management determined were immaterial in their impact on the financial statements as a whole and therefore were not corrected.
- Management representations – Exhibit C summarizes the representations we requested from management.

In addition, we issued a management letter with additional comments and observations. That letter and management’s responses begin on page 13.

## Materiality

Materiality is defined as the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

Consideration of materiality is a matter of the auditor’s professional judgment made in light of surrounding circumstances and involves both quantitative and qualitative considerations.

## Questions?

For questions about this report, please contact:

### SC Office of the State Auditor

George Kennedy  
State Auditor  
803-832-8929  
[gkennedy@osa.sc.gov](mailto:gkennedy@osa.sc.gov)

### CliftonLarsonAllen

Remi Omisore  
Principal  
410-308-8157  
[Remi.Omisore@claconnect.com](mailto:Remi.Omisore@claconnect.com)

## How to Access the ACFR

An electronic version of the ACFR for the fiscal year ended June 30, 2023, can be accessed through the Office of the State Auditor website at [osa.sc.gov/Reports](https://osa.sc.gov/Reports).

# Overview/Communication to Governance

Matter	Response
Auditors' report	The auditor's report is dated December 20, 2023 and reflects an unmodified opinion.
Significant accounting policies	Management is responsible for the State's accounting policies, which are described in Note 1 of the ACFR.
Significant accounting estimates	<p>Accounting estimates are an integral part of the financial statements. The most significant estimates include:</p> <ul style="list-style-type: none"> <li>- Capital assets and depreciation expense</li> <li>- Net other post-employment benefits (OPEB) plan liability</li> <li>- Allowance for doubtful accounts receivable</li> <li>- Medicaid claims liability</li> <li>- Unclaimed property liability</li> <li>- Incurred but not reported claims</li> <li>- Net pension liability</li> <li>- Tax refunds payable</li> <li>- Second injury claims payable</li> <li>- Lease receivable and liability (lessor and lessee)</li> <li>- Subscription-based information technology aggragments (SBITA) liability</li> </ul>
Corrected misstatements	Corrected misstatements by opinion unit are included at Exhibit A.
Uncorrected misstatements	Uncorrected misstatements by opinion unit are included at Exhibit B.
Management representations	Representations from management are included at Exhibit C.
Management consultations with other independent accountants	To our knowledge, management has not consulted with or obtained opinions (written or oral) from other independent accountants during the past year.
Other audit findings or issues	Our letter communicating internal control and related findings begins on page 5. Our management letter begins on page 13.
Other information in documents containing audited financial statements	The auditors' opinion, the audited financial statements, and notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in other documents should only be done with our approval and review of the document.
Accounting and reporting changes	<p>As described in Note 2 to the financial statements, the State adopted the following accounting standards for the year ended June 30, 2023:</p> <ul style="list-style-type: none"> <li>- GASB Statement No. 91, <i>Conduit Debt Obligations</i></li> <li>- GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i></li> <li>- GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i></li> <li>- GASB Statement No. 99, <i>Omnibus 2022</i></li> </ul>
Circumstances affecting the form and content of the auditor's report	The report was modified for the implementation of GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> . See Note 15 for additional information.
Significant unusual transactions Difficulties encountered Disagreements with management Significant issues discussed prior to engagement Audits of group financial statements Quality of component auditor's work Limitations on the group audit	No matters to report.

# Report on Internal Control and on Compliance



CliftonLarsonAllen  
LLPCLAAconnect.com

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Henry D. McMaster, Governor  
Members of the State Fiscal Accountability Authority  
and Members of the General Assembly  
State of South Carolina  
Columbia, South Carolina

We have jointly audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina (the State) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements and have issued our report thereon dated December 20, 2023.

The financial statements of the Connector 2000 Association, Inc, South Carolina Research Authority, InvestSC Inc. and South Carolina Medical Malpractice Association, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Connector 2000 Association, Inc., South Carolina Research Authority, InvestSC Inc. and South Carolina Medical Malpractice Association. Our report includes a reference to other auditors who audited the financial statements of certain agencies and component units of the State, which represent the indicated percent of total assets and deferred outflows and total revenues as described in our report on the State's financial statements and as presented in the following table. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

The Honorable Henry D. McMaster, Governor  
Members of the State Fiscal Accountability Authority  
and Members of the General Assembly  
State of South Carolina

	Percentage Audited by CliftonLarsonAllen, LLP Separately		Percentage Audited by the South Carolina Office of the State Auditor Separately		Percentage Audited by Other Auditors	
	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue
<b><u>Government-Wide</u></b>						
Governmental Activities	-	-	0.04%	0.03%	49.67%	18.37%
Business-type Activities	-	-	-	-	89.64%	85.12%
Component Units	28.17%	24.60%	-	-	70.56%	70.97%
<b><u>Fund Statements</u></b>						
Governmental Funds	-	-	0.04%	0.03%	18.02%	7.64%
Enterprise Funds	-	-	-	-	89.64%	85.12%
Internal service Funds	-	-	-	-	89.72%	96.29%
Fiduciary Funds	-	-	0.10%	0.19%	99.52%	98.39%

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the State’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State’s internal control. Accordingly, we do not express an opinion on the effectiveness of the State’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

The Honorable Henry D. McMaster, Governor  
Members of the State Fiscal Accountability Authority  
and Members of the General Assembly  
State of South Carolina

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**State of South Carolina’s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the State of South Carolina’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The State’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbia, South Carolina  
December 20, 2023



Baltimore, Maryland  
December 20, 2023

## **Material Weakness**

**2023-001 Material Weakness in Financial Reporting – Accuracy of Agency Reporting Package – State Fiscal Accountability Authority**

***Condition***

The State Fiscal Accountability Authority submitted an inaccurate reporting package to the Comptroller General's Office (CGO). Internal controls over the financial close and reporting process related to the claims liability reporting package were inadequate to ensure an accurate submission to the CGO.

***Criteria***

Section 1.7 of the Comptroller General's Reporting Policies and Procedures Manual states, "Each agency's executive director and finance director are responsible for submitting to the Comptroller General's Office reporting packages that are accurate and prepared in accordance with instructions, complete, and timely." This requirement acts as a control over financial reporting for the State's financial statements.

***Effect***

A material adjustment was necessary to properly state the claims liability.

***Cause***

The actuarial report utilized in the determination of the liability was not completed prior to submission of the reporting package and the reporting package was not resubmitted upon receipt of the actuarial report.

***Repeat Finding***

No.

***Recommendation***

We recommend that the State Fiscal Accountability Authority review their procedures over reporting package preparation and submission to ensure reporting packages are submitted in accordance with CGO directives and revised when necessary.

***Views of responsible officials and planned corrective actions***

See management's response on page 11.

## **Management's Response**

HENRY MCMASTER, CHAIR  
GOVERNOR  
CURTIS M. LOFTIS, JR.  
STATE TREASURER  
BRIAN J. GAINES  
COMPTROLLER GENERAL



BUDGET & FINANCE  
DENISE M. CARRAWAY, CPA  
DIRECTOR  
(803) 737-0500  
1201 MAIN STREET, SUITE 430  
COLUMBIA, SC 29201

HARVEY S. PEELER, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE  
BRUCE W. BANNISTER  
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE  
GRANT GILLESPIE  
EXECUTIVE DIRECTOR

## MEMORANDUM

TO: George L. Kennedy, III  
FROM: Denise M. Carraway, Finance Director  
SUBJECT: Management's Response to Audit Finding  
DATE: January 12, 2024

The State Fiscal Accountability Authority respectfully submits the following corrective action plan for the year ended June 30, 2023.

Audit period: July 1, 2022 – June 30, 2023

### FINDING—FINANCIAL STATEMENT AUDIT

#### MATERIAL WEAKNESS

2023-001

#### Material Weakness in Financial Reporting – Accuracy of Agency Reporting Package

Recommendation: We recommend that the State Fiscal Accountability Authority review their procedures over reporting package preparation and submission to ensure reporting packages are submitted in accordance with CGO directives and revised when necessary.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We reviewed the reporting package preparation and submission process. We will request a later date due assignment for "this agency only" reporting package from the Office of the Comptroller General to allow sufficient timing to receive and include the biennial actuarial study when conducted.

Name(s) of the contact person(s) responsible for corrective action: Denise Carraway

Planned completion date for corrective action plan: February 29, 2024

Respectfully submitted,

Denise M. Carraway

# Management Letter and Responses



CliftonLarsonAllen  
LLPCLAAconnect.com

Management  
State of South Carolina  
Columbia, South Carolina

In planning and performing our joint audit of the financial statements of State of South Carolina as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

However, during our joint audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated December 20, 2023, contains our written communication of significant deficiencies and material weaknesses in the State's internal control. This letter does not affect our report on the financial statements dated December 20, 2023, nor our internal control communication dated December 20, 2023.

### **Investment Reconciliation**

The Cash and Investment Closing File reconciliation was prepared as of June 30, 2023 from SCEIS data, which is recorded at cost; however, generally accepted accounting principles require these amounts to be reported at fair value. While the STO records the fair value of investments in the SCEIS Treasury Management (TM) module, adjustments are not made to the SCEIS Finance (FI) module until the end of the fiscal year. The STO also identified accrued interest receivables were overstated by approximately \$58 million within the TM module. We recommend that the STO consider recording the investments at fair value in the FI module at least quarterly.

### **Cash and Investment Reconciliation Process**

The process performed by the Comptroller General's Office (CGO) to prepare the Cash and Investment closing file is manual and time consuming. The reconciliation process is initiated by general ledger export and review of approximately 31,000 transactions to determine if those transactions should be included or excluded from the reconciliation process. The inclusion/exclusion decision is determined based off review of the account coding and historical knowledge. We recommend that management of the State review the reconciliation to determine if any components of the process can be automated.

The Cash and Investment closing file is prepared from general ledger data as well as supporting documentation from State agencies. The State has established policies and procedures, which include reporting packages prepared by agencies, that are utilized to prepare the closing file, but we observed that there was a lack of agreement on what was required, and the responsibility of the parties involved. We recommend that the State document and agree on the content, responsibility and timeline for the information needed for the closing file.

**Capital Asset Reporting**

Generally accepted accounting standards require that capital outlays be presented on the Statement of Revenues, Expenditures, and Changes in Fund balances. A portion of the reported capital outlays are then capitalized for inclusion on the Statement of Net Position and supporting capital asset footnote. The information supporting the ACFR did not capture the capital outlays that were presented in the footnotes. As a result, capital outlays were not properly presented on the Statement of Revenues, Expenditures, and Changes in Fund balances. We recommend that the State review its controls over identifying and reporting capital outlays and perform a reconciliation to determine which of the outlays are subsequently capitalized.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various State personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. See management’s response on page 3.

\* \* \*

This communication is intended solely for the information and use of management, the governor, members of the State Fiscal Accountability Authority, members of the General Assembly, and others within the State, and is not intended to be, and should not be, used by anyone other than these specified parties.



Columbia, South Carolina  
December 20, 2023



Baltimore, Maryland  
December 20, 2023



**THE HONORABLE CURTIS M. LOFTIS, JR.**  
State Treasurer

December 20, 2023

Mr. Remi Omnisore, CPA  
CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, MD 21093

Mr. George L. Kennedy III, CPA  
State Auditor  
South Carolina Office of the State Auditor  
1401 Main Street, Suite 1200  
Columbia, SC 29201

RE: Investment Reconciliation

Dear Sirs:

As noted by Clifton Larson Allen, the State Treasurer's Office (STO) currently requests the Department of Administration's (DoA) SCEIS team to adjust investments to fair value within the FI module on an annual basis at the end of each fiscal year. The STO developed and provided a change order to the DoA SCEIS team to record adjustment of investments to fair value in the FI module on a quarterly basis. It is anticipated this will be implemented for the third quarter of 2024.

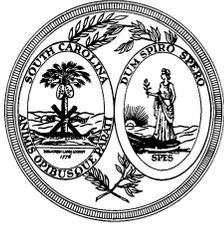
In mid-October 2023, the STO performed a reconciliation process and noted a variance between the State's general ledger amount and the State's investment bank custodian for accrued interest receivable. The STO was appreciative of the opportunity to report the subsequent event for adjustment within the fiscal year 2023 ACFR. In addition, the STO is currently working with the DoA SCEIS team to further research the calculated accrued interest receivable and implement improvements in both reporting and the related reconciliation.

If you have any questions, please contact me at (803) 734-2662 or email me at [melissa.simmons@sto.sc.gov](mailto:melissa.simmons@sto.sc.gov).

Sincerely,

A handwritten signature in cursive script that reads "Melissa D. Simmons".

Melissa D. Simmons, CPA  
Deputy State Treasurer



State of South Carolina  
**Office of Comptroller General**

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

Telephone: (803) 734-2121  
Fax: (803) 734-1765  
E-Mail: [cgooffice@cg.sc.gov](mailto:cgooffice@cg.sc.gov)

**BRIAN J. GAINES**  
COMPTROLLER GENERAL

CHIEF OF STAFF

December 20, 2023

George L. Kennedy, III, CPA  
Office of State Auditor  
1401 Main Street, Suite 1200  
Columbia, SC 20201

Dear Mr. Kennedy:

As you know, CliftonLarsonAllen, LLP (CLA) issued its Management Letter regarding the audit of the financial statements for the State of South Carolina as of and for the year ended June 30, 2023. CLA's letter included comments on four areas of deficiencies in internal controls with suggested opportunities to strengthen. Two of the comments were directed at the State Treasurer's Office (STO) and two were directed to the Comptroller General's Office (CGO). We offer the following responses to those comments related to the CGO.

**Cash and Investment Reconciliation Process**

CLA Comment: The process performed by the Comptroller General's Office to prepare the Cash and Investment closing file is manual and time consuming. The reconciliation process is initiated by general ledger export and review of approximately 31,000 transactions to determine if those transactions should be included or excluded from the reconciliation process. The inclusion/exclusion decision is determined based off review of the account coding and historical knowledge. We recommend that management of the State review the reconciliation to determine if any components of the process can be automated.

CGO Response: We agree that the Cash and Investment closing file is manual and time consuming. The CGO has initiated the automation of the report and has provided its documented business requirements to the Department of Administration's SCEIS team. The SCEIS team has also received feedback from the STO regarding those business requirements. The CGO stands ready to work with all relevant and willing stakeholders to finalize the business requirements and implement the automation of the closing file.

CLA Comment: The Cash and Investment closing file is prepared from general ledger data as well as supporting documents from State agencies. The State has established policies and procedures, which include reporting packages prepared by agencies, that are utilized to prepare the closing file, but we observed that there was a lack of agreement on what was required, and the responsibility of the parties involved. We recommend the State document and agree on the content, responsibility and timeline for the information needed for the closing file.

CGO Response: We agree that there is a lack of agreement on what was required for the Cash and Investment closing file. The CGO issued very clear and specific instructions on what information was needed for the Cash and Investment closing file, created and shared a step-by-step video walkthrough on how to complete the file, and participated in four work sessions with staff of the STO, State Auditor's Office (SAO), CLA, and Department of Administration to review the file.

We agree there is a lack of agreement on the responsibilities of the parties involved in the Cash and Investment closing file. As you are aware, there have been several conversations between the CGO,

STO, SAO, and CLA regarding the necessary roles and responsibilities of the CGO and STO in the Cash and Investment closing file process to ensure the highest and most appropriate internal control. Despite these multiple conversations and reviews of existing State laws (i.e., §11-5-100, 11-5-120, 11-5-185, and Proviso 97.2) regarding the responsibilities of each office, there remains a lack of agreement.

The CGO has also asked the SAO and CLA to utilize their professional expertise to provide guidance to both offices regarding this matter. Both the SAO and CLA do not believe it is their role to provide this guidance. As such, on September 1, 2023, the Senate Finance Committee's Constitutional Subcommittee directed the SAO to engage an independent accounting firm to conduct a thorough review and audit of the ACFR compilation process. As directed, the review is to include but not be limited to the following:

- An assessment of the ACFR related cash reconciliation process for roles and responsibilities, inputs, outputs, controls, and governance.
- The information required from the State Treasurer's Office in the form of closing packages for the purposes of accurate and complete financial reporting to include reconciliations of bank records by fund and agency.
- The format in which this information should be requested by the Comptroller General's Office and provided by the State Treasurer's Office.

In response to this directive, the SAO has engaged Mauldin and Jenkins to conduct this review. Their efforts are underway, and it is my understanding the results of their review will be concluded and provided to the state by the end of February 2024.

### **Capital Asset Reporting**

**CLA Comment:** Generally accepted accounting standards require that capital outlays be presented on the Statement of Revenues, Expenditures, and Changes in Fund balances. A portion of the reported capital outlays are then capitalized for inclusion on the Statement of Net Position and supporting capital asset footnote. The information supporting the ACFR did not capture the capital outlays that were presented in the footnotes. As a result, capital outlays were not properly presented on the Statement of Revenues, Expenditures, and Changes in Fund balances. We recommend the State review its controls over identifying and reporting capital outlays and perform a reconciliation to determine which of the outlays are subsequently capitalized.

**CGO Response:** We agree that generally accepted accounting standards require that capital outlays be presented on the Statement of Revenues, Expenditures, and Changes in Fund balance. However, we note the State does not currently have the capacity to audit every agency's capital asset inventory. When an agency codes a capital asset addition to a wrong expenditure account or neglects to add a new capital asset in the year it was purchased or created, a difference between capital asset additions and capital outlay expenditures occurs. As such, a reclassification of expenditures must occur to make these balances reconcile. It should be noted that no fund balance or total expenditures balance is affected in the reclassification process. The proper way to correct this issue would be to enact audited physical capital asset counts on an annual basis to audit the capital asset inventories of every State agency. This approach would be costly and have no effect on the ACFR's fund balances within the State's governmental funds. If this is an approach the SAO wishes to pursue, the CGO would be supportive.

We thank you for the opportunity to offer these responses. The CGO will always work with all relevant and willing stakeholders to correct any areas of deficiencies in the State's internal controls.

Sincerely,



Brian J. Gaines  
Comptroller General

# Exhibit A – Corrected Misstatements

**SUMMARY OF CORRECTED MISSTATEMENTS - AUDIT**

State of South Carolina  
 Business Type Activities  
 Year Ended June 30, 2023

**CORRECTED MISSTATEMENTS OF AMOUNTS**

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
To adjust the Second Injury Fund claims liability to agree to the actuarial report.	-	(20,276,786)	-	20,276,786
Subtotals	-	(20,276,786)	-	20,276,786
Income tax effect	-	-	-	-
Net current year misstatements (Iron Curtain Method)	-	(20,276,786)	-	20,276,786
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ (20,276,786)	\$ -	\$ 20,276,786
Financial statement totals	\$ 2,493,220,000	\$ (435,516,000)	\$ (2,057,704,000)	\$ (200,583,000)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		5%		-10%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		5%		-10%

**SUMMARY OF CORRECTED MISSTATEMENTS - AUDIT**  
 State of South Carolina

Second Injury Fund  
 Year Ended June 30, 2023

**CORRECTED MISSTATEMENTS OF AMOUNTS**

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
To adjust the Second Injury Fund claims liability to agree to the actuarial report.				
Subtotals	-	(20,276,786)	-	20,276,786
Income tax effect	-	(20,276,786)	-	20,276,786
Net current year misstatements (Iron Curtain Method)				
Net prior year misstatements	-	(20,276,786)	-	20,276,786
Combined current and prior year misstatements (Rollover Method)	-	-	-	-
Financial statement totals	\$ 211,840,000	\$ (20,276,786)	\$ -	\$ 20,276,786
	\$ 211,840,000	\$ (180,293,000)	\$ (31,547,000)	\$ 15,370,000
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		11%		132%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		11%		132%

## Exhibit B – Uncorrected Misstatements

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
 State of South Carolina  
 Governmental Activities  
 Year Ended June 30, 2023

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Overstatement of investments and investment income due to an improperly calculated accrual of interest.	(32,995,146)	-	32,995,146	32,995,146
Understatement of assets due to an improper beginning credit balance of construction in progress and improper current year credit transactions to the account.	18,798,636	-	(18,798,636)	-
Understatement of accounts receivable and revenue due to an unrecorded opioid recovery receivable.	249,548,359	-	(249,548,359)	(249,548,359)
Net current year misstatements (Iron Curtain Method)	235,351,849	-	(235,351,849)	(216,553,213)
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ 235,351,849	\$ -	\$ (235,351,849)	\$ (216,553,213)
Financial statement totals	\$ 50,165,377,000	\$ (19,770,243,000)	\$ (30,395,134,000)	\$ (2,192,770,000)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		1%	10%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		1%	10%

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**State of South Carolina**

General Fund

Year Ended June 30, 2023

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

**Effect of misstatements on:**

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Overstatement of investments and investment income due to an improperly calculated accrual of interest.	(32,995,146)	-	32,995,146	32,995,146
Net current year misstatements (Iron Curtain Method)	(32,995,146)	-	32,995,146	32,995,146
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ (32,995,146)	\$ -	\$ 32,995,146	\$ 32,995,146
Financial statement totals	<u>\$ 14,243,526,000</u>	<u>\$ (3,197,161,000)</u>	<u>\$ (11,046,365,000)</u>	<u>\$ (412,286,000)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		0%	-8%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		0%	-8%

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**State of South Carolina**  
**Departmental Program Services**  
**Year Ended June 30, 2023**

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Understatement of assets due to an improper beginning credit balance of construction in progress and improper current year credit transactions to the account.	18,798,636	-	(18,798,636)	-
Net current year misstatements (Iron Curtain Method)	18,798,636	-	(18,798,636)	-
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ 18,798,636	\$ -	\$ (18,798,636)	\$ -
Financial statement totals	\$ 4,133,193,000	\$ (3,137,587,000)	\$ (995,606,000)	\$ (149,614,000)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		2%	
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		2%	

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
 State of South Carolina  
 Business-Type Activities  
 Year Ended June 30, 2023

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

**Effect of misstatements on:**

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Overstatement of investments and investment income due to an improperly calculated accrual of interest (Second Injury Fund).	(473,278)	-	473,278	473,278
Net current year misstatements (Iron Curtain Method)	(473,278)	-	473,278	473,278
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ (473,278)	\$ -	\$ 473,278	\$ 473,278
Financial statement totals	\$ 2,493,220,000	\$ (435,516,000)	\$ (2,057,704,000)	\$ (200,583,000)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		0%	0%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		0%	0%

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**State of South Carolina**  
**Second Injury Fund**  
**Year Ended June 30, 2023**

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

**Effect of misstatements on:**

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Overstatement of investments and investment income due to an improperly calculated accrual of interest.	(473,278)	-	473,278	473,278
Net current year misstatements (Iron Curtain Method)	(473,278)	-	473,278	473,278
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ (473,278)	\$ -	\$ 473,278	\$ 473,278
Financial statement totals	\$ 211,840,000	\$ (180,293,000)	\$ (31,547,000)	\$ 15,370,000
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		-2%	3%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		-2%	3%

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**State of South Carolina**  
**Aggregate Remaining**  
**Year Ended June 30, 2023**

**UNCORRECTED MISSTATEMENTS OF AMOUNTS**

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Understatement of accounts receivable and unavailable revenue (deferred inflow) for unrecorded opioid recovery receivable.	249,548,359	(249,548,359)	-	-
Net current year misstatements (Iron Curtain Method)	249,548,359	(249,548,359)	-	-
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ 249,548,359	\$ (249,548,359)	\$ -	\$ -
Financial statement totals	\$ 66,201,282,000	\$ (3,511,877,000)	\$ (62,689,405,000)	\$ (5,076,663,000)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	7%		
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	7%		

# Exhibit C – Management Representations



**BRIAN J. GAINES**  
COMPTROLLER GENERAL

State of South Carolina  
**Office of Comptroller General**

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

Telephone: (803) 734-2121  
Fax: (803) 734-1765  
E-Mail: [cgooffice@cg.sc.gov](mailto:cgooffice@cg.sc.gov)

December 20, 2023

Mr. Remi Omisore, CPA  
CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, Maryland 21093

Mr. George L. Kennedy, III, CPA  
State Auditor  
South Carolina Office of the State Auditor  
1401 Main Street, Suite 1200  
Columbia, South Carolina 29201

This representation letter is provided in connection with your audit of the financial statements of the State of South Carolina (the State), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$1,000,000 are not considered to be exceptions requiring disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of December 20, 2023, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated July 1, 2023 and South Carolina 2021-2022 Appropriations Act Section 97.2, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by U.S. GAAP to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge the State's responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We have recorded or disclosed all accounting estimates that could be material to the financial statements in accordance with the requirements of U.S. GAAP. We believe those estimates and the key factors and significant assumptions underlying those estimates, including those measured at fair value, are reasonable and have been consistently applied. While our estimates are reviewed periodically, estimates could change materially within the next year.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. Special and extraordinary items have been appropriately classified and reported, if applicable.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. We have made all adjustments to convert our financial information from budgetary to accrual and modified accrual basis and acknowledge that we are responsible for the accuracy and completeness of such accrual basis adjustments.
10. The State's reporting entity includes all entities that are component units of the State. Such component units have been properly presented as either blended or discretely presented. Investments in joint ventures in which the State holds an equity interest have been properly recorded on the statement of net position. The basic financial statements disclose all other joint ventures and other related organizations.
11. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
12. Guarantees, whether written or oral, under which the State is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
13. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
14. The State has no material amounts of obsolete, damaged, or unusable items included in inventories at greater than salvage values.

15. The State has no transfers, reservations or designations of fund equity or interfund borrowings that were not properly authorized and approved, or uncollectible interfund loans that have not been properly reflected in the financial statements or disclosed to you.
16. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
17. The State has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows and inflows of financial resources, fund balance, or net position.
18. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
19. The State has identified and properly accounted for all nonexchange transactions.
20. We believe that all material expenditures that have been deferred to future periods will be recoverable.
21. We believe that the actuarial assumptions and methods the State uses to measure pension and other post-employment benefit plan liabilities, related deferred inflows and outflows, and costs for financial accounting and disclosure purposes are consistent with prevailing assumptions and methods used.
22. We believe the methodology used to measure the State's Medicaid liability was consistent with the prior year and is proper based on available data and that there have not been any material subsequent claims or events that would require a change in that methodology.
23. We have no knowledge that the State plans to make significant amendments to its pension or other post-employment benefit plans.
24. We are not aware of any pollution remediation obligations which would require an adjustment to, or disclosure in, the financial statements in accordance with GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, except as already reported.
25. We are not aware of any intangible assets which would require an adjustment to or disclosure in the financial statements in accordance with GASB Statements, except as already reported.
26. We have properly accounted for financing arrangements that use derivatives in accordance with GASB Statements.
27. We have evaluated GASB Statement No. 77 *Tax Abatement Disclosures* and have determined that there are no tax abatements for which the State would have to disclose in the financial statements.

## Information Provided

28. We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) All minutes, which we make available to you at [www.sfaa.sc.gov](http://www.sfaa.sc.gov), of the meetings of the State Fiscal Accountability Authority, except that you must obtain summaries of actions for recent meetings for which minutes have not yet been prepared from the Secretary of the State Fiscal Accountability Authority because our office customarily is not provided such summaries before the Authority's official minutes are drafted.
  - e) All communications, of which we are aware, from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - f) Access to all audit or relevant monitoring reports of which we are aware, if any, received from funding sources.
29. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
30. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We understand the term "fraud" includes misstatements arising from fraudulent reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements intended to deceive financial users. Misstatements arising from misappropriations of assets involve the theft of the State's assets where the effect of the theft causes basic financial statements not to be presented in conformity with U.S. GAAP.
31. Except for what we have disclosed to you in our meeting on December 4, 2023, we have no knowledge, nor have we been informed by State investigative agencies (including the State Inspector General's Office and the State Law Enforcement Division), of any fraud or suspected fraud that affects the entity and involves:
- a) Management;
  - b) Employees who have significant roles in internal control; or
  - c) Others when the fraud could have a material effect on the financial statements.

32. Except for what we have disclosed to you, we have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
33. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
34. There are no unasserted claims or assessments that we have been advised of that are probable of assertion and required to be disclosed that have not been previously reported to you. In addition, there are no other material liabilities or gains or loss contingencies that are required to be disclosed that have not been disclosed in the financial statements or previously disclosed to you.
35. We have disclosed to you the identity of the State's related parties and all the related party relationships and transactions of which we are aware. We understand that the term "related party" refers to affiliates of the State; entities for which investments are accounted for using the equity method by the State; and trusts for benefit of employees, such as pension and other post-employment benefit trusts that are managed by or under the trusteeship of management.
36. The State has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
37. We have a process to track the status of audit findings and recommendations.
38. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
39. We will provide our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the Report on Internal Control upon the receipt of such items from you.
40. The State is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the State of South Carolina, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
41. Except those that have been disclosed to you, we are not aware of any violations or possible violations of budget ordinances, laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

42. We are not aware of any noncompliance with any restrictions on resources or on any aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
43. The State has followed all applicable laws and regulations in adopting, approving, and amending budgets.
44. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
45. All funds that meet the quantitative criteria in GASB Statements for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
46. Components of net position (net investment in capital assets; restricted; and unrestricted) and fund balance amounts are properly classified and, if applicable, approved.
47. Provisions for uncollectible receivables have been properly identified and recorded.
48. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
49. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, additions to endowments, and transfers.
50. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
51. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
52. For funds held outside of the State Treasurer's Office:
  - a) The State has no loss to be sustained as a result of other-than-temporary declines in the fair value of investments, except for the amounts that have been reflected in the financial statements.
  - b) The State has no knowledge that during the year the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the State's name" significantly exceeded the amounts in those categories as of the financial statement date.
  - c) The State is responsible for determining the fair value of certain investments as required by Governmental Accounting Standards Board (GASB) Statements. The amounts reported represent the State's best estimate of fair value of investments required to be reported under the Statements. The State also has disclosed the methods and significant assumptions used to estimate the fair value of its investments, and the nature of investments reported at net asset value or amortized cost, as applicable.

- d) the following information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk, if applicable, has been properly disclosed in the basic financial statements:
    - i. The extent, nature, and terms, of financial instruments with off-balance sheet risk;
    - ii. The amount of credit risk for financial instruments with off-balance sheet credit risk and information about the collateral supporting such financial instruments.
    - iii. Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
  - e) The State has complied with all debt related covenants.
  - f) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
  - g) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
53. We have appropriately disclosed the State's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
54. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period, except for the impact of the implementation of new accounting pronouncements as disclosed in the financial statements. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
55. We acknowledge our responsibility for the combining and other schedules presented in the financial statements as supplementary information (and listed as such in the table of contents) and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, except for the impact of the implementation of new accounting pronouncements as disclosed in the financial statements, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
56. We acknowledge our responsibility for the preparation of the other information included in our annual report, which is comprised of the introductory section and statistical section (other information). The other information is consistent with the financial statements and does not contain any material misstatements. With regard to the other information that has not been provided to you, the final version of the documents will be provided to you when available, and prior to issuance of the annual report by the entity, so that you can complete your required procedures. We agree to correct material inconsistencies that you may identify.

57. We have implemented GASB Statement Number 96, *Subscription Based IT Arrangements*, during the audit period. We have implemented the new accounting standard in accordance with the guidance prescribed in the statement. We have sufficient and appropriate documentation supporting all estimates and judgements underlying the amounts recorded and disclosed in the financial statements. We have analyzed all lease contracts and have considered, and recorded material embedded leases contained within other contracts in accordance with GASB statement No. 96.
58. As described in the notes of the financial statements, the State has restated the prior year financial statements to correct for receivables, unearned revenue, and cash within nonmajor discretely presented component units. We have properly implemented the change and acknowledge responsibility for the adjustment, as they were stated within their respective audited financial statements.

Signature: Brian J. Gaines Title: Comptroller General

Signature: David D. Hester Title: SENIOR ASSISTANT  
COMPTROLLER GENERAL



## THE HONORABLE CURTIS M. LOFTIS, JR.

State Treasurer

December 20, 2023

Mr. Remi Omisore, CPA  
CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, Maryland 21093

Mr. George L. Kennedy, III, CPA  
State Auditor  
South Carolina Office of the State Auditor  
1401 Main Street, Suite 1200  
Columbia, South Carolina 29201

This representation letter is provided in connection with your audit of the financial statements of the State of South Carolina (the State), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$1,000,000 are not considered to be exceptions requiring disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of December 20, 2023, the following representations made to you during your audit.

1. The State has no loss to be sustained as a result of other-than-temporary declines in the fair value of investments held by the State Treasurer's Office (STO), except for the amounts that have been reflected in the STO reporting packages.
2. We have no knowledge that during the year the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the State's name" significantly exceeded the amounts in those categories as of the financial statement date.
3. The STO is responsible for determining the fair value of certain investments as required by Governmental Accounting Standards Board (GASB) Statements for funds custodied by the STO in the

reporting packages. The amounts reported represent the STO's best estimate of fair value of investments required to be reported under the Statements. The STO reporting packages have also disclosed the methods and significant assumptions used to estimate the fair value of its investments, and the nature of investments reported at net asset value or amortized cost, as applicable.

4. The following information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk, if applicable, has been properly disclosed for assets custodied by the STO:
  - a) The extent, nature, and terms, of financial instruments with off-balance sheet risk;
  - b) The amount of credit risk for financial instruments with off-balance sheet credit risk and information about the collateral supporting such financial instruments.
  - c) Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
5. As of June 30, 2023, and through the subsequent events period ending December 13, 2023, the STO has not been informed of any compliance issues relating to State debt and to the best of our knowledge we are not currently aware of any compliance issues.
6. Investments custodied by the STO are properly valued.
7. Deposits and investment securities custodied by the STO are properly classified as to risk and are properly valued and disclosed.

Signature:  Title: State Treasurer

Signature:  Title: Deputy State Treasurer

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: Clemson University  
 H12.9971: Williamson Road Parking Garage

Request: Establish Phase I Pre-Design Budget to construct a new parking facility by the newly aligned Williamson Road to the East and Perimeter Road to the South.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 7 in FY24 (estimated at \$95,000,000)  
 CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Parking Improvement				1,185,000	1,185,000
All Sources				<u>1,185,000</u>	<u>1,185,000</u>

Summary of Work: The project will construct a 432,000 square foot, six level, approximately 1,200 space parking facility. The parking structure will be constructed with either pre-cast or post-tensioned cast in place concrete. Construction of the parking facility will likely also include masking or fenestration, a pedestrian bridge providing direct access to the core campus, elevators, and parking access technology. The selected site offers convenience to visitors and commuters and sloping terrain minimizing visual impact of the structure and ensuring that no parking levels are below grade. The sloping terrain of this site and location near the existing road network allows for entry/egress from both Williamson Road and Perimeter Road and allows access on multiple levels of the structure that minimizes traffic congestion to, from, and within the structure.

Rationale: The University parking system is fully utilized as of 2023 with an anticipated enrollment growth rate of 2 percent annually, per the university. It is anticipated that future facility construction, including classrooms, laboratories, housing, and campus amenities will displace existing, centrally located parking supply, further pressuring parking supply. This facility will be located centrally near the new

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

alumni center and will provide high-density parking for alumni, visitors, athletic functions, current students, and prospective students on campus tours.

**Facility Characteristics:** Located near the School of Architecture, the Engineering Precinct, and along a Tiger Transit shuttle route, the new parking structure will serve as a key campus parking facility. Once parked, students, employees, and visitors will have direct pedestrian, bicycle, and transit access to the rest of campus. The new garage will be 432,000 square feet, six floors and have approximately 1,200 spaces to serve students, faculty, staff, and visitors.

**Financial Impact:** This phase of the project will be funded from Parking Improvement Funds (uncommitted balance \$9.15 million at September 20, 2023). Revenue to this fund are part of the university Auxiliary Improvement Funds, which are for the university's bond covenants for the purposes of constructing, maintaining, improving and enhancing the university's auxiliary facilities. The project is expected to result in an increase of \$20,000 (year 1), \$125,000 (year 2), and \$196,240 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

**Full Project Estimate:** \$79,000,000 (internal). Phase II will be funded by Revenue Bonds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Project: JBRC Item 2: Clemson University  
H12.9942: Lehotsky Hall Replacement
- Request: Increase Phase II Full Construction Budget to cover bid costs received to demolish and rebuild Lehotsky Hall.
- Included in CPIP: No – The project was not included in the 2023 CPIP because the decision to increase the project budget was not approved by their Board of Trustees until October.
- Phase I Approval: May 2019 (estimated at \$30,000,000) (SFAA)  
Phase I Increase,  
Revise Scope &  
Change Project Name  
Approval: Approval 2022 (estimated at \$50,000,000) (SFAA)  
Phase II & Change  
Source of Funds  
Approval: November 2022 (estimated at \$50,000,000) (SFAA)  
CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		50,000,000	50,000,000		50,000,000
Other, Maintenance & Stewardship	700,000	(750,000)		18,300,000	18,300,000
<b>All Sources</b>	<u>700,000</u>	<u>49,250,000</u>	<u>50,000,000</u>	<u>18,300,000</u>	<u>68,300,000</u>

Summary of Work: The project will demolish and rebuild Lehotsky Hall. The new building will include classrooms, offices, laboratories and support spaces. There are two proposed roofing systems being planned for the new building as follows: 1) For non-occupied roof areas, the majority of the roof will be an elastomeric membrane roofing system. 2) For occupied roof areas, the roof system will be an elastomeric membrane roofing system under precast pavers. The roof will come with a minimum 20-year material and workmanship warranty. The facility will be sited adjacent to the Godley-Snell Research Center and across from the Life Sciences Building. Per the university, this location is ideal for the Department of

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Forestry and Environmental Conservation (FEC) as several FEC research faculty use the animal research facilities and equipment at Godley-Snell and the location provides FEC students with an “outdoor lab” for easy access to Hunnicutt Creek and numerous tree resources nearby. Further, the site allows for a spacious service yard to aid in the frequent movement of tree cuttings, soil samples and other large materials from the Experimental Forest without bringing these materials into the heart of campus.

**Rationale:** Unprecedented construction escalation and unforeseen site conditions have increased the project costs such that the approved budget cannot accommodate the programs currently contained in the building to be replaced. These programs are critical to the University's College of Agriculture, Forestry and Life Sciences and a variety of programs with statewide impact. The updated project budget reflects true costs based on hard bids from subcontractors to the CMR is based on 50% construction documents. This budget increase includes all aspects of the original scope for the replacement of the old facility while maintaining an appropriate owner-controlled contingency. In addition to the owner-controlled contingency this project has been designed to 90% of the construction budget. Lehotsky Hall is one of the most energy inefficient buildings on the Clemson campus, per the university. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire sprinkler and plumbing systems serving the labs do not meet current codes to ensure occupant safety. Further, the existing building was found to have major environmental, structural and seismic issues.

**Facility Characteristics:** Lehotsky Hall is 94,000 square feet and was constructed in 1978 (46 years old). The new building to be constructed will be approximately 85,000 square feet. The facility will house the Department of Forestry and Environmental Conservation, Clemson Online, the Office of Teaching Effectiveness/Innovation, Clemson Experimental Forest offices, 4-H Extension offices and governmental partner offices. The replacement facility will be used by approximately 570 students, 40 faculty, 60 staff members and 12 government partners.

**Financial Impact:** This increase will be funded by Maintenance & Stewardship Funds (uncommitted balance \$49.92 million at November 22, 2023). Revenue received in this fund are generated from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,925,134 over a 30-year period. The project is expected to result in an increase of \$552,500 (year 1), \$569,075 (year 2), and \$586,147 (year

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$381 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$68,300,000 funded by State Institution Bonds and Maintenance & Stewardship Funds. Contract execution is expected in February 2024 and completion of construction in December 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(c) Project: JBRC Item 4: College of Charleston  
H15.9687: 176 Lockwood Exterior Repairs

Request: Establish Phase I Pre-Design Budget to make exterior repairs on the building.

Included in CPIP: No – At the time of the 2023 CPIP submission, the scope of work for this project did not meet the dollar threshold requirements to qualify this as a PIP.

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				57,500	57,500
All Sources				<u>57,500</u>	<u>57,500</u>

Summary of Work: This project will replace all windows and doors, repair/modify synthetic stucco exterior finish, replace sealants and coatings, and replace the roof system. All roof material options will be evaluated during the Phase I process.

Rationale: Interiors remain in good condition, but moisture intrusion has damaged sheetrock and ceiling tiles. The synthetic stucco exterior finish system has significantly deteriorated. The windows have lost their insulating seals and deteriorated gaskets are allowing water to penetrate the building envelope. The metal steep roof system is rusting and chalking despite being recoated in 2017. Addressing these issues in an early stage will prevent further deterioration, per the college.

Facility Characteristics: The building is 25,383 gross square feet and was constructed in 1988 (36 years old). There have been no major exterior renovations since the original construction. The building houses the division of Business Affairs, and the Office of Budget and Payroll Services. The offices of the Controller and Procurement work remotely but maintain shared workstations and meeting rooms. This facility is also home to the Joseph P. Riley Jr. Center for Livable Communities. The Center is an interdisciplinary initiative of the College of Charleston whose mission is to leverage the intellectual resources of the College to support the economic and cultural vibrancy of the City of Charleston and other communities throughout South Carolina, the United States, and around the world.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Approximately 20 undergraduate students, 10 graduate students, 4 faculty, and 30 staff utilize the building daily.

**Financial Impact:** The project will be funded from Capital Improvement Project Funds (uncommitted balance \$22 million on October 12, 2023). Revenues to this fund are generated from the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$3,400 (year 1), \$3,502 (year 2), and \$3,607 (year 3), in annual operating expenditures. The Phase I amount is 2.50% of the estimated cost to complete the project and the additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Build process. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$2,300,000 (internal) funded by Capital Improvement Project Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 5: College of Charleston  
 H15.9680: Buist Residence Hall 2024 Renovation

Request: Establish Phase II Full Construction Budget and Revise Scope to complete work on the first floor to add additional beds in this project to complete interior renovations and exterior envelope maintenance on the Buist Rivers Residence Hall.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 10 in FY24 (estimated at \$14,909,020)  
 Phase I Approval: January 2023 (estimated at \$14,909,020) (SFAA)  
 CHE Approval: Approved by CHE Board on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	372,725		372,725	14,127,275	14,500,000
All Sources	<u>372,725</u>		<u>372,725</u>	<u>14,127,275</u>	<u>14,500,000</u>

Summary of Work: The project will replace the plumbing and electrical infrastructure; replace the two-pipe HVAC and domestic hot water systems that are original to the building; replace lighting with LED fixtures; redesign the six community restrooms for increased privacy/security; and renovate the community lounge, laundry and kitchen spaces. All interior finishes, furniture and signage will also be replaced. Seven rooms (14 beds) will be added to the first floor by reconfiguring office space, common space and infilling an unused covered porch. These additional beds will bring the total beds in the building to 116. All improvements are within the building's original footprint. On the exterior, envelope maintenance (flashing repairs and recaulking) will be completed. The existing granular surfaced two ply granular surfaced (SBS) roof system will be replaced with a 2-ply modified bitumen roof system that will come with a minimum 20-year material and workmanship warranty.

Rationale: The copper pipes for HVAC are over 50 years old and are corroding, creating leaks through rooms below. Concealed HVAC pipe insulation is believed to contain asbestos. The last significant renovation was in 2007/2008 and included roof replacement, new windows, and resealing exterior stucco. Select HVAC and restroom upgrades, and a new fire sprinkler and alarm system were also included. In September 2022, a feasibility report found that the existing roof is in fair to

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

good condition and noted deficiencies. It was recommended at that time that interim repairs such as replacing EPDM on walls, and repairs to elastomeric coating be made. Per the college, the roof is not in a state of disrepair but desires to replace the roof at this time while the building is offline and before it becomes a problem.

**Facility Characteristics:** Buist Rivers Residence Hall is 30,364 gross square feet and was constructed in 1967 (57 years old). The four-level building is a 102-bed traditional style residence hall and was the College's first dedicated all-female residential facility. The existing ground floor consists of common spaces. Each of the upper three floors contain 18 double-capacity student rooms, one community lounge and two community restrooms. In a typical academic year, the facility houses 102 undergraduate students among three identical floors. The residence hall also contains three administrative offices, a centralized laundry facility, a student lounge/assembly room, and a staff apartment.

**Financial Impact:** The project will be funded from Housing Revenue Funds (uncommitted balance \$19.27 million at December 13, 2023). 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 \$6,000 (year 1), \$6,180 (year 2), and \$6,365 (year 3), in annual operating expenditures. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

**Full Project Estimate:** \$14,500,000 funded by Housing Revenue Funds. Contract execution is expected in April 2024 and completion of construction in July 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Project: JBRC Item 6: Coastal Carolina University  
 H17.9625: Land Acquisition for Future Health and Human Performance Building
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of a +/-8.41-acre parcel on the main campus owned by the Coastal Educational Foundation.
- Included in CPIP: No – The preferred location of the new Health and Human Performance building (included in the 2023 CPIP), was not determined until after the 2023 CPIP submission.
- CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Penny Sales Tax				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: The acquisition is necessary to begin the planning process for the construction of a new academic building to house the CMC College of Health and Human Performance, as well as a detached parking structure to accommodate approximately 400 vehicles.
- Characteristics: The property located on the university’s main campus and is the current location of the track and field facilities. The track will be demolished and relocated.
- Financial Impact: The property is offered by the Coastal Educational Foundation for the proposed purchase price of \$2,000,000. The due diligence activities will be funded from Penny Sales Tax Funds (uncommitted balance \$40.80 million at October 12, 2023). Revenue to this fund is derived from legislation that guarantees that the university will receive 13.3% of the sales tax collections until 2039, and can be utilized for construction, renovation, land acquisition or to offset debt service payments. The project is expected to result in a decrease of \$23,674 (years 1 thru 3), in annual operating expenditures. If the property is acquired, an approximately 64,000 square foot academic building and detached parking structure will be constructed as part of a separate project for an estimated cost of \$53.1 million and will be funded by Penny Sales Tax funds. No student fees or tuition will be

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$210 per student per semester (instate), and \$475 per student per semester (out of state) and has decreased from \$505 in the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$2,020,000 (internal) funded by Penny Sales Tax Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(f) Project: JBRC Item 7: South Carolina State University (PSA)  
H24.9665: SC State PSA Research & Extension Center (Bamberg County)

Request: Establish Phase I Pre-Design Budget to construct a new Research & Extension Center in Bamberg County.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 2 in FY24 (estimated at \$2,000,000)  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Evans Allen Grant				75,000	75,000
All Sources				<u>75,000</u>	<u>75,000</u>

Summary of Work: The project will construct an approximately 20,000 square foot Olar Farm 1890 Research & Extension Center. This building will be a one-story traditional building with metal siding, simulating a farm facility. The facility will have 4 research labs, 10 offices, 3 multipurpose rooms that can open out to a large gathering space, 2 maker spaces, as well as 2 resident scientist suites. The building will be designed to meet Two Green Globes certification standards. All roofing material options will be evaluated during the Phase I process.

Rationale: The facility is needed to provide an administrative, programmatic and research areas for existing and future staff as well as volunteers to fulfill the Land Grant mission of providing research, teaching and extension programs to the citizenry of South Carolina. Additionally, the facility will offer staff, professors, researchers and volunteers the opportunity to engage the community in enhancing economic development and lifelong learning opportunities for the community, youth, families, and businesses.

Facility Characteristics: The approximately 20,000 square foot Agricultural Processing & Research Station will be located at the Research & Demonstration Farm in Olar, South Carolina. The facility will be utilized by 16 students, 8 to 10 faculty/researchers, 6 staff, and approximately 4,500 to 5,200 clients for SC State Public Service Activities.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded from Federal, USDA Evans Allen Grant Funds (uncommitted balance \$6.83 million at December 5, 2023). The project is expected to result in an increase of \$160,966 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$5,000,000 (internal) funded by USDA Evans Allen Grant Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Separate Item: University of South Carolina - Columbia  
H27.6153: Brain Health Institute

Request: Request to bypass Phase I and Establish Phase II Full Construction Budget to renovate Medical Park Building #15.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 16 in FY24 (estimated at \$30,000,000)  
CHE Approval: Pending CHE Board Approval

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Department of Health and Human Services (FY24 Proviso 33.32)				30,000,000	30,000,000
All Sources				<u>30,000,000</u>	<u>30,000,000</u>

Summary of Work: This project will complete renovations necessary to accommodate two magnetic resonance imaging machines, along with related infrastructure to meet the extraordinary electrical demand of the scanners, and new HVAC, fire sprinkler, and other structural requirements and equipment necessary for this specialized facility.

Rationale: The project will locate the Brain Health Institute within the existing Medical Park #15 Building after an extensive renovation. The institute will provide dual support for clinical and research missions. The building offers an opportunity to create the institute and place it into operation more expeditiously than constructing a new facility.

Facility Characteristics: Medical Park #15 Building is 74,846 square feet and was constructed in 1975 (49 years old). The renovated building will be used all medical professionals and students that specialize in multidisciplinary care of individuals with neurological problems, cognitive complains, and dementia. Likewise, all patients that suffer from these issues will also use the renovated space. Approximately 2,000 faculty, staff, and patients will utilize the space.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

**Financial Impact:** The project will be funded from Other, Department of Health and Human Services Funds (uncommitted balance \$30 million at November 1, 2023). FY24 Appropriated State, Proviso 33.32 (DHHS: Brain Health Initiative) authorizes the South Carolina Department of Health and Human Services to contract with the University of South Carolina to develop and implement a rural brain health network to among other things advance clinical care of dementia, promote translational research, and establish training and fellowship programs for health care providers. The Board of Trustees of the University approved the permanent improvement project at its meeting on August 18, 2023, and approved the contract with the Department of Health and Human Services for renovation of Medical Park Building 15 on December 19, 2023. The project is not expected to result in any change in annual operating expenditures.

**Full Project Estimate:** \$30,000,000 (internal) funded by Department of Health and Human Services Funds. Contract execution is expected in July 2024 and completion of construction in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(h) Project: JBRC Item 9: Winthrop University  
H47.9615: Purchase Campus Walk Apartments

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of the three buildings and approximately 6.5 acres over 7 parcels in York County.

Included in CPIP: No – The property was not available for purchase until after submission of the 2023 CPIP.

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: In Fall 2023 the university had more students seeking housing on campus than available beds. Beds (58-60) had to be rented from an off-campus apartment complex (Campus Walk). Additionally, other students were doubled and tripled in existing residence halls. Lastly, Winthrop plans to take another older 100 bed residence hall offline shortly.

Characteristics: The apartments to be acquired are on the boundary of campus, and adjacent to the Courtyard Apartments, and include the 58-60 beds which are the subject of the lease agreement referenced above. There are 3 buildings totaling 495,720 square feet with 1, 2, 3 and 4 bed units, with 526 beds total. The buildings were constructed in 2003, 2006 & 2018. The property includes a pool plus parking lots, totaling approximately 6.5 acres.

Financial Impact: The property is offered by Walk to Campus Holdings, LLC – Ownership entity W2C Six LLC, W2C Seven LLC and W2C, Eleven LLC for the proposed purchase price of \$21,500,000 to \$35,500,000. The due diligence activities will be funded from Housing Revenue Funds (uncommitted balance \$7.05 million at November 30, 2023). Revenue to this fund is derived from excess housing funds accumulated from multiple prior years. The project is not expected to result in any change in annual operating expenditures. If the property is acquired, it is unknown

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

if the buildings will require renovation. This will be determined during the Phase I process. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$543 per student per semester, and has increased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$21,500,000 to \$35,500,000 (internal). The Final Land Acquisition will likely be funded by bonds.

Other: As referenced above, Winthrop is currently leasing 58 beds from Walk to Campus Holdings, LLC. This lease was erroneously entered into without review of the Joint Bond Review Committee and without approval of the State Fiscal Accountability Authority. Winthrop is now asking for approval of the lease, which is addressed in a separate item.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (i) **Project:** JBRC Item 10: Department of Administration  
D50.6140: Dennis Building - Fan Coil Units and Water Line Replacements, Floors 4-7
- Request:** Establish Phase I Pre-Design Budget to replace fan coil units on the 4<sup>th</sup> through 7<sup>th</sup> floors.
- Included in CPIP:** Yes – 2023 CPIP Priority 5 of 38 in FY24 (estimated at \$1,075,021)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				45,000	45,000
All Sources				<u>45,000</u>	<u>45,000</u>

**Summary of Work:** The project will replace all obsolete fan coil units, relevant piping, electrical, controls, and insulation.

**Rationale:** The fan coil units have exceeded their life expectancy and parts for repairs and maintenance are difficult to source.

**Facility Characteristics:** The Dennis Building is approximately 247,543 square feet and was constructed in 1950 (74 years old). The fan coil units are 20+ years old. The Dennis Building is utilized by the Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. Approximately 750 staff plus various visitors utilize the building daily.

**Financial Impact:** The project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$8.02 million at October 24, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

**Full Project Estimate:** \$3,029,128 (internal) funded by Depreciation Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(j) Project: JBRC Item 11: Department of Administration  
D50.6141: Dennis Building – Roof Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing roof on the building.

Included in CPIP: Yes – 2023 CPIP Priority 25 of 38 in FY24 (estimated at \$1,200,000)

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				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Summary of Work: The project will replace the roof on the building. During Phase I the building envelope consultant will determine whether it is more cost effective to extend the service life of the existing roof or replace it at this time. All roofing material options will be evaluated during the Phase I process.

Rationale: The manufacturer’s warranty expired in May 2020 and the roof appears to have reached the end of its useful service life, requiring replacement.

Facility Characteristics: The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The roof was replaced in 2005 (19 years old). The building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$10.18 million at November 3, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,200,000 (internal) funded by Appropriated State Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(k) Project: JBRC Item 12: Department of Administration  
D50.6127: SC Data Center - Redundant Cooling System for Computer Room

Request: Establish Phase II Full Construction Budget to provide a redundant cooling system to the computer room.

Included in CPIP: Yes – 2023 CPIP Priority 35 of 38 in FY24 (estimated at \$500,000)

Phase I Approval: October 2023 (estimated at \$1,157,400) (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
Other, Division of Technology	17,361		17,361	1,140,039	1,157,400
All Sources	<u>17,361</u>		<u>17,361</u>	<u>1,140,039</u>	<u>1,157,400</u>

Summary of Work: The project will replace the existing redundant cooling system which will include 5 – 20-ton DX computer room AC Units, 1 – 7.5-ton DX computer room (B side UPS DC Coil) AC Unit, 6 condensers and associated pumps, piping, and insulation, as well as installation of instrumentation and controls, electrical work, site work, and minor general construction.

Rationale: The existing computer room air conditioning units are original to the building and have reached the end of their life expectancy. A redundant cooling system is needed to avert a shutdown of the computer room IT systems due to a loss of cooling by the existing system.

Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (25 years old). The building is utilized by approximately SC Division of Technology staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Other, Division of Technology Funds (uncommitted balance \$4.40 million at November 13, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,157,400 funded by Division of Technology Funds. Contract execution is expected in August 2024 and completion of construction in December 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(l) Project: JBRC Item 15: Office of the Adjutant General  
E24.9850: Office of the Adjutant General Facility Upgrades

Request: Establish Phase II Full Construction Budget for repairs/replacements at the facility.

Included in CPIP: Yes – 2023 CPIP priority 19 of 19 FY24 (estimated at \$1,500,000)  
Phase I Approval: October 2023 (estimated at \$1,500,000) (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, Operating	10,575		10,575	689,070	699,645
Federal, National Guard Bureau	11,925		11,925	777,030	788,955
All Sources	<u>22,500</u>		<u>22,500</u>	<u>1,466,100</u>	<u>1,488,600</u>

Summary of Work: The project will repair or replace interior finishes/flooring, individual workspace partition repair/replacement, doors and storefront systems, lighting, and site improvements.

Rationale: The finishes are original to the facility and the facility is in poor condition and does not meet current Security & Force Protection standards.

Facility Characteristics: The building is approximately 54,000 square feet and was constructed in 1987 (36 years old). The building is used by both State Civilian Employees, Federal Civilian Employees, Federal Technicians and National Guard Army and Air Employees. Approximately 130 individuals utilize this building daily.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.2 million at November 6, 2023), and Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project is not expected to result in any change in annual operating expenditures.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$1,488,600 funded by Appropriated State, Operating, and National Guard Bureau Funds. Contract execution is expected in March 2024 and completion of construction in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m)Project: JBRC Item 16: Office of the Adjutant General  
E24.9785: Multi-Purpose Machine Gun Range

Request: Increase Phase II Full Construction Budget to construct a multi-purpose machine gun range.

Included in CPIP: No – The funding was not available for this increase at the time of the 2023 CPIP submission.

Phase I Approval: October 2013 (estimated at \$6,196,120) (B&CB)

Phase I Increase Approval: August 2016 (estimated at \$6,196,120) (SFAA)

Phase II Approval: March 2021 (estimated at \$6,519,000) (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
Federal, National Guard Bureau	92,942	6,426,058	6,519,000	3,007,000	9,526,000
All Sources	<u>92,942</u>	<u>6,426,058</u>	<u>6,519,000</u>	<u>3,007,000</u>	<u>9,526,000</u>

Summary of Work: The new facilities to be constructed will consist of 6 firing points with automated target system. The supporting facilities include the range control tower, operations/storage building, covered mess, ammo breakdown building, covered bleachers, classroom, and utilities.

Rationale: There are currently no machine gun firing ranges in the state of South Carolina available to the SC Army National Guard for Qualification.

Facility Characteristics: The supporting facilities to be constructed will include a 289 square foot range control tower, 800 square foot operations/storage building, 800 square foot covered mess, 185 square foot ammo breakdown building, 726 square foot covered bleachers, and an 800 square foot classroom. Approximately 150 soldiers will utilize the range at a time, and it will be utilized by approximately 5,400 soldiers each year.

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023). Revenue to this fund is

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$10,000 (year 1), \$12,500 (year 2), and \$15,000 (year 3) in annual operating expenditures.

Full Project Estimate: \$9,526,000 funded by National Guard Bureau Funds. Contract execution is expected in March 2024 and completion of construction in December 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 17: Office of the Adjutant General  
E24.9811: Training Sites TT Enlisted Barracks Replacement

Request: Increase the Phase II Full Construction Budget and Revise Scope for this annualized project to cover the construction cost for one barrack (#4721) at the Clarks Hill Training Site and two barracks (#3501) and (#3934) at the McCrady Training Site.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 19 in FY24 (estimated at \$3,600,000)

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)

Phase II Increase Approval: December 2022 (estimated at \$4,170,732) (SFAA)

Phase II Increase Approval: August 2023 (estimated at \$6,978,732) (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	6,890,732	6,978,732	4,622,999	11,601,731
All Sources	<u>88,000</u>	<u>6,890,732</u>	<u>6,978,732</u>	<u>4,622,999</u>	<u>11,601,731</u>

Summary of Work: This annualized project was established to 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). Originally, the Clarks Hill Training Site included five (5) new 16-man barracks, and the McCrady Training site included five (5) new 32-man barracks. This scope revision request will remove one (1) 16-man barrack from the Clarks Hill Training Site and one (1) 32-man barrack from the McCrady Training Center. The project will now complete four (4) 16-man barracks at the Clarks Hill Training Site and four (4) 32-man barracks at the

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

McCrary Training site. 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. This project has been submitted to the Office of State Engineer for review, and they have approved the design selection of the standing seam metal roof. 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 McCrary Training Center barrack (#3511) has been completed and barrack (#3510) is currently being constructed. The Clarks Hill barracks (#4522) and (#4541) have been completed and barrack (#4542) is currently being constructed.

**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 four (4) new 32-man barracks buildings at McCrary Training Center will be approximately 4,700 square feet. Each of the four (4) 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 Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023). 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 expenditures.

**Full Project Estimate:** \$11,601,731 funded by National Guard Bureau Funds. Construction completion for McCrary Training Site (#3510) is anticipated in April 2024. Construction completion for Clarks Hill Training Site (#4542) is anticipated in July 2024. Contract execution is expected in March 2024 and completion of construction in December 2025 for McCrary Training Center barracks (#3501) and (#3934) and Clarks Hill Training Site barrack (#4721).

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (o) Project: BRC Item 18: Office of the Adjutant General  
E24.9812: Statewide Readiness Center Female Latrines
- Request: Increase the Phase II Full Construction Budget for the design of Eastover, Varnville, Manning and Georgetown.
- Included in CPIP: Yes – 2023 CPIP Priority 3 of 19 in FY24  
(this portion estimated at \$980,000 & estimated at \$5,677,200 for all 14 facilities)
- Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)  
Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)  
Phase II Increase Approval: May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)  
Phase II Increase Approval: October 2022 (estimated at \$5,677,200 for all 14 facilities) (SFAA)  
Phase II Increase Approval: March 2023 (estimated at \$5,677,200 for all 14 facilities) (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, Operating	12,500	1,057,561	1,070,061	154,000	1,224,061
Federal, National Guard Bureau	37,500	2,734,073	2,771,543		2,771,573
All Sources	<u>50,000</u>	<u>3,791,634</u>	<u>3,841,634</u>	<u>154,000</u>	<u>3,995,634</u>

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

**Summary of Work:** The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers included Batesburg, North Charleston, Conway, Dillon, Edgefield, Marion, Mt. Pleasant, Mullins, Rock Hill, Saluda, Seneca, Walterboro. Subsequently, Newberry, Kingstree, West Columbia, Wellford, Hartsville, and Abbeville were added. This request will remove Conway, Dillon, Mt. Pleasant, Mullins, and Seneca, and will add Eastover, Varnville, Manning and Georgetown. The North Charleston, Edgefield, Rock Hill, Saluda, Walterboro, Newberry, Kingstree, and West Columbia, facilities have been completed. Design is complete for Batesburg, Wellford, Abbeville, and Hartsville, and are currently being renovated but not yet completed. This request is for the design of Eastover, Marion, Varnville, Manning and Georgetown. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

**Rationale:** Due to the rising number of female soldier's adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.

**Facility Characteristics:** Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (35 years to 66 years old).

**Financial Impact:** This increase will be funded with Appropriated State, Operating Funds (uncommitted balance \$3.2 million at November 6, 2023). The project is expected to result in an increase of \$3,000 (years 1 thru 3), in annual operating expenditures.

**Full Project Estimate:** \$3,995,634 for this phase of the project with an estimated cost of \$5,677,200 (for all facilities), funded by Appropriated State and National Guard Bureau Funds. Construction completion for Batesburg, Wellford, Abbeville, and Hartsville is expected in April 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (p) Project: JBRC Item 19: Office of the Adjutant General  
E24.9826: Statewide Readiness Center Stand-By Emergency Generators
- Request: Increase Phase II Full Construction Budget and Revise Scope to install stand-by generators with automatic transfer switches.
- Included in CPIP: Yes – 2023 CPIP Priority 5 of 19 in FY24 (estimated at \$2,580,000)
- Phase I Approval: October 2020 (estimated at \$443,840) (JBRC)
- Phase II Approval: May 2021 (estimated at \$376,844) (JBRC)
- Phase II Increase Approval: April 2022 (estimated at \$457,600) (JBRC)
- Phase II Increase Approval: August 2022 (estimated at \$624,150) (JBRC)
- Phase II Increase Approval: December 2022 (estimated at \$857,566) (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
Appropriated State, Operating	1,664	212,727	214,392	816,270	1,030,662
Federal, National Guard Bureau	4,994	638,181	643,175	272,090	915,265
All Sources	<u>6,658</u>	<u>850,908</u>	<u>857,566</u>	<u>1,088,360</u>	<u>1,945,926</u>

Summary of Work: The project was established to construct and install stand-by generators with automatic transfer switches at the Georgetown, Marion, Mullins, Orangeburg, Walterboro, and Dillion Readiness Centers. Subsequently, North Charleston and Beaufort were added along with the installation only of Anderson. This request will complete construction of Marion, Beaufort, Varnville RC and designs for Varnville FMS, Manning FMS, McCrady Training Center Fire Station, and McCrady Training Center Water Treatment System. The work at each readiness center includes the generator, concrete pad, etc.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

**Rationale:** Additional locations have been added to the project due to our Federal Installation Energy and Water Plan. The plan focuses on sustainability and backup power in an emergency; therefore, the priority has shifted to coastal areas. Additionally, the McCrady Training Center Fire and Water Treatment plants were identified as critical areas that need to be addressed immediately. The fire station would not currently be able to respond without power and no drinking water would be supplied to the Training Center. The construction of the stand-by generators ensure continuous operations for the assigned units in the event commercial power is interrupted due to attacks on the power grid or during natural disasters. This project will contribute to energy security for the SC Army National Guard.

**Facility Characteristics:** The readiness centers support soldiers, firefighters, and staff of the SC Army National Guard.

**Financial Impact:** The project will be funded from Appropriated State Funds (uncommitted balance \$3.2 million at November 6, 2023) and Federal National Guard Bureau Funds (uncommitted balance \$5 million at November 6, 2023). 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 an increase of \$500 (years 1 thru 3) in annual operating expenditures.

**Full Project Estimate:** \$1,945,926 funded by Appropriated State and National Guard Bureau Funds. The total estimated cost to complete all readiness centers currently included in this annualized project is \$2,580,000. Contract execution for Marion, Beaufort, and Varnville RC is expected in March 2024 with construction completion in March 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (q) Project: JBRC Item 20: Office of the Adjutant General  
E24.9839: Wellford Readiness Center: Military Vehicle Expansion and New POV Parking
- Request: Increase Phase II Full Construction Budget to include storm water control structures in the project to convert existing Privately Owned Vehicle parking to Military Vehicle Parking.
- Included in CPIP: Yes – 2023 CPIP Priority 8 of 19 in FY24 (estimated at \$915,928)  
Phase I Approval: August 2022 (estimated at \$782,845) (JBRC)  
Phase II Approval: October 2023 (estimated at \$820,459) (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
Appropriated State, Operating	2,936	202,179	205,115	87,615	292,730
Federal, National Guard Bureau	8,809	606,535	615,344	112,650	727,994
All Sources	<u>11,745</u>	<u>808,714</u>	<u>820,459</u>	<u>200,265</u>	<u>1,020,724</u>

Summary of Work: The project will convert existing privately owned vehicle parking to military vehicle parking, to include new fencing and gates. Two new asphalt paved parking areas will be constructed (approximately 100 spaces), to make up for the lost parking. The project will also include construction/installation of storm water control systems to include catch basins, storm water piping and a detention basin.

Rationale: The initial cost estimate did not include storm water control structures. The 174th EN CO/WY1EAA lacks adequate Armory Unit Organizational Parking, which is equipment owned and maintained by the SC Army National Guard, and Non-Organizational Parking, which are vehicles owned and operated by soldiers of the SC Army National Guard or visitor/general public to the Armory. In an effort to resolve this problem, the SCARNG CFMO analyzed various options and determined that constructing a new Non-Organizational Parking Lot and converting the existing Non-Organizational Parking Lot into Armory Unit Organizational Parking was the best option. It was determined that constructing

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AGENCY: Department of Administration, Executive Budget Office

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new Armory Unit Organizational Parking as a capital improvement to the existing Armory Unit Organizational Parking would be cost prohibitive. The terrain in this area is steep which would require extensive fill and Readiness Center's septic tank drain field is located in this area. The extensive fill and relocation of the drain field would increase the project scope threefold. Based the CFMO for SC's calculations, the assigned unit (174 EN CO/WY1EAA) is authorized 3749 SY of non-org parking surfaced.  $(119 \text{ PAX} \times 35 \text{ SY} \times .90\% = 3749 \text{ SY})$ . Constructing the 3700 SY of Non-Organizational Parking Lot will meet the needs of the assigned unit.

**Facility Characteristics:** The Wellford Readiness Center and associated parking were constructed in 1978 (45 years old). The facility houses 174 Engineer Company staff. There are 119 soldiers assigned to the facility.

**Financial Impact:** The project will be funded from Appropriated State, Operating (uncommitted balance \$3.2 million at November 6, 2023) and Federal, National Guard Bureau Funds (uncommitted balance \$10 million on November 6, 2023) and Revenue to the National Guard Bureau 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 \$100 (year 1), and \$200 (year 2), and \$300 (year 3), in annual operating expenses.

**Full Project Estimate:** \$1,020,724 funded by Appropriated State, Operating and National Guard Bureau Funds. Contract execution is expected in February 2024 and completion of construction in September 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 23: Department of Mental Health  
J12.9860: Greenville MHC Roof Replacement

Request: Establish Phase I Pre-Design Budget to replace the roof.

Included in CPIP: Yes – 2023 CPIP Priority 23 of 33 in FY24 (estimated at \$1,800,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				23,256	23,256
All Sources				<u>23,256</u>	<u>23,256</u>

Summary of Work: The project will replace the roof and thermal insulation. All roofing material options will be evaluated during the Phase I process.

Rationale: On December 25, 2022, the Greenville Community Mental Health Center experienced significant water damage due to a fire sprinkler pipe freezing and causing the pipe to burst. This occurred in the interior attic space. As a result, the R-30 10” batt insulation is falling from the underside of the roof rafters. Terracon Consultants conducted a building envelope study and discovered that the baffles and insulation system has fallen in multiple locations throughout the building attic causing thermal breaches. Because of the impact to the interior spaces related to removal and replacement of the baffles and insulation, a more economical option is to replace the roof and provide the thermal layer above the roof deck instead of in the attic spaces. Adding the thermal layer above the roof deck will allow the roof deficiencies to be corrected at the same time.

Facility Characteristics: The Greenville Mental Health Center is 42,495 square feet and was constructed in 2003 (20 years old). The roof and thermal insulation are original to the building. The building is utilized by 165 staff who see 3,100 patients a month.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts

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appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,550,400 (internal) funded by Capital Improvement & Maintenance Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (s) Project: JBRC Item 24: Department of Mental Health  
J12.9830: CFSH Psychiatric Residential Treatment Facility Building Construction
- Request: Establish Phase II Full Construction Budget to construct a new Psychiatric Residential Treatment Facility on the Crafts Farrow State Hospital Campus
- Included in CPIP: Yes – 2023 CPIP Priority 3 of 33 in FY24 (estimated at \$19,275,000)  
Phase I Approval: August 2022 (estimated at \$19,275,000) (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
Other, Capital Improvement & Maintenance	289,125		289,125	1,180,578	1,469,703
Other, DJJ FY23 Appropriated State, Proviso 118.19 (B) (58) (a)				20,000,000	20,000,000
Other, HHS FY23 Appropriated State, Proviso 118.19 (B) (33) (d)				1,469,702	1,469,702
All Sources	<u>289,125</u>		<u>289,125</u>	<u>22,650,280</u>	<u>22,939,405</u>

Summary of Work: The project will construct an approximately 25,165 square foot 24 bed facility. The building shall include up to 24 bedrooms with attached bathrooms, communal living space, classrooms, food prep and dining, treatment rooms, inside and outside activity areas, laundry, staff office space, lobby, security, storage and mechanical and electrical space. The roof to be installed on the building will be a low slope 60 mil TPO membrane system and will come with a minimum 20-year material and workmanship warranty.

Rationale: The new building will be primarily designed to safely and securely house juveniles committed to DJJ who have been determined to have a mental illness requiring transfer to the Department of Mental Health for treatment, and whose

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

needs require a period of treatment in a psychiatric residential treatment facility, but whose needs cannot be met in an available private facility.

**Facility Characteristics:** The new facility will be approximately 25,165 square feet and located on the Crafts Farrow State Hospital Campus. The facility will house up to 24 mental health patients and 150 staff.

**Financial Impact:** This phase of the project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023), Other, DJJ FY23 Appropriated State (nonrecurring) (uncommitted balance \$20 million at October 16, 2023), and HHS FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$5 million at October 16, 2023). Revenue to the Capital Improvement & Maintenance Fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of \$3,908,789 (year 2), and \$8,272,157 (year 3), in annual operating expenditures.

**Full Project Estimate:** \$22,939,405 funded by Capital Improvement & Maintenance, DJJ Appropriated State (nonrecurring), and HHS Appropriated State Funds. (nonrecurring) Funds. Contract execution is expected in September 2024 and completion of construction in September 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (t) Project: JBRC Item 26: Department of Mental Health  
J12.9848: Lancaster MHC Building Improvements
- Request: Establish Phase II Full Construction Budget to make improvements to the Lancaster Mental Health Center.
- Included in CPIP: Yes – 2023 CPIP Priority 10 of 33 in FY24 (estimated at \$450,000)  
Phase I Approval: June 2023 (estimated at \$450,000) (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
Other, Capital Improvement & Maintenance	6,750		6,750	1,060,250	1,067,000
All Sources	<u>6,750</u>		<u>6,750</u>	<u>1,060,250</u>	<u>1,067,000</u>

Summary of Work: The project will replace the fire sprinkler system, replace the fire alarm system, renovate four (4) single use restrooms, renovate lobby front desk area, replace light fixtures with LED, mechanical duct work, new wall finishes, flooring, windows, casework/counter tops, lay in acoustical ceiling, etc.

Rationale: Repairing and replacing the fire sprinkler system, fire alarm, plumbing fixtures, electrical fixtures, and interior finishes will reduce maintenance costs and reduce energy costs, per the agency.

Facility Characteristics: The Lancaster Mental Health Clinic is 6,123 square feet and was constructed in 1997 (27 years old). The fire sprinkler, fire alarm, & interior finishes are original to the building. The center provides emergency services, case management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Lancaster County and surrounding areas. The facility sees an average of 297 patients a day and has 13 staff.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,000 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,067,000 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2024 and completion of construction in December 2024. The estimated cost to complete the project has increased from the Phase I and the 2023 CPIP submission because the internal project estimate was calculated by averaging the total cost of similar projects completed within the agency in the past 5 years. This internal estimate omitted material inflation and its correlation to construction labor increases.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(u) Project: JBRC Item 28: Department of Mental Health  
 J12.9852: Anderson MHC Building Purchase

Request: Establish Final Land Acquisition to purchase of 3.05+/- acres and a building in Anderson.

Included in CPIP: No – The building was not available for purchase during the 2022 CPIP submission process.

Phase I Approval: August 2023 (estimated at \$4,520,000) (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
Other, Capital Improvement & Maintenance	20,000		20,000	4,400,000	4,420,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>4,400,000</u>	<u>4,420,000</u>

Rationale: Acquisition of this property will allow the agency to discontinue leasing the current Anderson Mental Health Center (MHC) buildings from Anderson County. The existing MHC buildings require new HVAC, roof, foundation repairs, parking lot replacement/expansion, fire alarm replacement, and general updates. The estimated cost to make these improvements is \$3 million+.

Characteristics: The building and property is located at 1 Linwa Boulevard and is a 28,000 square foot 2-story brick building located on 3.05 acres and was constructed in 2002 (18 years old). The building was renovated in 2012, has 136 paved parking spaces, and has easy access to North Highway 81. The clinic will have 80 staff and see 3,500 patients annually.

Financial Impact: The property is offered by NewSpring Church, Inc., for \$4,300,000. An additional \$100K has been added to cover closing costs. The acquisition will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is derived from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

their State Treasurer approved qualified use. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 thru 3), in annual operating expenditures. If acquired, approximately \$750K in updates and repairs will be needed to correct any building system deficiencies, and to modify the building to suit the needs of the clinic. An appraisal was completed in October 2023 and valued the property at \$4,400,000. A Phase I Environmental Site Assessment was completed in October 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in October 2023 and found some immediate and short-term deficiencies. The estimated cost to correct these items is \$436K. Letters of support are not required because the property is owned by a nonprofit entity.

Full Project Estimate: \$4,420,000 funded by Capital Improvement & Maintenance Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(v) Project: JBRC Item 32: Department of Parks, Recreation & Tourism  
P28.9830: Property Acquisition – Black River Weyerhaeuser

Request: Establish Final Land Acquisition to purchase 1,800+/- acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (estimated at \$5,775,000)

Phase I Approval: August 2023 (estimated at \$5,775,000) (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
Federal, CELP Grant				4,497,500	4,497,500
Other, Park Revenue	15,000		15,000	45,000	60,000
Other, SC Office of Resilience				700,000	700,000
All Sources	<u>15,000</u>		<u>15,000</u>	<u>5,242,500</u>	<u>5,257,500</u>

Rationale: Acquisition of the property will offer residents and visitors a wilderness-quality experience along a coastal-plain river. Additionally, SCPRT’s presence in the region will help spur visitation and tourism in an economically depressed part of the state, per the agency. This tract is located near the town of Andrews is an important tract to connect and provide access to residents.

Characteristics: The property provides natural habitat associated with the Black River, including bottomland hardwood forest, fringe mixed hardwood forest, and loblolly pine forest. The Black River provides significant habitat for waterfowl, resident and migratory songbirds and wading birds and currently does, or could one day support, federally threatened and endangered species, including Red-cockaded Woodpeckers, Wood Storks, and Shortnose and Atlantic Sturgeon, all of which would benefit from the riverine protection proposed.

Financial Impact: In November 2023 Open Space Institute purchased the property from Weyerhaeuser Company for \$6,412,827. The agency will purchase the property from Open Space Institute for \$5,100,000. The acquisition will be funded from

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

Federal, Coastal and Estuarine Land Conservation Program (uncommitted balance \$4.5 million at September 14, 2023), Other, Park Revenue (uncommitted balance \$45K at October 24, 2023), and Other, SC Office of Resilience Funds (uncommitted balance \$700K at October 24, 2023). Revenue received from the CELP Grant comes from a Coastal Zone Management Habitat Protection and Restoration Infrastructure Investment and Jobs Act Competition grant proposal. Park Revenues are derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in May 2023 and valued the property at \$7,250,000. A Phase I Environmental Site Assessment was completed in July 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support have been received from Georgetown County and Georgetown County School District.

Full Project Estimate: \$5,257,500 funded by a CELP Federal Grant, Park Revenue, and Office of Resilience Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

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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.

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ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - January 30, 2024

SFAA Items - January 30, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Final Approval Type Needed	Action Proposed	Included in CPIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H12	Clemson University	9971	Williamson Road Parking Garage	SFAA	Establish Phase I	Yes	-	1,185,000	1,185,000	79,000,000	Other - Parking Improvement
(b)	2	H12	Clemson University	9942	Lehotsky Hall Replacement	SFAA	Phase II Increase	No	50,000,000	18,300,000	700,000	68,300,000	State Institution Bonds / Other - Maintenance & Stewardship
(c)	4	H15	College of Charleston	9687	176 Lockwood Exterior Repairs	SFAA	Establish Phase I	No	-	57,500	57,500	2,300,000	Other - Capital Improvement Project
(d)	5	H15	College of Charleston	9680	Buist Residence Hall 2024 Renovation	SFAA	Establish Phase II & Revise Scope	Yes	372,725	14,127,275	372,725	14,500,000	Other - Housing Revenue
(e)	6	H17	Coastal Carolina University	9625	Land Acquisition for Future Health and Human Performance Building	SFAA	Preliminary Land Acquisition	No	-	20,000	20,000	2,020,000	Other - Penny Sales Tax
(f)	7	H24	South Carolina State University (PSA)	9665	SC State PSA Research & Extension Center (Bamberg County)	SFAA	Establish Phase I	Yes	-	75,000	75,000	5,000,000	Federal - USDA Evans Allen Grant
(g)	Sep.	H27	University of South Carolina - Columbia	6153	Brain Health Institute	SFAA	Establish Phase II	Yes	-	30,000,000	-	30,000,000	Other - Department of Health and Human Services
(h)	9	H47	Winthrop University	9615	Purchase Campus Walk Apartments	SFAA	Preliminary Land Acquisition	No	-	20,000	20,000	35,500,000	Other - Housing Revenue
(i)	10	D50	Department of Administration	6140	Dennis Building - Fan Coil Units and Water Line Replacements, Floors 4-7	SFAA	Establish Phase I	Yes	-	45,000	45,000	3,029,128	Other - Depreciation Reserve
(j)	11	D50	Department of Administration	6141	Dennis Building - Roof Replacement	SFAA	Establish Phase I	Yes	-	20,000	20,000	1,200,000	Appropriated State
(k)	12	D50	Department of Administration	6127	SC Data Center - Redundant Cooling System for Computer Room	SFAA	Establish Phase II	Yes	17,361	1,140,039	17,361	1,157,400	Other - Division of Technology
(l)	15	E24	Office of the Adjutant General	9850	Office of the Adjutant General Facility Upgrades	SFAA	Establish Phase II	Yes	22,500	1,466,100	22,500	1,488,600	Appropriated State - Operating / Federal - National Guard Bureau
(m)	16	E24	Office of the Adjutant General	9785	Multi-Purpose Machine Gun Range	SFAA	Phase II Increase	No	6,519,000	3,007,000	92,942	9,526,000	Federal - National Guard Bureau
(n)	17	E24	Office of the Adjutant General	9811	Training Sites TT Enlisted Barracks Replacement	SFAA	Phase II Increase & Revise Scope	Yes	6,978,732	4,622,999	88,000	11,601,731	Federal - National Guard Bureau
(o)	18	E24	Office of the Adjutant General	9812	Statewide Readiness Center Female Latrines	SFAA	Phase II Increase	Yes	3,841,634	154,000	50,000	3,995,634	Appropriated State - Operating / Federal - National Guard Bureau
(p)	19	E24	Office of the Adjutant General	9826	Statewide Generators	SFAA	Phase II Increase & Revise Scope	Yes	857,566	1,088,360	6,658	1,945,926	Appropriated State - Operating / Federal - National Guard Bureau
(q)	20	E24	Office of the Adjutant General	9839	Wellford Readiness Center: Military Vehicle Expansion and New POV Parking	SFAA	Phase II Increase	Yes	820,459	200,265	11,745	1,020,724	Appropriated State - Operating / Federal - National Guard Bureau
(r)	23	J12	Department of Mental Health	9860	Greenville MHC Roof Replacement	SFAA	Establish Phase I	Yes	-	23,256	23,256	1,550,400	Other - Capital Improvement & Maintenance
(s)	24	J12	Department of Mental Health	9830	CFSH Psychiatric Residential Treatment Facility Building Construction	SFAA	Establish Phase II	Yes	289,125	22,650,280	289,125	22,939,405	Other - Capital Improvement & Maintenance / Other - DJJ FY23 Appropriated State, Proviso 118.19 (B) (58) (a) / Other - HHS FY23 Appropriated State, Proviso 118.19 (B) (33) (d)
(t)	26	J12	Department of Mental Health	9848	Lancaster MHC Building Improvements	SFAA	Establish Phase II	Yes	6,750	1,060,250	6,750	1,067,000	Other - Capital Improvement & Maintenance
(u)	28	J12	Department of Mental Health	9852	Anderson MHC Building Purchase	SFAA	Final Land Acquisition	No	20,000	4,400,000	20,000	4,420,000	Other - Capital Improvement & Maintenance
(v)	32	P28	Department of Parks, Recreation & Tourism	9830	Property Acquisition - Black River Weyerhaeuser	SFAA	Final Land Acquisition	Yes	15,000	5,242,500	15,000	5,257,500	Federal - CELP Grant / Other - Park Revenue / Other - SC Office of Resilience

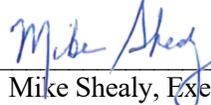
**STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET**

Meeting Scheduled for: **January 30, 2024**

**Regular Agenda**

**1. Submitted By:**

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

  
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 Mike Shealy, Executive Budget Office

**2. Permanent Improvement Projects**

**3. Summary Background Information:**

- (a) Project: JBRC Item 1: Clemson University  
H12.9971: Williamson Road Parking Garage
- Request: Establish Phase I Pre-Design Budget to construct a new parking facility by the newly aligned Williamson Road to the East and Perimeter Road to the South.
- Included in CPIP: Yes – 2023 CPIP Priority 5 of 7 in FY24 (estimated at \$95,000,000)
- CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Parking Improvement				1,185,000	1,185,000
All Sources				<u>1,185,000</u>	<u>1,185,000</u>

**Summary of Work:** The project will construct a 432,000 square foot, six level, approximately 1,200 space parking facility. The parking structure will be constructed with either pre-cast or post-tensioned cast in place concrete. Construction of the parking facility will likely also include masking or fenestration, a pedestrian bridge providing direct access to the core campus, elevators, and parking access technology. The selected site offers convenience to visitors and commuters and sloping terrain minimizing visual impact of the structure and ensuring that no parking levels are below grade. The sloping terrain of this site and location near the existing road network allows for entry/egress from both Williamson Road and Perimeter Road and allows access on multiple levels of the structure that minimizes traffic congestion to, from, and within the structure.

**Rationale:** The University parking system is fully utilized as of 2023 with an anticipated enrollment growth rate of 2 percent annually, per the university. It is anticipated that future facility construction, including classrooms, laboratories, housing, and campus amenities will displace existing, centrally located parking supply, further pressuring parking supply. This facility will be located centrally near the new alumni center and will provide high-density parking for alumni, visitors, athletic functions, current students, and prospective students on campus tours.

**Facility Characteristics:** Located near the School of Architecture, the Engineering Precinct, and along a Tiger Transit shuttle route, the new parking structure will serve as a key campus parking facility. Once parked, students, employees, and visitors will have direct pedestrian, bicycle, and transit access to the rest of campus. The new garage will be 432,000 square feet, six floors and have approximately 1,200 spaces to serve students, faculty, staff, and visitors.

**Financial Impact:** This phase of the project will be funded from Parking Improvement Funds (uncommitted balance \$9.15 million at September 20, 2023). Revenue to this fund are part of the university Auxiliary Improvement Funds, which are for the university’s bond covenants

for the purposes of constructing, maintaining, improving and enhancing the university's auxiliary facilities. The project is expected to result in an increase of \$20,000 (year 1), \$125,000 (year 2), and \$196,240 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$79,000,000 (internal). Phase II will be funded by Revenue Bonds.

(b) Project: JBRC Item 2: Clemson University  
H12.9942: Lehotsky Hall Replacement

Request: Increase Phase II Full Construction Budget to cover bid costs received to demolish and rebuild Lehotsky Hall.

Included in CPIP: No – The project was not included in the 2023 CPIP because the decision to increase the project budget was not approved by their Board of Trustees until October.

Phase I Approval: May 2019 (estimated at \$30,000,000) (SFAA)

Phase I Increase,  
Revise Scope &  
Change Project Name

Approval: Approval 2022 (estimated at \$50,000,000) (SFAA)

Phase II & Change

Source of Funds

Approval: November 2022 (estimated at \$50,000,000) (SFAA)

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds		50,000,000	50,000,000		50,000,000
Other, Maintenance & Stewardship	700,000	(750,000)		18,300,000	18,300,000
All Sources	<u>700,000</u>	<u>49,250,000</u>	<u>50,000,000</u>	<u>18,300,000</u>	<u>68,300,000</u>

Summary of Work: The project will demolish and rebuild Lehotsky Hall. The new building will include classrooms, offices, laboratories and support spaces. There are two proposed roofing systems being planned for the new building as follows: 1) For non-occupied roof areas, the majority of the roof will be an elastomeric membrane roofing system. 2) For occupied roof areas, the roof system will be an elastomeric membrane roofing system under precast pavers. The roof will come with a minimum 20-year material and workmanship warranty. The facility will be sited adjacent to the Godley-Snell Research Center and across from the Life Sciences Building. Per the university, this location is ideal for the Department of Forestry and Environmental Conservation (FEC) as several FEC research faculty use the animal research facilities and equipment at Godley-Snell and the location provides FEC students with an “outdoor lab” for easy access to Hunnicutt Creek and numerous tree resources nearby. Further, the site allows for a spacious service yard to aid in the frequent movement of tree cuttings, soil samples and other large materials from the Experimental Forest without bringing these materials into the heart of campus.

Rationale: Unprecedented construction escalation and unforeseen site conditions have increased the project costs such that the approved budget cannot accommodate the programs currently contained in the building to be replaced. These programs are critical to the University's College of Agriculture, Forestry and Life Sciences and a variety of programs with statewide impact. The updated project budget reflects true costs based on hard bids from subcontractors to the CMR is based on 50% construction documents. This budget increase includes all aspects of the original scope for the replacement of the old facility while maintaining an appropriate owner-controlled contingency. In addition to the owner-controlled contingency this project has been designed to 90% of the construction budget. Lehotsky Hall is one of the most energy inefficient buildings on the Clemson campus, per the university. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire sprinkler and plumbing systems serving the labs do not meet current codes to ensure occupant safety. Further, the existing building was found to have major environmental, structural and seismic issues.

Facility Characteristics: Lehotsky Hall is 94,000 square feet and was constructed in 1978 (46 years old). The new building to be constructed will be approximately 85,000 square feet. The facility will house the Department of Forestry and Environmental Conservation, Clemson Online, the Office of Teaching Effectiveness/Innovation, Clemson Experimental Forest offices, 4-H Extension offices and governmental partner offices. The replacement facility will be used by approximately 570 students, 40 faculty, 60 staff members and 12 government partners.

Financial Impact: This increase will be funded by Maintenance & Stewardship Funds (uncommitted balance \$49.92 million at November 22, 2023). Revenue received in this fund are generated from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,925,134 over a 30-year period. The project is expected to result in an increase of \$552,500 (year 1), \$569,075 (year 2), and \$586,147 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$381 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$68,300,000 funded by State Institution Bonds and Maintenance & Stewardship Funds. Contract execution is expected in February 2024 and completion of construction in December 2025.

(c) Project: JBRC Item 4: College of Charleston  
H15.9687: 176 Lockwood Exterior Repairs

Request: Establish Phase I Pre-Design Budget to make exterior repairs on the building.

Included in CPIP: No – At the time of the 2023 CPIP submission, the scope of work for this project did not meet the dollar threshold requirements to qualify this as a PIP.

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				57,500	57,500
All Sources				<u>57,500</u>	<u>57,500</u>

Summary of Work: This project will replace all windows and doors, repair/modify synthetic stucco exterior finish, replace sealants and coatings, and replace the roof system. All roof material options will be evaluated during the Phase I process.

Rationale: Interiors remain in good condition, but moisture intrusion has damaged sheetrock and ceiling tiles. The synthetic stucco exterior finish system has significantly deteriorated. The windows have lost their insulating seals and deteriorated gaskets are allowing water to penetrate the building envelope. The metal steep roof system is rusting and chalking despite being recoated in 2017. Addressing these issues in an early stage will prevent further deterioration, per the college.

Facility Characteristics: The building is 25,383 gross square feet and was constructed in 1988 (36 years old). There have been no major exterior renovations since the original construction. The building houses the division of Business Affairs, and the Office of Budget and Payroll Services. The offices of the Controller and Procurement work remotely but maintain shared workstations and meeting rooms. This facility is also home to the Joseph P. Riley Jr. Center for Livable Communities. The Center is an interdisciplinary initiative of the College of Charleston whose mission is to leverage the intellectual resources of the College to support the economic and cultural vibrancy of the City of Charleston and other communities throughout South Carolina, the United States, and around the world. Approximately 20 undergraduate students, 10 graduate students, 4 faculty, and 30 staff utilize the building daily.

Financial Impact: The project will be funded from Capital Improvement Project Funds (uncommitted balance \$22 million on October 12, 2023). Revenues to this fund are generated from the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$3,400 (year 1), \$3,502 (year 2), and \$3,607 (year 3), in annual operating expenditures. The Phase I amount is 2.50% of the estimated cost to complete the project and the additional funds will be used to cover overhead costs to solicit and retain a contracting partner earlier in the process than the usual Design-Build process. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$2,300,000 (internal) funded by Capital Improvement Project Funds.

(d) Project: JBRC Item 5: College of Charleston  
H15.9680: Buist Residence Hall 2024 Renovation

Request: Establish Phase II Full Construction Budget and Revise Scope to complete work on the first floor to add additional beds in this project to complete interior renovations and exterior envelope maintenance on the Buist Rivers Residence Hall.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 10 in FY24 (estimated at \$14,909,020)

Phase I Approval: January 2023 (estimated at \$14,909,020) (SFAA)

CHE Approval: Approved by CHE Board on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	372,725		372,725	14,127,275	14,500,000
All Sources	<u>372,725</u>		<u>372,725</u>	<u>14,127,275</u>	<u>14,500,000</u>

Summary of Work: The project will replace the plumbing and electrical infrastructure; replace the two-pipe HVAC and domestic hot water systems that are original to the building; replace lighting with LED fixtures; redesign the six community restrooms for increased privacy/security; and renovate the community lounge, laundry and kitchen spaces. All interior finishes, furniture and signage will also be replaced. Seven rooms (14 beds) will be added to the first floor by reconfiguring office space, common space and infilling an unused covered porch. These additional beds will bring the total beds in the building to 116. All improvements are within the building's original footprint. On the exterior, envelope maintenance (flashing repairs and recaulking) will be completed. The existing granular surfaced two ply granular surfaced (SBS) roof system will be replaced with a 2-ply modified bitumen roof system that will come with a minimum 20-year material and workmanship warranty.

Rationale: The copper pipes for HVAC are over 50 years old and are corroding, creating leaks through rooms below. Concealed HVAC pipe insulation is believed to contain asbestos. The last significant renovation was in 2007/2008 and included roof replacement, new windows, and resealing exterior stucco. Select HVAC and restroom upgrades, and a new fire sprinkler and alarm system were also included. In September 2022, a feasibility report found that the existing roof is in fair to good condition and noted deficiencies. It was recommended at that time that interim repairs such as replacing EPDM on walls, and repairs to elastomeric coating be made. Per the college, the roof is not in a state of disrepair but desires to replace the roof at this time while the building is offline and before it becomes a problem.

Facility Characteristics: Buist Rivers Residence Hall is 30,364 gross square feet and was constructed in 1967 (57 years old). The four-level building is a 102-bed traditional style residence hall and was the College's first dedicated all-female residential facility. The existing ground floor consists of common spaces. Each of the upper three floors contain 18 double-capacity student rooms, one community lounge and two community restrooms. In a typical academic year, the facility houses 102 undergraduate students among three identical floors. The residence hall also contains three administrative offices, a centralized laundry facility, a student lounge/assembly room, and a staff apartment.

Financial Impact: The project will be funded from Housing Revenue Funds (uncommitted balance \$19.27 million at December 13, 2023). 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 \$6,000 (year 1), \$6,180 (year 2), and \$6,365 (year 3), in annual operating expenditures. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently

pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$14,500,000 funded by Housing Revenue Funds. Contract execution is expected in April 2024 and completion of construction in July 2025.

(e) Project: JBRC Item 6: Coastal Carolina University  
 H17.9625: Land Acquisition for Future Health and Human Performance Building

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of a +/-8.41-acre parcel on the main campus owned by the Coastal Educational Foundation.

Included in CPIP: No – The preferred location of the new Health and Human Performance building (included in the 2023 CPIP), was not determined until after the 2023 CPIP submission.

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Penny Sales Tax				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The acquisition is necessary to begin the planning process for the construction of a new academic building to house the CMC College of Health and Human Performance, as well as a detached parking structure to accommodate approximately 400 vehicles.

Characteristics: The property located on the university’s main campus and is the current location of the track and field facilities. The track will be demolished and relocated.

Financial Impact: The property is offered by the Coastal Educational Foundation for the proposed purchase price of \$2,000,000. The due diligence activities will be funded from Penny Sales Tax Funds (uncommitted balance \$40.80 million at October 12, 2023). Revenue to this fund is derived from legislation that guarantees that the university will receive 13.3% of the sales tax collections until 2039, and can be utilized for construction, renovation, land acquisition or to offset debt service payments. The project is expected to result in a decrease of \$23,674 (years 1 thru 3), in annual operating expenditures. If the property is acquired, an approximately 64,000 square foot academic building and detached parking structure will be constructed as part of a separate project for an estimated cost of \$53.1 million and will be funded by Penny Sales Tax funds. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$210 per student per semester (instate), and \$475 per student per semester (out of state) and has decreased from \$505 in the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$2,020,000 (internal) funded by Penny Sales Tax Funds.

(f) Project: JBRC Item 7: South Carolina State University (PSA)  
 H24.9665: SC State PSA Research & Extension Center (Bamberg County)

Request: Establish Phase I Pre-Design Budget to construct a new Research & Extension Center in Bamberg County.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 2 in FY24 (estimated at \$2,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Evans Allen Grant				75,000	75,000
All Sources				<u>75,000</u>	<u>75,000</u>

Summary of Work: The project will construct an approximately 20,000 square foot Olar Farm 1890 Research & Extension Center. This building will be a one-story traditional building with metal siding, simulating a farm facility. The facility will have 4 research labs, 10 offices, 3 multipurpose rooms that can open out to a large gathering space, 2 maker spaces, as well as 2 resident scientist suites. The building will be designed to meet Two Green Globes certification standards. All roofing material options will be evaluated during the Phase I process.

Rationale: The facility is needed to provide an administrative, programmatic and research areas for existing and future staff as well as volunteers to fulfill the Land Grant mission of providing research, teaching and extension programs to the citizenry of South Carolina. Additionally, the facility will offer staff, professors, researchers and volunteers the opportunity to engage the community in enhancing economic development and lifelong learning opportunities for the community, youth, families, and businesses.

Facility Characteristics: The approximately 20,000 square foot Agricultural Processing & Research Station will be located at the Research & Demonstration Farm in Olar, South Carolina. The facility will be utilized by 16 students, 8 to 10 faculty/researchers, 6 staff, and approximately 4,500 to 5,200 clients for SC State Public Service Activities.

Financial Impact: The project will be funded from Federal, USDA Evans Allen Grant Funds (uncommitted balance \$6.83 million at December 5, 2023). The project is expected to result in an increase of \$160,966 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$5,000,000 (internal) funded by USDA Evans Allen Grant Funds.

(g) Project: JBRC Separate Item: University of South Carolina - Columbia  
H27.6153: Brain Health Institute

Request: Request to bypass Phase I and Establish Phase II Full Construction Budget to renovate Medical Park Building #15.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 16 in FY24 (estimated at \$30,000,000)

CHE Approval: Pending CHE Board Approval

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Department of Health and Human Services (FY24 Proviso 33.32)				30,000,000	30,000,000
All Sources				<u>30,000,000</u>	<u>30,000,000</u>

Summary of Work: This project will complete renovations necessary to accommodate two magnetic resonance imaging machines, along with related infrastructure to meet the extraordinary electrical demand of the scanners, and new HVAC, fire sprinkler, and other structural requirements and equipment necessary for this specialized facility.

Rationale: The project will locate the Brain Health Institute within the existing Medical Park #15 Building after an extensive renovation. The institute will provide dual support for clinical and research missions. The building offers an opportunity to create the institute and place it into operation more expeditiously than constructing a new facility.

Facility Characteristics: Medical Park #15 Building is 74,846 square feet and was constructed in 1975 (49 years old). The renovated building will be used all medical professionals and students that specialize in multidisciplinary care of individuals with neurological problems, cognitive complains, and dementia. Likewise, all patients that suffer from these issues will also use the renovated space. Approximately 2,000 faculty, staff, and patients will utilize the space.

Financial Impact: The project will be funded from Other, Department of Health and Human Services Funds (uncommitted balance \$30 million at November 1, 2023). FY24 Appropriated State, Proviso 33.32 (DHHS: Brain Health Initiative) authorizes the South Carolina Department of Health and Human Services to contract with the University of South Carolina to develop and implement a rural brain health network to among other things advance clinical care of dementia, promote translational research, and establish training and fellowship programs for health care providers. The Board of Trustees of the University approved the permanent improvement project at its meeting on August 18, 2023, and approved the contract with the Department of Health and Human Services for renovation of Medical Park Building 15 on December 19, 2023. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$30,000,000 (internal) funded by Department of Health and Human Services Funds. Contract execution is expected in July 2024 and completion of construction in August 2025.

(h) Project: JBRC Item 9: Winthrop University  
H47.9615: Purchase Campus Walk Apartments

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of the three buildings and approximately 6.5 acres over 7 parcels in York County.

Included in CPIP: No – The property was not available for purchase until after submission of the 2023 CPIP.

CHE Approval: Approved by CHE on 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: In Fall 2023 the university had more students seeking housing on campus than available beds. Beds (58-60) had to be rented from an off-campus apartment complex (Campus Walk). Additionally, other students were doubled and tripled in existing residence halls. Lastly, Winthrop plans to take another older 100 bed residence hall offline shortly.

Characteristics: The apartments to be acquired are on the boundary of campus, and adjacent to the Courtyard Apartments, and include the 58-60 beds which are the subject of the lease agreement referenced above. There are 3 buildings totaling 495,720 square feet with 1, 2, 3 and 4 bed units, with 526 beds total. The buildings were constructed in 2003, 2006 & 2018. The property includes a pool plus parking lots, totaling approximately 6.5 acres.

Financial Impact: The property is offered by Walk to Campus Holdings, LLC – Ownership entity W2C Six LLC, W2C Seven LLC and W2C, Eleven LLC for the proposed purchase price of \$21,500,000 to \$35,500,000. The due diligence activities will be funded from Housing Revenue Funds (uncommitted balance \$7.05 million at November 30, 2023). Revenue to this fund is derived from excess housing funds accumulated from multiple prior years. The project is not expected to result in any change in annual operating expenditures. If the property is acquired, it is unknown if the buildings will require renovation. This will be determined during the Phase I process. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$543 per student per semester, and has increased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$21,500,000 to \$35,500,000 (internal). The Final Land Acquisition will likely be funded by bonds.

Other: As referenced above, Winthrop is currently leasing 58 beds from Walk to Campus Holdings, LLC. This lease was erroneously entered into without review of the Joint Bond Review Committee and without approval of the State Fiscal Accountability Authority. Winthrop is now asking for approval of the lease, which is addressed in a separate item.

(i) Project: JBRC Item 10: Department of Administration  
D50.6140: Dennis Building - Fan Coil Units and Water Line Replacements, Floors 4-7

Request: Establish Phase I Pre-Design Budget to replace fan coil units on the 4<sup>th</sup> through 7<sup>th</sup> floors.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 38 in FY24 (estimated at \$1,075,021)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				45,000	45,000
All Sources				<u>45,000</u>	<u>45,000</u>

Summary of Work: The project will replace all obsolete fan coil units, relevant piping, electrical, controls, and insulation.

Rationale: The fan coil units have exceeded their life expectancy and parts for repairs and maintenance are difficult to source.

Facility Characteristics: The Dennis Building is approximately 247,543 square feet and was constructed in 1950 (74 years old). The fan coil units are 20+ years old. The Dennis Building is utilized by the Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. Approximately 750 staff plus various visitors utilize the building daily.

Financial Impact: The project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$8.02 million at October 24, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$3,029,128 (internal) funded by Depreciation Reserve Funds.

(j) Project: JBRC Item 11: Department of Administration  
D50.6141: Dennis Building – Roof Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing roof on the building.

Included in CPIP: Yes – 2023 CPIP Priority 25 of 38 in FY24 (estimated at \$1,200,000)

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				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Summary of Work: The project will replace the roof on the building. During Phase I the building envelope consultant will determine whether it is more cost effective to extend the service life of the existing roof or replace it at this time. All roofing material options will be evaluated during the Phase I process.

Rationale: The manufacturer’s warranty expired in May 2020 and the roof appears to have reached the end of its useful service life, requiring replacement.

Facility Characteristics: The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The roof was replaced in 2005 (19 years old). The building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$10.18 million at November 3, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,200,000 (internal) funded by Appropriated State Funds.

(k) Project: JBRC Item 12: Department of Administration  
D50.6127: SC Data Center - Redundant Cooling System for Computer Room

Request: Establish Phase II Full Construction Budget to provide a redundant cooling system to the computer room.

Included in CPIP: Yes – 2023 CPIP Priority 35 of 38 in FY24 (estimated at \$500,000)

Phase I Approval: October 2023 (estimated at \$1,157,400) (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
Other, Division of Technology	17,361		17,361	1,140,039	1,157,400
All Sources	<u>17,361</u>		<u>17,361</u>	<u>1,140,039</u>	<u>1,157,400</u>

Summary of Work: The project will replace the existing redundant cooling system which will include 5 – 20-ton DX computer room AC Units, 1 – 7.5-ton DX computer room (B side UPS DC Coil) AC Unit, 6 condensers and associated pumps, piping, and insulation, as well as installation of instrumentation and controls, electrical work, site work, and minor general construction.

Rationale: The existing computer room air conditioning units are original to the building and have reached the end of their life expectancy. A redundant cooling system is needed to avert a shutdown of the computer room IT systems due to a loss of cooling by the existing system.

Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (25 years old). The building is utilized by approximately SC Division of Technology staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Other, Division of Technology Funds (uncommitted balance \$4.40 million at November 13, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,157,400 funded by Division of Technology Funds. Contract execution is expected in August 2024 and completion of construction in December 2025.

(l) Project: JBRC Item 15: Office of the Adjutant General  
E24.9850: Office of the Adjutant General Facility Upgrades

Request: Establish Phase II Full Construction Budget for repairs/replacements at the facility.

Included in CPIP: Yes – 2023 CPIP priority 19 of 19 FY24 (estimated at \$1,500,000)

Phase I Approval: October 2023 (estimated at \$1,500,000) (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, Operating	10,575		10,575	689,070	699,645
Federal, National Guard Bureau	11,925		11,925	777,030	788,955
All Sources	<u>22,500</u>		<u>22,500</u>	<u>1,466,100</u>	<u>1,488,600</u>

Summary of Work: The project will repair or replace interior finishes/flooring, individual workspace partition repair/replacement, doors and storefront systems, lighting, and site improvements.

Rationale: The finishes are original to the facility and the facility is in poor condition and does not meet current Security & Force Protection standards.

Facility Characteristics: The building is approximately 54,000 square feet and was constructed in 1987 (36 years old). The building is used by both State Civilian Employees, Federal Civilian Employees, Federal Technicians and National Guard Army and Air Employees. Approximately 130 individuals utilize this building daily.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.2 million at November 6, 2023), and Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,488,600 funded by Appropriated State, Operating, and National Guard Bureau Funds. Contract execution is expected in March 2024 and completion of construction in December 2024.

(m) Project: JBRC Item 16: Office of the Adjutant General  
E24.9785: Multi-Purpose Machine Gun Range

Request: Increase Phase II Full Construction Budget to construct a multi-purpose machine gun range.

Included in CPIP: No – The funding was not available for this increase at the time of the 2023 CPIP submission.

Phase I Approval: October 2013 (estimated at \$6,196,120) (B&CB)

Phase I Increase Approval: August 2016 (estimated at \$6,196,120) (SFAA)

Phase II Approval: March 2021 (estimated at \$6,519,000) (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
Federal, National Guard Bureau	92,942	6,426,058	6,519,000	3,007,000	9,526,000
All Sources	<u>92,942</u>	<u>6,426,058</u>	<u>6,519,000</u>	<u>3,007,000</u>	<u>9,526,000</u>

Summary of Work: The new facilities to be constructed will consist of 6 firing points with automated target system. The supporting facilities include the range control tower, operations/storage building, covered mess, ammo breakdown building, covered bleachers, classroom, and utilities.

Rationale: There are currently no machine gun firing ranges in the state of South Carolina available to the SC Army National Guard for Qualification.

Facility Characteristics: The supporting facilities to be constructed will include a 289 square foot range control tower, 800 square foot operations/storage building, 800 square foot covered mess, 185 square foot ammo breakdown building, 726 square foot covered bleachers, and an 800 square foot classroom. Approximately 150 soldiers will utilize the range at a time, and it will be utilized by approximately 5,400 soldiers each year.

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023). 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 \$10,000 (year 1), \$12,500 (year 2), and \$15,000 (year 3) in annual operating expenditures.

Full Project Estimate: \$9,526,000 funded by National Guard Bureau Funds. Contract execution is expected in March 2024 and completion of construction in December 2025.

(n) Project: JBRC Item 17: Office of the Adjutant General  
E24.9811: Training Sites TT Enlisted Barracks Replacement

Request: Increase the Phase II Full Construction Budget and Revise Scope for this annualized project to cover the construction cost for one barrack (#4721) at the Clarks Hill Training Site and two barracks (#3501) and (#3934) at the McCrady Training Site.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 19 in FY24 (estimated at \$3,600,000)  
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)  
Phase II Increase Approval: December 2022 (estimated at \$4,170,732) (SFAA)  
Phase II Increase Approval: August 2023 (estimated at \$6,978,732) (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	6,890,732	6,978,732	4,622,999	11,601,731
All Sources	<u>88,000</u>	<u>6,890,732</u>	<u>6,978,732</u>	<u>4,622,999</u>	<u>11,601,731</u>

Summary of Work: This annualized project was established to 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). Originally, the Clarks Hill Training Site included five (5) new 16-man barracks, and the McCrady Training site included five (5) new 32-man barracks. This scope revision request will remove one (1) 16-man barrack from the Clarks Hill Training Site and one (1) 32-man barrack from the McCrady Training Center. The project will now complete four (4) 16-man barracks at the Clarks Hill Training Site and four (4) 32-man barracks at the McCrady Training site. 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. This project has been submitted to the Office of State Engineer for review, and they have approved the design selection of the standing seam metal roof. 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 barrack (#3511) has been completed and barrack (#3510) is currently being constructed. The Clarks Hill barracks (#4522) and (#4541) have been completed and barrack (#4542) is currently being constructed.

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 four (4) new 32-man barracks buildings at McCrady Training Center will be approximately 4,700 square feet. Each of the four (4) 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 Federal, National Guard Bureau Funds (uncommitted balance \$10 million at November 6, 2023). 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 expenditures.

Full Project Estimate: \$11,601,731 funded by National Guard Bureau Funds. Construction completion for McCrady Training Site (#3510) is anticipated in April 2024. Construction completion for Clarks Hill Training Site (#4542) is anticipated in July 2024. Contract execution is expected in March 2024 and completion of construction in December 2025 for McCrady Training Center barracks (#3501) and (#3934) and Clarks Hill Training Site barrack (#4721).

(o) Project: JBRC Item 18: Office of the Adjutant General  
E24.9812: Statewide Readiness Center Female Latrines

Request: Increase the Phase II Full Construction Budget for the design of Eastover, Varnville, Manning and Georgetown.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 19 in FY24  
(this portion estimated at \$980,000 & estimated at \$5,677,200 for all 14 facilities)

Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)

Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)

Phase II Increase Approval: January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)

Phase II Increase Approval: May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)

Phase II Increase Approval: October 2022 (estimated at \$5,677,200 for all 14 facilities) (SFAA)

Phase II Increase Approval: March 2023 (estimated at \$5,677,200 for all 14 facilities) (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, Operating	12,500	1,057,561	1,070,061	154,000	1,224,061
Federal, National Guard Bureau	37,500	2,734,073	2,771,543		2,771,573
All Sources	<u>50,000</u>	<u>3,791,634</u>	<u>3,841,634</u>	<u>154,000</u>	<u>3,995,634</u>

Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers included Batesburg, North Charleston, Conway, Dillon, Edgefield, Marion, Mt. Pleasant, Mullins, Rock Hill, Saluda, Seneca, Walterboro. Subsequently, Newberry, Kingstree, West Columbia, Wellford, Hartsville, and Abbeville were added. This request will remove Conway, Dillon, Mt. Pleasant, Mullins, and Seneca, and will add Eastover, Varnville, Manning and Georgetown. The North Charleston, Edgefield, Rock Hill, Saluda, Walterboro, Newberry, Kingstree, and West Columbia, facilities have been completed. Design is complete for Batesburg, Wellford, Abbeville, and Hartsville, and are currently being renovated but not yet completed. This request is for the design of Eastover, Marion, Varnville, Manning and Georgetown. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

Rationale: Due to the rising number of female soldier's adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.

Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (35 years to 66 years old).

Financial Impact: This increase will be funded with Appropriated State, Operating Funds (uncommitted balance \$3.2 million at November 6, 2023). The project is expected to result in an increase of \$3,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$3,995,634 for this phase of the project with an estimated cost of \$5,677,200 (for all facilities), funded by Appropriated State and National Guard Bureau Funds. Construction completion for Batesburg, Wellford, Abbeville, and Hartsville is expected in April 2024.

(p) Project: JBRC Item 19: Office of the Adjutant General  
E24.9826: Statewide Readiness Center Stand-By Emergency Generators

Request: Increase Phase II Full Construction Budget and Revise Scope to install stand-by generators with automatic transfer switches.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 19 in FY24 (estimated at \$2,580,000)

Phase I Approval: October 2020 (estimated at \$443,840) (JBRC)

Phase II Approval: May 2021 (estimated at \$376,844) (JBRC)

Phase II Increase Approval: April 2022 (estimated at \$457,600) (JBRC)

Phase II Increase Approval: August 2022 (estimated at \$624,150) (JBRC)

Phase II Increase Approval: December 2022 (estimated at \$857,566) (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
Appropriated State, Operating	1,664	212,727	214,392	816,270	1,030,662
Federal, National Guard Bureau	4,994	638,181	643,175	272,090	915,265
All Sources	<u>6,658</u>	<u>850,908</u>	<u>857,566</u>	<u>1,088,360</u>	<u>1,945,926</u>

Summary of Work: The project was established to construct and install stand-by generators with automatic transfer switches at the Georgetown, Marion, Mullins, Orangeburg, Walterboro, and Dillion Readiness Centers. Subsequently, North Charleston and Beaufort were added along with the installation only of Anderson. This request will complete construction of Marion, Beaufort, Varnville RC and designs for Varnville FMS, Manning FMS, McCrady Training Center Fire Station, and McCrady Training Center Water Treatment System. The work at each readiness center includes the generator, concrete pad, etc.

Rationale: Additional locations have been added to the project due to our Federal Installation Energy and Water Plan. The plan focuses on sustainability and backup power in an emergency; therefore, the priority has shifted to coastal areas. Additionally, the McCrady Training Center Fire and Water Treatment plants were identified as critical areas that need to be addressed immediately. The fire station would not currently be able to respond without power and no drinking water would be supplied to the Training Center. The construction of the stand-by generators ensure continuous operations for the assigned units in the event commercial power is interrupted due to attacks on the power grid or during natural disasters. This project will contribute to energy security for the SC Army National Guard.

Facility Characteristics: The readiness centers support soldiers, firefighters, and staff of the SC Army National Guard.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$3.2 million at November 6, 2023) and Federal National Guard Bureau Funds (uncommitted balance \$5 million at November 6, 2023). 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 an increase of \$500 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: \$1,945,926 funded by Appropriated State and National Guard Bureau Funds. The total estimated cost to complete all readiness centers currently included in this annualized project is \$2,580,000. Contract execution for Marion, Beaufort, and Varnville RC is expected in March 2024 with construction completion in March 2025.

(q) Project: JBRC Item 20: Office of the Adjutant General  
E24.9839: Wellford Readiness Center: Military Vehicle Expansion and New POV Parking

Request: Increase Phase II Full Construction Budget to include storm water control structures in the project to convert existing Privately Owned Vehicle parking to Military Vehicle Parking.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 19 in FY24 (estimated at \$915,928)

Phase I Approval: August 2022 (estimated at \$782,845) (JBRC)

Phase II Approval: October 2023 (estimated at \$820,459) (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
Appropriated State, Operating	2,936	202,179	205,115	87,615	292,730
Federal, National Guard Bureau	8,809	606,535	615,344	112,650	727,994
All Sources	<u>11,745</u>	<u>808,714</u>	<u>820,459</u>	<u>200,265</u>	<u>1,020,724</u>

Summary of Work: The project will convert existing privately owned vehicle parking to military vehicle parking, to include new fencing and gates. Two new asphalt paved parking areas will be constructed (approximately 100 spaces), to make up for the lost parking. The project will also include construction/installation of storm water control systems to include catch basins, storm water piping and a detention basin.

Rationale: The initial cost estimate did not include storm water control structures. The 174th EN CO/WY1EAA lacks adequate Armory Unit Organizational Parking, which is equipment owned and maintained by the SC Army National Guard, and Non-Organizational Parking, which are vehicles owned and operated by soldiers of the SC Army National Guard or visitor/general public to the Armory. In an effort to resolve this problem, the SCARNG CFMO analyzed various options and determined that constructing a new Non-Organizational Parking Lot and converting the existing Non-Organizational Parking Lot into Armory Unit Organizational Parking was the best option. It was determined that constructing new Armory Unit Organizational Parking as a capital improvement to the existing Armory Unit Organizational Parking would be cost prohibitive. The terrain in this area is steep which would require extensive fill and Readiness Center's septic tank drain field is located in this area. The extensive fill and relocation of the drain field would increase the project scope threefold. Based the CFMO for SC's calculations, the assigned unit (174 EN CO/WY1EAA) is authorized 3749 SY of non-org parking surfaced. (119 PAX x 35 SY x .90% = 3749 SY). Constructing the 3700 SY of Non-Organizational Parking Lot will meet the needs of the assigned unit.

Facility Characteristics: The Wellford Readiness Center and associated parking were constructed in 1978 (45 years old). The facility houses 174 Engineer Company staff. There are 119 soldiers assigned to the facility.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.2 million at November 6, 2023) and Federal, National Guard Bureau Funds (uncommitted balance \$10 million on November 6, 2023) and Revenue to the National Guard Bureau 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 \$100 (year 1), and \$200 (year 2), and \$300 (year 3), in annual operating expenses.

Full Project Estimate: \$1,020,724 funded by Appropriated State, Operating and National Guard Bureau Funds. Contract execution is expected in February 2024 and completion of construction in September 2024.

(r) Project: JBRC Item 23: Department of Mental Health  
 J12.9860: Greenville MHC Roof Replacement

Request: Establish Phase I Pre-Design Budget to replace the roof.

Included in CPIP: Yes – 2023 CPIP Priority 23 of 33 in FY24 (estimated at \$1,800,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				23,256	23,256
All Sources				<u>23,256</u>	<u>23,256</u>

Summary of Work: The project will replace the roof and thermal insulation. All roofing material options will be evaluated during the Phase I process.

Rationale: On December 25, 2022, the Greenville Community Mental Health Center experienced significant water damage due to a fire sprinkler pipe freezing and causing the pipe to burst. This occurred in the interior attic space. As a result, the R-30 10” batt insulation is falling from the underside of the roof rafters. Terracon Consultants conducted a building envelope study and discovered that the baffles and insulation system has fallen in multiple locations throughout the building attic causing thermal breaches. Because of the impact to the interior spaces related to removal and replacement of the baffles and insulation, a more economical option is to replace the roof and provide the thermal layer above the roof deck instead of in the attic spaces. Adding the thermal layer above the roof deck will allow the roof deficiencies to be corrected at the same time.

Facility Characteristics: The Greenville Mental Health Center is 42,495 square feet and was constructed in 2003 (20 years old). The roof and thermal insulation are original to the building. The building is utilized by 165 staff who see 3,100 patients a month.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,550,400 (internal) funded by Capital Improvement & Maintenance Funds.

(s) Project: JBRC Item 24: Department of Mental Health  
 J12.9830: CFSH Psychiatric Residential Treatment Facility Building Construction

Request: Establish Phase II Full Construction Budget to construct a new Psychiatric Residential Treatment Facility on the Crafts Farrow State Hospital Campus

Included in CPIP: Yes – 2023 CPIP Priority 3 of 33 in FY24 (estimated at \$19,275,000)

Phase I Approval: August 2022 (estimated at \$19,275,000) (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
Other, Capital Improvement & Maintenance	289,125		289,125	1,180,578	1,469,703
Other, DJJ FY23 Appropriated State, Proviso 118.19 (B) (58) (a)				20,000,000	20,000,000
Other, HHS FY23 Appropriated State, Proviso 118.19 (B) (33) (d)				1,469,702	1,469,702
All Sources	<u>289,125</u>		<u>289,125</u>	<u>22,650,280</u>	<u>22,939,405</u>

Summary of Work: The project will construct an approximately 25,165 square foot 24 bed facility. The building shall include up to 24 bedrooms with attached bathrooms, communal living space, classrooms, food prep and dining, treatment rooms, inside and outside activity areas, laundry, staff office space, lobby, security, storage and mechanical and electrical space. The roof to be installed on the building will be a low slope 60 mil TPO membrane system and will come with a minimum 20-year material and workmanship warranty.

Rationale: The new building will be primarily designed to safely and securely house juveniles committed to DJJ who have been determined to have a mental illness requiring transfer to the Department of Mental Health for treatment, and whose needs require a period of treatment in a psychiatric residential treatment facility, but whose needs cannot be met in an available private facility.

Facility Characteristics: The new facility will be approximately 25,165 square feet and located on the Crafts Farrow State Hospital Campus. The facility will house up to 24 mental health patients and 150 staff.

Financial Impact: This phase of the project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023), Other, DJJ FY23 Appropriated State (nonrecurring) (uncommitted balance \$20 million at October 16, 2023), and HHS FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$5 million at October 16, 2023). Revenue to the Capital Improvement & Maintenance Fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of \$3,908,789 (year 2), and \$8,272,157 (year 3), in annual operating expenditures.

Full Project Estimate: \$22,939,405 funded by Capital Improvement & Maintenance, DJJ Appropriated State (nonrecurring), and HHS Appropriated State Funds. (nonrecurring) Funds. Contract execution is expected in September 2024 and completion of construction in September 2025.

(t) Project: JBRC Item 26: Department of Mental Health  
 J12.9848: Lancaster MHC Building Improvements

Request: Establish Phase II Full Construction Budget to make improvements to the Lancaster Mental Health Center.

Included in CPIP: Yes – 2023 CPIP Priority 10 of 33 in FY24 (estimated at \$450,000)  
 Phase I Approval: June 2023 (estimated at \$450,000) (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
Other, Capital Improvement & Maintenance	6,750		6,750	1,060,250	1,067,000
All Sources	<u>6,750</u>		<u>6,750</u>	<u>1,060,250</u>	<u>1,067,000</u>

Summary of Work: The project will replace the fire sprinkler system, replace the fire alarm system, renovate four (4) single use restrooms, renovate lobby front desk area, replace light fixtures with LED, mechanical duct work, new wall finishes, flooring, windows, casework/counter tops, lay in acoustical ceiling, etc.

Rationale: Repairing and replacing the fire sprinkler system, fire alarm, plumbing fixtures, electrical fixtures, and interior finishes will reduce maintenance costs and reduce energy costs, per the agency.

Facility Characteristics: The Lancaster Mental Health Clinic is 6,123 square feet and was constructed in 1997 (27 years old). The fire sprinkler, fire alarm, & interior finishes are original to the building. The center provides emergency services, case management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Lancaster County and surrounding areas. The facility sees an average of 297 patients a day and has 13 staff.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,000 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,067,000 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2024 and completion of construction in December 2024. The estimated cost to complete the project has increased from the Phase I and the 2023 CPIP submission because the internal project estimate was calculated by averaging the total cost of similar projects completed within the agency in the past 5 years. This internal estimate omitted material inflation and its correlation to construction labor increases.

(u) Project: JBRC Item 28: Department of Mental Health  
J12.9852: Anderson MHC Building Purchase

Request: Establish Final Land Acquisition to purchase of 3.05+/- acres and a building in Anderson.

Included in CPIP: No – The building was not available for purchase during the 2022 CPIP submission process.

Phase I Approval: August 2023 (estimated at \$4,520,000) (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
Other, Capital Improvement & Maintenance	20,000		20,000	4,400,000	4,420,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>4,400,000</u>	<u>4,420,000</u>

Rationale: Acquisition of this property will allow the agency to discontinue leasing the current Anderson Mental Health Center (MHC) buildings from Anderson County. The existing MHC buildings require new HVAC, roof, foundation repairs, parking lot replacement/expansion, fire alarm replacement, and general updates. The estimated cost to make these improvements is \$3 million+.

Characteristics: The building and property is located at 1 Linwa Boulevard and is a 28,000 square foot 2-story brick building located on 3.05 acres and was constructed in 2002 (18 years old). The building was renovated in 2012, has 136 paved parking spaces, and has easy access to North Highway 81. The clinic will have 80 staff and see 3,500 patients annually.

Financial Impact: The property is offered by NewSpring Church, Inc., for \$4,300,000. An additional \$100K has been added to cover closing costs. The acquisition will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$22.15 million at October 16, 2023). Revenue to this fund is derived from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 thru 3), in annual operating expenditures. If acquired, approximately \$750K in updates and repairs will be needed to correct any building system deficiencies, and to modify the building to suit the needs of the clinic. An appraisal was completed in October 2023 and valued the property at \$4,400,000. A Phase I Environmental Site Assessment was completed in October 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in October 2023 and found some immediate and short-term deficiencies. The estimated cost to correct these items is \$436K. Letters of support are not required because the property is owned by a nonprofit entity.

Full Project Estimate: \$4,420,000 funded by Capital Improvement & Maintenance Funds.

(v) Project: JBRC Item 32: Department of Parks, Recreation & Tourism  
P28.9830: Property Acquisition – Black River Weyerhaeuser

Request: Establish Final Land Acquisition to purchase 1,800+/- acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (estimated at \$5,775,000)

Phase I Approval: August 2023 (estimated at \$5,775,000) (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
Federal, CELP Grant				4,497,500	4,497,500
Other, Park Revenue	15,000		15,000	45,000	60,000
Other, SC Office of Resilience				700,000	700,000
All Sources	<u>15,000</u>		<u>15,000</u>	<u>5,242,500</u>	<u>5,257,500</u>

Rationale: Acquisition of the property will offer residents and visitors a wilderness-quality experience along a coastal-plain river. Additionally, SCPRT’s presence in the region will help spur visitation and tourism in an economically depressed part of the state, per the agency. This tract is located near the town of Andrews is an important tract to connect and provide access to residents.

Characteristics: The property provides natural habitat associated with the Black River, including bottomland hardwood forest, fringe mixed hardwood forest, and loblolly pine forest. The Black River provides significant habitat for waterfowl, resident and migratory songbirds and wading birds and currently does, or could one day support, federally threatened and endangered species, including Red-cockaded Woodpeckers, Wood Storks, and Shortnose and Atlantic Sturgeon, all of which would benefit from the riverine protection proposed.

Financial Impact: In November 2023 Open Space Institute purchased the property from Weyerhaeuser Company for \$6,412,827. The agency will purchase the property from Open Space Institute for \$5,100,000. The acquisition will be funded from Federal, Coastal and Estuarine Land Conservation Program (uncommitted balance \$4.5 million at September 14, 2023), Other, Park Revenue (uncommitted balance \$45K at October 24, 2023), and Other, SC Office of Resilience Funds (uncommitted balance \$700K at October 24, 2023). Revenue received from the CELP Grant comes from a Coastal Zone Management Habitat Protection and Restoration Infrastructure Investment and Jobs Act Competition grant proposal. Park Revenues are derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in May 2023 and valued the property at \$7,250,000. A Phase I Environmental Site Assessment was completed in July 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support have been received from Georgetown County and Georgetown County School District.

Full Project Estimate: \$5,257,500 funded by a CELP Federal Grant, Park Revenue, and Office of Resilience Funds.

Other: The South Carolina Department of Natural Resources has coordinated and collaborated with the South Carolina Conservation Bank to confirm that the proposed conservation land acquisition of this property is an appropriate conservation purchase and will maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase.

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Easements

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

- (a) County Location: Aiken  
From: Department of Administration on behalf of South Carolina Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$300 Appraised value  
Description/Purpose: To grant a 1.6518± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an overhead electric line on property controlled by SCPRT to provide electrical services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Aiken  
From: Department of Administration on behalf of South Carolina Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$400 Appraised value

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Easements

Description/Purpose: To grant a 1.2943± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an underground electric line on property controlled by SCPRT to provide electrical services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

- (c) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$300 Appraised value  
Description/Purpose: To grant a 1.6518± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an overhead telecommunication (fiber optics) line on property controlled by SCPRT to provide telecommunication services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Easements

- (d) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$400 Appraised value  
Description/Purpose: To grant a 1.2943± acre non-exclusive easement for  
ingress, egress, construction, operation, maintenance and  
replacement of an underground telecommunication (fiber  
optics) line on property controlled by SCPRT to provide  
telecommunication services to an Aiken Electric  
Cooperative member. The easement will contain  
termination language that if the easement holder abandons  
the easement, is in breach, or ceases to use the easement for  
its intended purpose, it will terminate. The term of the  
easement will be fifty (50) years. Consideration is the  
appraised value plus the current administrative fee per the  
policy. SCPRT has determined that, in accordance with the  
requirement of the statute, the easement does not appear to  
materially impair the utility of the property or damage it.  
There are no exceptions requested with regard to the 2022  
easement policy.

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AUTHORITY ACTION REQUESTED:

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

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ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

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**Meeting Scheduled for: January 30, 2024**

**Regular Agenda**

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**1. Submitted by:**

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

*Ashlie Lancaster*

Ashlie Lancaster, Director

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**2. Subject: Easements**

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**3. Summary and Background Information:**

- (a) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$300 Appraised value  
Description/Purpose: To grant a 1.6518± acre non-exclusive easement for ingress,  
egress, construction, operation, maintenance and replacement  
of an overhead electric line on property controlled by SCPRT  
to provide electrical services to an Aiken Electric Cooperative  
member. The easement will contain termination language that  
if the easement holder abandons the easement, is in breach, or  
ceases to use the easement for its intended purpose, it will  
terminate. The term of the easement will be fifty (50) years.  
Consideration is the appraised value plus the current  
administrative fee per the policy. SCPRT has determined that,  
in accordance with the requirement of the statute, the easement  
does not appear to materially impair the utility of the property  
or damage it. There are no exceptions requested with regard to  
the 2022 easement policy.
- (b) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$400 Appraised value

Description/Purpose: To grant a 1.2943± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an underground electric line on property controlled by SCPRT to provide electrical services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

(c) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$300 Appraised value  
Description/Purpose: To grant a 1.6518± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an overhead telecommunication (fiber optics) line on property controlled by SCPRT to provide telecommunication services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

(d) County Location: Aiken  
From: Department of Administration on behalf of South Carolina  
Department of Parks, Recreation and Tourism (SCPRT)  
To: Aiken Electric Cooperative, Inc.  
Consideration: \$700 Administrative fee  
\$400 Appraised value  
Description/Purpose: To grant a 1.2943± acre non-exclusive easement for ingress, egress, construction, operation, maintenance and replacement of an underground telecommunication (fiber optics) line on property controlled by SCPRT to provide telecommunication services to an Aiken Electric Cooperative member. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the

easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is the appraised value plus the current administrative fee per the policy. SCPRT has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

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

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**5. What is recommendation of the submitting agency involved?** Approve the referenced easements.

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**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.

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**7. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_

(b) Office Name: [Click or tap here to enter text.](#)

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**8. List of Supporting Documents:**

(a) SC Code of Laws Sections 10-1-130 and 10-1-135

(b) Exhibits (plats, maps, etc.)

a. Letter from South Carolina Department of Parks, Recreation and Tourism

b. Letter from Counsel for Aiken Electric Cooperative, Inc.

c. Plat

## **SOUTH CAROLINA CODE OF LAWS**

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

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

### **SECTION 10-1-135. Encroachments on state-owned lands of natural significance.**

For easements, rights-of-way, or any other encroachment on or over any state park, state forest, state historic area, state wildlife refuge or preserve, Heritage Trust Site, or other state-owned lands of natural significance the responsible management agency shall, in addition to the provisions of Section 10-1-130, make the following determinations prior to requesting approval from the Department of Administration and review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority if necessary:

- (a) There is an important public necessity for the encroachment;
- (b) Alternative routes or locations not on state property are neither prudent nor feasible, and the proposed encroachment is not disruptive of the existing or planned uses of the state property;
- (c) The entity responsible for the encroachment shall make reasonable mitigation of the impacts of the proposed encroachment, upon the recommendation of the governing body of the responsible management agency.

HISTORY: 1985 Act No. 91.

Code Commissioner's Note

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



South Carolina Department of  
Parks, Recreation & Tourism

**Henry McMaster**  
Governor

**Duane N. Parrish**  
Director

January 11, 2024

Ashlie Lancaster, Director  
Division of Facilities Management and Property Services  
The South Carolina Department of Administration  
1200 Senate Street  
Sixth Floor  
Columbia, SC 29201

RE: Easement Application – Aiken State Park

Dear Ms. Lancaster,

Aiken Electric recently submitted requests for four proposed easements at Aiken State Park. The responsible management agency, the South Carolina Department of Parks, Recreation & Tourism (SCPRT) has conducted the due diligence required by S.C. Code §10-1-135 and confirms the following.

SCPRT believes that there is an important public necessity for the easements at Aiken State Park as all of the easements represent the best access for electric and fiber optic service for adjacent homeowners. The intended use and/or installation of the fiber optic and electric lines will not materially alter the area and will not impact the intended use of the Park. Given the nominal impact of the project, the probability that mitigation will be needed is low.

In conclusion, SCPRT has determined that the Aiken Electric easement requests have met the statutory conditions for our approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Parrish". The signature is stylized with a large, looped initial "D".

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

# SMITH, MASSEY, BRODIE, GUYNN & MAYES, LLC

ATTORNEYS AND COUNSELORS AT LAW

GARY H. SMITH, III  
WM. RAY MASSEY\*  
BRAD A. BRODIE  
MARY O. GUYNN\*\*  
W. DANIEL MAYES

SCOTT W. PATTERSON

\*ALSO LICENSED IN NORTH CAROLINA

\*\*ALSO LICENSED IN GEORGIA

POST OFFICE BOX 519  
210 COLONY PARKWAY, SOUTHEAST  
AIKEN, SOUTH CAROLINA 29802

TELEPHONE  
(803) 643-4110  
FACSIMILE  
(803) 643-8140  
(803) 644-9057

December 19, 2023

*Via Email*

*Original Via Overnight Delivery*

Ms. Linda M. Gordon  
South Carolina Department of Administration  
1200 Senate Street  
Room 612  
Columbia, South Carolina 29201

**RE: Utility Easement Requests - REVISED**

Dear Ms. Gordon:

On behalf of Aiken Electric Cooperative, I am submitting four utility easement requests through property owned by the State known as Aiken State Park. The requests are for (i) an underground electric line, (ii) underground fiber optic line, (iii) overhead electric line and (iv) overhead fiber optic. The underground lines will run along a single route and the overhead lines will run along a single connecting route which connects to the overhead lines. Incident to these requests, I have sent the following:

1. Two copies of the easement plat.
2. Easement Application for the underground electric line.
3. Easement Application for the underground fiber optic line.
4. Easement Application for the overhead electric line.
5. Easement Application for the overhead fiber optic line.

These easements are necessary to provide electrical and telecommunications services to a residence of one of our members, Mr. and Mrs. Hull. This proposed easement route is the most efficient means to supply their utility needs as their property is not located adjacent to a public right of way and is, in fact, very far from a public road. In addition, the properties surrounding the Hulls are not easily traversable by utility lines. The proposed route would follow the existing driveway from State Park Road to the Hulls' residence and would cause little to no disturbance to the State's property.

Given that these easements are for utility services, it is anticipated that this residence will need utility services in perpetuity. For this reason, we are the maximum term of easement available, being a fifty (50) year term.

I sincerely appreciate your consideration of these requests. Should you have any questions or require further information, please do not hesitate to contact me. With best regards, I remain

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

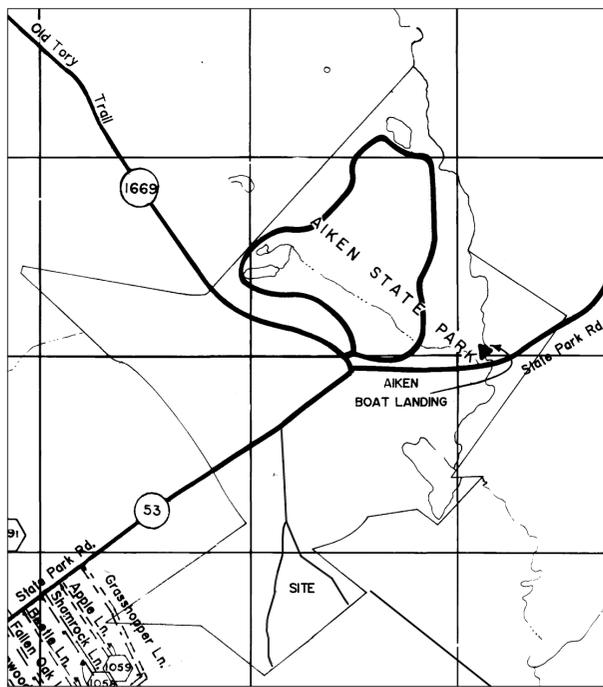
Mary O. Guynn

Enclosure

Cc: Aiken Electric Cooperative

TOTAL AREA  
EASEMENT AREA  
128,332 sq. ft.  
**2.9461 Ac.**

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51



LOCATION DIAGRAM  
SCALE: 1" = 200'

UTILITY EASEMENT PLAT  
ACROSS THE LANDS OF THE PROPERTY KNOWN AS  
**AIKEN STATE PARK**  
TRACTS of LAND  
PROPERTY LOCATED ±4.5 NORTH  
OF THE TOWN OF WINDSOR  
**AIKEN COUNTY, SOUTH CAROLINA**  
SCALE: 1" = 200' DATE: JULY 10, 2023  
REV. DATE: SEPT. 20, 2023 (Easement Areas Added)

PREPARED FOR:  
**AIKEN ELECTRIC  
COOPERATIVE, Inc.**  
c/o WARREN SMITH  
2790 WAGENER ROAD  
AIKEN, S.C. 29801  
(803) 649-6245

PREPARED BY:  
**HASS & HILDERBRAND, Inc.**  
POST OFFICE BOX 3276  
133 GREENVILLE STREET, SW  
AIKEN, S.C. 29802 (803) 649-1316

**PLAT REFERENCE**

REFERENCE PLAT OF 10.31 ACRES  
JONES & MURPH, SURVEYORS  
DATED MAY 29, 1984 AND FOUND  
IN PLAT BOOK 15 PAGE 11.

**LEGEND**

- PROPERTY CORNER FOUND
- PROPERTY CORNER SET
- CONCRETE MONUMENT
- LINE INTERSECTION
- RB REBAR IRON PIN
- CTP CRIMP TOP PIPE
- OTP OPEN TOP PIPE
- ⊕ UTILITY POLE
- ⊕ INTERSECTION

UNDERGROUND LINE TABLE		
LINE	BEARING	LENGTH
U21	S 00°16'53" W	21.63'
U22	S 22°42'18" E	101.27'
U23	S 37°16'30" E	181.60'
U24	S 41°19'04" E	120.15'
U25	S 40°29'23" E	152.08'
U26	S 33°03'04" E	84.07'
U27	S 24°39'58" E	312.49'
U28	S 28°51'39" E	170.84'
U29	S 32°49'33" E	69.99'
U30	S 35°13'36" E	95.52'
U31	S 41°34'33" E	26.69'
U32	S 80°52'47" E	16.30'
U33	S 33°03'35" E	22.78'
U34	S 11°56'25" W	11.60'
U35	S 29°07'35" E	55.33'
U36	S 24°17'56" E	394.40'
U37	S 28°38'25" E	105.51'
U38	S 39°13'02" E	201.79'
U39	S 54°40'07" E	142.22'
U40	S 40°45'01" E	181.20'
U41	S 41°15'21" E	161.64'
U42	S 57°44'39" E	95.50'
U43	S 66°22'36" E	65.44'
U44	N 66°22'36" W	71.53'
U45	N 57°44'39" W	99.91'
U46	N 41°15'21" W	164.63'
U47	N 40°45'01" W	178.84'
U48	N 54°40'07" W	142.49'
U49	N 39°13'02" W	206.35'
U50	N 28°38'25" W	108.12'
U51	N 24°17'56" W	394.32'
U52	N 29°07'35" W	34.14'
U53	N 34°44'32" W	52.92'
U54	N 41°34'33" W	32.86'
U55	N 35°13'36" W	97.05'
U56	N 32°49'33" W	71.10'
U57	N 28°51'39" W	172.26'
U58	N 24°39'58" W	311.76'
U59	N 33°03'04" W	81.30'
U60	N 40°29'23" W	150.71'
U61	N 41°19'04" W	120.79'
U62	N 37°16'30" W	184.86'
U63	N 22°42'18" W	107.89'
U64	N 00°16'53" E	37.61'
U65	S 44°01'41" E	5.81'
U66	S 63°47'50" E	17.72'

OVERHEAD LINE TABLE		
LINE	BEARING	LENGTH
L1	S 43°56'30" E	419.68'
L2	S 43°55'27" E	497.80'
L3	S 43°57'53" E	336.45'
L4	S 44°01'41" E	325.03'
L5	S 63°47'50" E	361.17'
L6	S 64°10'23" E	360.09'
L7	N 84°42'31" E	397.05'
L8	N 84°25'24" E	332.50'
L9	S 72°13'14" E	458.70'
L10	S 76°05'23" E	109.97'
L11	N 76°05'23" W	111.85'
L12	N 72°13'14" W	455.24'
L13	S 84°25'24" W	328.42'
L14	S 84°42'31" W	402.67'
L15	N 64°10'23" W	365.72'
L16	N 63°47'50" W	364.72'
L17	N 44°01'41" W	328.53'
L18	N 43°57'53" W	336.46'
L19	N 43°55'27" W	497.80'
L20	N 43°56'30" W	405.33'

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

OVERHEAD  
EASEMENT AREA  
71,952 sq. ft.  
**1.6518 Ac.**

THE AEC OVERHEAD 20' EASEMENT  
IS PARALLEL TO AND CRISSCROSSES  
AN EXISTING 20' ACCESS EASEMENT  
PER DB 1051/192, MB 650/98 & 514/131

UNDERGROUND  
EASEMENT AREA  
56,380 sq. ft.  
**1.2943 Ac.**

THE AEC UNDERGROUND ELECTRIC  
SERVICE LINE IS LOCATED IN THE  
NORTHEAST EDGE OF THE NORTHERN  
MOST TIRE RUT OF THE ACCESS ROAD

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

G.I.S. No. 239-00-01-010  
OLD PARCEL No. 00-298.0-01-008  
MICHAEL M.  
— CHAMBERLIN —  
and  
MARGARET A.  
— O'BRIEN —  
RB 4554/1358 MB 650/98  
PB 21/37-1 MB 514/131

G.I.S. No. 239-00-01-015  
OLD PARCEL No. 00-298.0-01-004  
**HULL**  
LIVING TRUST  
RB 4860/1728  
RB 4836/1220  
PB 15/11

**STATE PARK ROAD**  
S2 - 53 \* 66' R/W  
45' MPH SPEED LIMIT  
DOCKET No. 2,284

N 10°24'05" E  
24.61'

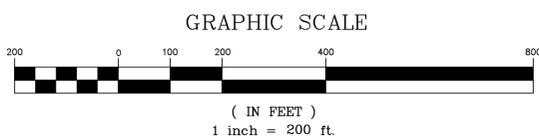
THE AEC OVERHEAD 20' EASEMENT  
IS PARALLEL TO AND CRISSCROSSES  
AN EXISTING 20' ACCESS EASEMENT  
PER DB 1051/192, MB 650/98 & 514/131

LOT  
1

PARK SIDE SUBDIVISION  
G.I.S. No. 239-00-02-001  
DARRELL J. & PATRICIA ANN  
— WILSON —  
PLAT BOOK 38/130-1

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

RMC STAMP AREA



G.I.S. No. 240-00-02-001  
OLD PARCEL No. 00-298.0-01-009  
RONI RHODES  
— REISELT —  
DB 1850/52 RB 4536/2334  
MB 20/319 MB 1069/18  
PB 64/660

NOTE  
According to the national  
flood insurance program  
MAP 450002 0045 B  
w/ an effective date of  
MARCH 4, 1980 this property  
is found to be located in  
a FLOOD ZONE "C".

I hereby state to the best of my  
knowledge, information and belief,  
the survey shown hereon was made in  
accordance with the requirements of  
the minimum standards manual for  
the practice of land surveying in  
South Carolina, and meets or exceeds  
the requirements for a Class A survey  
as specified therein, also there are no  
encroachments, projections, or  
setbacks affecting the property other  
than those shown.



AIKEN COUNTY PLANNING DEPT.



APPRAISAL REPORT  
EASEMENT ANALYSIS  
PROPOSED UTILITY EASEMENTS  
PORTION OF AIKEN STATE PARK  
AIKEN, SOUTH CAROLINA



FOR:  
**APRIL COLLINS, CPA, CMA**  
**AIKEN ELECTRIC COOPERATIVE**

AS OF:  
**OCTOBER 30, 2023**

BY:  
**DEBORAH L. TRIPP, MAI, SRA**

**PROPERTY SOLUTIONS, LLC**



# PROPERTY SOLUTIONS, LLC

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Consulting  
Market Analyses  
Real Estate  
Analysis  
Appraisal  
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Stores  
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Properties  
Highest and Best  
Use Studies  
Feasibility  
Studies  
Hotels/Motels  
Special Studies  
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Properties  
Residences  
Stigmatized  
Properties  
Inemas  
Due Diligence  
Complex  
Properties  
Fixed-Use  
Properties  
Subdivisions  
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Quick Lubes  
Car Washes  
Churches  
Family  
Entertainment  
Centers  
Warehouses  
Manufacturing  
Facilities  
Office Parks  
School Buildings  
Truck Terminals  
Vehicle  
Dealerships  
Health Care

5721 BUSH RIVER ROAD  
COLUMBIA, SC 29212-2609  
Phone 803.407.3000  
Fax 803.731.5435  
[deborah@propertysolutionsllc.net](mailto:deborah@propertysolutionsllc.net)  
[www.propertyolutionsllc.net](http://www.propertyolutionsllc.net)

December 8, 2023

File 23-174

April Collins, CPA, CMA  
Vice President, Finance and Technology  
Aiken Electric Cooperative, Inc.  
2790 Wagener Rd.  
Aiken, SC 29801

Re: **Appraisal Report**

- 2.9641 Acres of four easements on a 10.31 Acre Portion of Aiken County Tax Map 239-00-01-011, 1,096.30 Acres Servient Estate shown in Aiken County Plat Book 15, Page 11
- Utility Easement Plat Prepared for Aiken Electric Cooperative, Inc. by Hass & Hilderbrand, Inc. dated July 10, 2023 with four separate easements
- South Carolina State Forestry Commission - Aiken State Park
- Easements for Aiken Electrical Coop

Dear Ms. Collins:

Enclosed please find our report on the appraisal of the above referenced property, which you commissioned on September 18, 2023.

This **Appraisal Report** has been prepared in strict conformance with the Uniform Standards of Professional Appraisal Practice and the Supplemental Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute. We are not responsible for unauthorized use of this report. Possession of a copy of the appraisal report does not constitute a party becoming an intended user.

The purpose of this appraisal is to provide a supportable opinion of the impact of the proposed easement on the Market Value of the servient estate. This appraisal is intended to be used by Aiken Electric Cooperative and the State of South Carolina. This appraisal is intended to be used the construction and maintenance of power (electric line) and telecommunications (fiber optic cable) lines.

December 8, 2023  
April Collins, CPA, CMA  
Page Two

I certify that I am a qualified Real Estate Appraiser of Easements as defined by the State of SC.

The four separate easements are described as:

**1.2943 Acres shared easement for:**

- underground fiber optic cable and
- underground electric cable

**1.6518 Acres shared easement for:**

- overhead 20' wide electric cable and
- overhead 20' wide fiber optic cable

No Extraordinary Assumptions apply to this assignment.

No Hypothetical Conditions apply to this assignment.

We hope you are satisfied with the results of our efforts and appreciate the opportunity to be of service to you. Please contact us if you have any questions or comments regarding this report or wish to retain us for future appraisal assignments. Thank you for the opportunity and we look forward to working with you in the future.

Sincerely,

**PROPERTY SOLUTIONS, LLC®**



Deborah L. Tripp, MAI, SRA  
SC State Certified General Real Estate Appraiser #1132

## EXECUTIVE SUMMARY

Property Type	Proposed power (electric) line and telecommunications (fiber optic) cable line
Property Location	The subject is a portion of Aiken State Park with street address of 1145 State Park Road, Windsor, SC 29856 in Aiken County, South Carolina.
Property Owner	State of Forest Commission – State Park
Date of Report	December 8, 2023
Effective Date of Appraisal	October 30, 2023
Purpose of Appraisal	To provide a supportable opinion of the impact of the proposed easement on the Market Value of the servient estate
Intended Use	Construction and maintenance of power and telecommunications lines
Intended User	Exclusive use of the client, Aiken Electric Cooperative, Inc. and the State of South Carolina and Admin.
Zoning	The subject's parent parcel is owned by a government agency and is not subject to traditional zoning requirements.
Tax Map Reference	Portion of Aiken County Tax Map 239-00-01-011
Land Size	The Easement Areas consist of 2.9461 acres from a 10.31 acre portion of 1,096.30 acres Servient Estate shown in Aiken County Plat Book 16, Page 11. A copy of the plats are shown following the Site Analysis.
Appraisal Procedures	Methodologies applicable in the appraisal of easement estates
<b>VALUE CONCLUSION AS OF OCTOBER 30, 2023</b>	

Impact of Easement on Servient Estate - Reduction in Value	
1.2943 Acre Shared Easement - Underground Fiber Optic Cable	<b>\$400</b>
1.2943 Acre Shared Easement - Underground Electric Cable	<b>\$400</b>
1.6518 Acre Shared Easement - Overhead Fiber Optic Cable	<b>\$300</b>
1.6518 Acre Shared Easement - Overhead Electric Cable	<b>\$300</b>

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of facts contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal report within the three year period immediately preceding the acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Deborah L. Tripp, MAI, SRA  
S. C. State Certified General Real Estate Appraiser #1132

December 8, 2023  
Date

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*ADDENDA*

*STATE MAP*

*CITY MAP*

*NEIGHBORHOOD MAP*

*EASEMENTS*

*ASSUMPTIONS AND LIMITING CONDITIONS*

*QUALIFICATIONS AND LICENSES OF DEBORAH L. TRIPP, MAI, SRA*

<b>IDENTIFICATION AND LOCATION</b>	
<b>Property Type</b>	The subject of this appraisal is 2.9461 total acres in four separate easements from a 10.31-acre portion of 1,096.30 acres Servient Estate.
<b>Property Location</b>	The subject is a portion of Aiken State Park with street address of 1145 State Park Road, Windsor, SC 29856 in Aiken County, South Carolina.
<b>Land Size Servient Estate</b>	1.096.30 ac
<b>Easement Areas</b>	1.2943 acres shared easement and 1.6518 acres shared easement totaling 2.9461 acres
<b>Legal Description</b>	Utility Easement Plat prepared for Aiken Electric Cooperative, Inc. by Hass & Hilderbrand, Inc. dated July 10, 2023 revised September 20, 2023 as shown in this report.
<b>County</b>	Aiken
<b>Municipality</b>	Not located in an incorporated municipality
<b>Tax Map Reference</b>	Portion of Aiken County Tax Map 239-00-01-011
<b>Purpose of Appraisal</b>	To provide a supportive opinion of the impact of the proposed easements on the Market Value of the servient estate.
<b>Intended Use</b>	Construction and maintenance of power (electric line) and telecommunications (fiber optic cable) lines.
<b>Intended User</b>	Exclusive use of the client, April Collins, CPA, CMA, Aiken Electric Cooperative and the State of South Carolina and Admin.
<b>Date of Appraisal Report</b>	December 8, 2023
<b>Appraisal Effective Date</b>	October 30, 2023
<b>Appraiser Competency</b>	Deborah L. Tripp, MAI, SRA has been appraising commercial property, including scores of ground leased properties, for 41 years and has appraised scores of property in Aiken County as well as numerous easement valuations. The appraiser has met the requirements of the competency provision.
<b>Statement of Ownership</b>	South Carolina State Forestry Commission – Aiken State Park
<b>Source of Data</b>	Aiken County & public records
<b>History of the Property</b>	Aiken State Park was built during the Great Depression by an African American detachment of the Civilian Conservation Corp. The park was purchased in 1934 from various owners. <sup>1</sup> The Edisto River, the longest free-flowing

<sup>1</sup> [South Carolina State Parks.com](https://www.southcarolinastateparks.com)

	blackwater stream in North America flows through the park. Artesian wells can also be accessed by the public. Fishing, boating, picnicking, bird watching, biking, geocaching, and hiking activities are enjoyed at the Park.
--	---

**PURPOSE OF THE APPRAISAL**

To provide a supportable opinion of the impact of the proposed easement on the Market Value of the servient estate

**DEFINITION OF MARKET VALUE**

Market Value is defined as: "A type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal." <sup>2</sup>

---

<sup>2</sup> Uniform Standards of Professional Appraisal Practice, 2020-23 ed., p. 5, Lines 131-133

**PROPERTY RIGHTS APPRAISED**

Although there are a variety of property rights, the three main property rights appraised are as follows:

*Fee Simple Estate*

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>3</sup>

*Leased Fee Interest*

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>4</sup>

*Leasehold Estate*

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

<b>Property Rights Appraised</b>	Fee simple estate subject to the easements
<b>Exceptions to Title</b>	No title examination was provided. We are not aware of any other exceptions to title. Please consult your attorney for a complete list of exceptions to title. See Zoning section of this report.

The Easements that are appraised are discussed in the easement valuation portion of this appraisal.

<sup>3</sup> The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago 2022, p. 73

<sup>4</sup> *Ibid*, p. 105

## SCOPE OF WORK

The term SCOPE OF WORK is defined as “the type and extent of research and analyses in an appraisal or appraisal review assignment.”<sup>5</sup> The Scope of Work is to accurately identify the appraisal problem, determine a plan to solve the appraisal problem, and finally to report the Scope of Work inherent in the assignment.

The SCOPE OF WORK RULE states that for each appraisal and appraisal review assignment, the appraiser must (1) identify the problem to be solved; (2) determine and perform the scope of work necessary to develop credible assignment results; and (3) disclose the scope of work in the report.<sup>6</sup>

The Scope of Work is specific to the intended use and the intended user of the appraisal and is defined by the effective date of the analysis, the type of value sought, characteristics of the subject property, the quantity and quality of the information regarding the relevant characteristics of the subject property, as well as any other conditions of the assignment. The Scope of Work may change during the course of the assignment as the appraiser discovers information about the subject property or its environs. For instance, the appraiser may make assumptions about the subject property because relevant information is not available at the time the appraisal is prepared. Alternatively, it may be necessary for the appraiser to assume a hypothetical condition if information is discovered about the subject property or its environs, but that information cannot be considered and is therefore assumed to be false. We will outline on the following pages the steps taken in the Scope of Work for this appraisal problem and the conditions relative to the assignment.

The first step is to **identify the problem to be solved**. Proper identification of the appraisal problem, which is necessary to determine the appropriate scope of work, requires the appraiser to identify the following assignment elements:

- ❑ client and any other intended users;
- ❑ intended use of the appraiser’s opinions and conclusions;
- ❑ type and definition of value;
- ❑ effective date of the appraiser’s opinions and conclusions;
- ❑ subject of the assignment and its relevant characteristics; and
- ❑ assignment conditions (assumptions, extraordinary assumptions, hypothetical conditions, etc.)

This information provides the appraiser with the basis for determining the type and extent of research and analyses to include in the development of an appraisal.

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<sup>5</sup>Uniform Standards of Professional Appraisal Practice. Washington, DC: The Appraisal Foundation. 2020-2023. Page 5, Line 163.

<sup>6</sup>. Uniform Standards of Professional Appraisal Practice. Washington, DC: The Appraisal Foundation. 2020-2023. Page 13 Lines 342-346.

Based on the appraisal problem to be solved, the next step is to **determine and perform the scope of work necessary to develop credible assignment results**. The scope of work must include the research and analyses that are necessary to develop credible assignment results. Scope of work includes, but is not limited to:

- ❑ the extent to which the property is identified;
- ❑ the extent to which tangible property is inspected;
- ❑ the type and extent of data researched; and
- ❑ the type and extent of analyses applied to arrive at opinions or conclusions.

The credibility of assignment results is always measured in the context of the intended use. Credible results require support by relevant evidence and logic; assignment conditions may not limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. Furthermore, the act of determining the scope of work is an ongoing process in an assignment and information or conditions discovered during the assignment might require that the appraiser reconsider the scope of work.

The final step is to **disclose the scope of work in the report**. The appraisal report must contain sufficient information to allow intended users to understand the scope of work performed. Sufficient information includes disclosure of research and analyses performed and may include disclosure of research and analyses not performed. Again, USPAP places greater emphasis on scope of work disclosure to provide the intended users with an understanding of the specific actions taken to arrive at the assignment conclusions.

The following summarizes the Scope of Work for this assignment.

<b>SCOPE OF WORK</b>	
<b>Area &amp; Neighborhood Analysis</b>	<p>Sources of data include:</p> <ul style="list-style-type: none"> <li>➤ Local Chamber of Commerce</li> <li>➤ US Bureau of Labor Statistics</li> <li>➤ <i>The Site to Do Business &amp; ESRI®</i></li> <li>➤ Personal inspection of the neighborhood</li> <li>➤ Interviews with numerous real estate professionals</li> </ul>
<b>Market Analysis</b>	<ul style="list-style-type: none"> <li>➤ Internal market research</li> <li>➤ Interviews with other appraisers</li> <li>➤ Interviews with numerous real estate professionals</li> </ul>
<b>Subject History</b>	Obtained from Aiken County public records
<b>Site Analysis</b>	<ul style="list-style-type: none"> <li>➤ Site surveys provided by the Client</li> <li>➤ Site visit by appraisers</li> </ul>
<b>Zoning Information</b>	Confirmed with Aiken County
<b>Tax Information</b>	None; neither the parent parcel nor the easements are taxed.
<b>Legal Constraints</b>	Appraisers are not attorneys and no title examination was provided. Please consult your attorney for a complete list of exceptions to title.
<b>Method of Valuation</b>	Of the three traditional approaches to value (Cost, Sales Comparison and Income Capitalization), the Sales Comparison Approach is the most applicable approach to value via Across the Fence method and has been used. The Cost Approach is omitted as there are no building improvements on site, and the Income Capitalization Approach is not applicable as the subject proposed easements are shared easements and can be terminated by 30 days' notice upon abandonment.
<b>Sales Comparison Approach/ Across The Fence</b>	Comparable land sales and listings were compared to the subject in fee simple and were obtained from <i>LoopNet</i> , CMLS, public records, and appraiser files. Data was researched from 2020 to the present date and sales were verified with knowledgeable individuals. The Across The Fence method uses a large data set of recently sold unimproved land parcels and examines them qualitatively, applying a discount factor to arrive at market value.

## EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are necessary when information is not available to the appraiser or when the information available is preliminary in nature as of the effective date of the appraisal, but certain facts or conditions must be assumed in order to proceed with the analysis. No Extraordinary Assumptions apply to this assignment.

## HYPOTHETICAL CONDITIONS

A hypothetical condition exists when an appraiser knows that a condition with regard to the property being appraised is false but appraises the property as through it were true. For instance, a property may be subject to contamination, but the extent of contamination and the cost of cleanup may not be known at the time of the appraisal, so the property is appraised as though no environmental conditions are known to exist. The use of a hypothetical condition(s) may affect the assignment results. No hypothetical conditions apply to this assignment.

## AREA ANALYSIS

<b>Introduction</b>	When estimating property value, the relationship that exists between the site and the surrounding region must first be analyzed. The value of a specific location is directly related to its access to resources, labor, capital, and sources of demand, supply and market centers. Thus, a large part of real estate valuation is dependent upon the economic, governmental, social and environmental forces that interact to influence property value within a region. Significant factors relative to the demand and supply affecting property value will be discussed.
<b>Location</b>	Augusta-Aiken, GA-SC MSA
<b>Submarket</b>	Aiken County
<b>Distance to Major Cities</b>	147 miles East of Atlanta, Georgia 143 miles West of Charleston, South Carolina 73 miles Southwest of Columbia, South Carolina. 137 miles Northwest of Savannah, Georgia
<b>MSA</b>	Augusta, GA is located within the Augusta-Richmond County Metropolitan Statistical Area (MSA), which includes the following counties: Richmond, Burke, Columbia, Lincoln and McDuffie in Georgia and Aiken and Edgefield Counties in South Carolina.
<b>Climate</b>	Four distinct but mild seasons. Temperature range: 28.4° in January to 82.8° in July Average annual moderate temperature: 58.4° Total precipitation 40.62"± each year, of which approximately two inches is snowfall. Generally hot and generally humid in summer due to moist air from the ocean. Winters are moderately cold but short, as cold waves from the north are impeded by the Blue Ridge and Smoky Mountains northwest of the state. The area's mild climate creates year round opportunities for construction. Snowfall is rare; in 38% of all winters, no measurable snowfall occurs. Average relative humidity in mid-afternoon is approximately 55% which increases to pre-dawn humidity at about 90%.
<b>Geography</b>	Topography is gently rolling. The Savannah River bisects the MSA

<p><b>Recreational Opportunities</b></p>	<p><b>Augusta Canal:</b> The nation’s only industrial power canal still in use for its original purpose. It was built in 1845 to harness the water and power of the Savannah River.</p> <p><b>Augusta River Walk:</b> Located along the Savannah River, this park is two tiered and runs for three blocks.</p> <p><b>J. Strom Thurmond Lake:</b> This man-made lake has more than 1,000 miles of shore front that offers excellent opportunities for camping and hiking. It is also home to the International Headquarters of the Professional Disc Golf Association</p> <p><b>Augusta National Golf Course:</b> This golf course is home to one of the most prestigious PGA Tour events held each year in April. The master’s brings golfers and tourists from all over the world to the city of Augusta.</p> <p><b>James Brown Arena:</b> Augusta’s largest venues that hosts the hottest artists and best entertainment that the town has to offer.</p> <p><b>Professional Sports Teams:</b> Augusta does not offer any major professional sports teams. It does offer two minor league sports team. The Augusta Green Jackets plays at Lake Olmstead stadium from April through September. The Augusta Riverhawks, a minor league hockey team, plays from October through March. Together, they offer the city with sports year round.</p>
<p><b>Other</b></p>	<p>Phinzy Swamp Nature Park                  Abundant golf courses                  Historic Museums and Homes                  Maxwell Performing Arts Center                  City and county parks                  Abundant cultural opportunities</p>
<p><b>Highway Transportation</b></p>	<p>Strategic location and interstate highway network. Augusta is located</p> <p><b>I-20:</b> The interstate runs directly through Augusta and offers east/west access connects El Paso, TX to Florence, SC</p> <p><b>I-520:</b> Loops around the city of Augusta.</p> <p><b>I-26:</b> Located about 70 miles southeast this interstate provides east/west access connecting Charleston, SC to Asheville, NC</p> <p><b>I-75:</b> north/south access Miami, FL to Detroit, MI</p> <p><b>I-95:</b> 100 miles southeast of Augusta connecting Miami, FL to Washington, DC</p>

<b>Air Transportation</b>	<p><b>Augusta Regional Airport:</b> A regional airport that carries three major airlines: Delta, U.S. Airways Express, and American Airlines.</p> <p><b>Columbia Metropolitan:</b> Located about 60 miles to the east, Columbia Metropolitan Airport carries seven major airlines and provides ample air travel opportunities.</p> <p><b>Hartsfield-Jackson International Airport:</b> The international airport is the busiest passenger airport in the United States and located just 150 miles west of Augusta. Although a longer drive than Columbia, this airport offers travelers access to anywhere in the world.</p>		
<b>Population</b>	<p>Richmond County and Columbia County are the two most populated of the seven counties in the Augusta MSA. Columbia County has shown rapid growth over the past 21 years, Richmond County has shown very modest population growth, and the MSA has shown moderate growth. The populations for both counties and the MSA are shown in the table below.</p>		
	<b>Columbia County</b>	<b>Richmond County</b>	<b>Augusta MSA</b>
2000	89,288	199,775	508,032
2010	124,053	200,549	564,873
2021	157,131	206,415	625,509
2026	175,845	209,109	657,116
2000-2010 Annual Rate	3.34%	0.04%	1.07%
2010 - 2021 Annual Rate	2.12%	0.26%	0.91%
2021-2026 Annual Rate	2.28%	0.26%	0.99%
Median Age	38.7	35.4	38.7
<b>Households</b>	<p>Household growth has closely mirrored population growth. The chart below shows the household trends.</p>		
	<b>Columbia County</b>	<b>Richmond County</b>	<b>Augusta MSA</b>
2000	31,120	73,920	188,052
2010	44,898	76,924	215,526
2021	57,557	79,189	240,206
2026	64,651	80,543	253,009
2000-2010 Annual Rate	3.73%	0.40%	1.37%
2010 - 2021 Annual Rate	2.23%	0.26%	0.97%
2021-2026 Annual Rate	2.35%	0.34%	1.04%
2019 Average HH Size	2.72	2.44	2.52
<b>2017 Income Levels</b>	<p>Income levels in Columbia County are above the US averages (Median HH Income - \$64,730; Average HH Income - \$90,054; and Per Capita Income - \$34,136), while income levels in Richmond County and the MSA are well below the national averages. The chart below shows the</p>		

	income averages for the two counties and the Augusta MSA.		
	<b>Columbia County</b>	<b>Richmond County</b>	<b>Augusta MSA</b>
Median HH Income	\$88,082	\$45,061	\$56,361
Average HH Income	\$112,460	\$60,872	\$77,273
Per Capital Income	\$41,202	\$24,102	\$29,962
<b>Educational Attainment</b>	Augusta-Aiken MSA: 13.8% Bachelor's Degree State of Georgia: 18.2% Bachelor's Degree		
<b>Economy</b>	<p>The economy in the MSA is mostly dedicated to the service industry. Augusta is home to a regional center of medicine and biotechnology. The economy is growing and at least 6 companies have headquarters or distribution centers located in Augusta. Voters approved a \$184 million Special Local Option Sales Tax (SPOLST), including \$10 million for economic development. Augusta has upgraded its infrastructure in the recent years showing many prospective corporations that it is ready for growth. This in tandem with the SPOLST has Augusta's economy primed for growth.</p> <p>The Augusta metro is heavily supported by a military and government presence. Fort Gordon employs more than 15,000 military and 10,000 civilians in Augusta and is the home of the U.S. Army Signal Corps, the information-systems portion of the army. The annual economic impact of Fort Gordon is nearly \$2.4 billion. In 2013, the US Army Cyber Command moved to Ft. Gordon. This was expected to increase the number of jobs by 250 - 375 persons annually over the next twenty years. Defense contractors and government agencies have added or expanded offices in the area including Unisys Corporation who will add 700 IT jobs by 2019. The new cyber division is expected to directly employ 4,700 people by 2020. In July 2018 the new \$100 million Georgia Cyber Center opened in downtown Augusta. The Cyber Center in partnership with Augusta University and Augusta Technical College is linked to certificate programs as well as undergraduate- and graduate-level programs in cybersecurity and cyber sciences. In addition, the Cyber Workforce Academy offers training for state and local government information security professionals.</p>		

The following charts show Augusta's industry mix and major employers.

**Augusta's Largest Manufacturing Employers**

EZ GO Textron*	Golf Car/Utility Vehicles	1,350
Graphic Packaging	Bleached Paperboard	963
Ferrara USA	Cookies and Crackers	900
FPL Food, LLC*	Beef Products	660
Morgan Thermal Ceramics	Ceramic Fiber	400
Nutrien	Nitrogenous Fertilizer	390
Cardinal Health	Disposable Medical Products	390
Augusta Coca-Cola	Soft Drinks	300
Solvay Advanced Polymers	Plastic Material and Resins	300
Starbucks Soluable Plant	Via Ready Use Coffee	260
Carlole Fabrics*	Custom Draperies	250
Standard Textile Augusta	Medical Textiles	190
Union Agener	Dairy/Medicinal Chemicals	190
Manus Bio	Research & Development in Biotechnology	185
J & J Mid-South	Corrugated Shipping Containers	156
Standard Aero	Aircraft Engine & Engine Parts Manufacturing	154
Prayon	Inorganic Phosphates	120
US Battery*	Lead Acid Batteries	120
APAC-Georgia	Asphalt	108
Georgia Pacific	Corrugated and Solid Box Manufacturing	100
Macuch Steel Products*	Fabricated Steel Structures	92
Southern Machine & Tool*	Jigs, Fixtures & Machinery	86
Covia	Kaolin, Mining & Processing	76
PQ Corporation	Silicates	63
Eagle Parts & Products*	Motorized Vehicles	52
Richmond Supply*	Machine Shops Rubber & Plastics	46
Venator	Pigments	45
American Concrete	Ready Mix Concrete	43
Finnchem	Inorganic Chemicals	43
Modern Welding of Georgia*	Metal Tanks	42
Southern Roofing	Metal Windows & Doors	40
AAA Sign	Signs	36
DSM Resins	Paints & Coatings	33
Olin Corporation	Chlorine/Caustic Sodium Hydroxide	25

\*Corporate Headquarters located in Augusta

**Augusta's Largest Non-Manufacturing Employers**

COMPANY	ACTIVITY	PRODUCT/SERVICE	EMPLOYEES
U.S. Army Cyber Center of Excellence & Fort Gordon	Government	Military	29,252*
Augusta University	Government	Education	6,775
NSA Augusta	Government	Government	6,000
Augusta University Hospitals	Service	Health Care	4,341
Richmond County School System	Government	Education	4,398
University Hospital	Service	Health Care	3,000
Augusta-Richmond County	Government	Municipal Services	2,840
VA Medical Centers	Government	Health Care	2,082
Doctors Hospital	Service	Health Care	1,837
Automatic Data Processing	Customer Service	Health Care	1,542
East Central Regional Hospital	Government	Health Care	1,400

\*Military and civilian

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**Augusta-Richmond County, GA-SC Metropolitan Statistical Area Industry Mix - 2nd Quarter of 2021**

INDUSTRY	Average Number of Establishments	Average Monthly Employment	Average Monthly Percent	Average Weekly Wages
<b>Goods-Producing</b>	1,165	26,255	16.4	1,369
Agriculture, Forestry, Fishing & Hunting	73	661	0.4	886
Mining	10	233	0.1	1,286
Construction	810	11,904	7.4	1,601
Manufacturing	272	13,457	8.4	1,190
<b>Service-Providing</b>	7,063	101,671	63.5	843
Utilities	18	*	*	*
Wholesale Trade	324	3,899	2.4	1,121
Retail Trade	1,287	18,807	11.7	660
Transportation and Warehousing	214	3,129	2.0	949
Information	92	1,519	0.9	1,924
Finance and Insurance	395	2,546	1.6	1,395
Real Estate and Rental and Leasing	352	1,827	1.1	902
Professional Scientific & Technical Svc	897	6,913	4.3	1,486
Management of Companies and Enterprises	30	*	*	*
Admin., Support, Waste Mgmt, Remediation	547	11,370	7.1	588
Education Services	107	1,512	0.9	706
Health Care and Social Assistance	1,143	24,459	15.3	1,040
Arts, Entertainment, and Recreation	114	2,838	1.8	538
Accommodation and Food Services	882	16,109	10.1	355
Other Services (except Public Admin.)	661	4,241	2.6	679
<b>Unclassified - industry not assigned</b>	479	288	0.2	1,175
<b>Total - Private Sector</b>	8,707	128,214	80.1	951
<b>Total - Government</b>	352	31,886	19.9	1,178
Federal Government	72	8,489	5.3	1,440
State Government	83	8,678	5.4	1,310
Local Government	197	14,719	9.2	950
<b>ALL INDUSTRIES</b>	9,059	160,101	100.0	997

Note: \*Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding. All data represent the 2nd Quarter of 2021.

Source: Georgia Department of Labor. These data represent jobs that are covered by unemployment insurance laws.

Area: Burke, Columbia, Lincoln, McDuffie, and Richmond counties

Unemployment trends are shown below.

<b>HISTORIC UNEMPLOYMENT TRENDS</b>				
<b>Period</b>	<b>State of Georgia</b>	<b>State of S.C.</b>	<b>Aiken County</b>	<b>Augusta MSA</b>
2022	3.0%	3.2%	3.2%	3.5%
2021	3.9%	4.0%	3.4%	4.0%
2020	6.5%	6.2%	3.9%	5.8%
2019	3.4%	2.8%	2.9%	3.6%
2018	3.9%	3.4%	3.4%	4.2%
2017	4.7%	4.3%	4.1%	4.9%
2016	5.4%	5.0%	5.0%	5.7%
2015	6.0%	6.0%	5.9%	6.3%
2014	7.1%	6.5%	6.5%	7.3%
2013	8.2%	7.6%	7.6%	8.4%
2012	9.2%	9.2%	8.6%	9.2%
2011	10.2%	10.6%	9.3%	9.8%
2010	10.5%	11.2%	8.5%	9.7%
2009	9.9%	11.2%	9.3%	9.2%

P: Preliminary

The unemployment rates have trended downward in 2021 as the economy has recovered from the COVID-19 pandemic. Unemployment showed unprecedented increases in April 2020 as a result of the coronavirus pandemic. Unemployment is similar in all geographies.

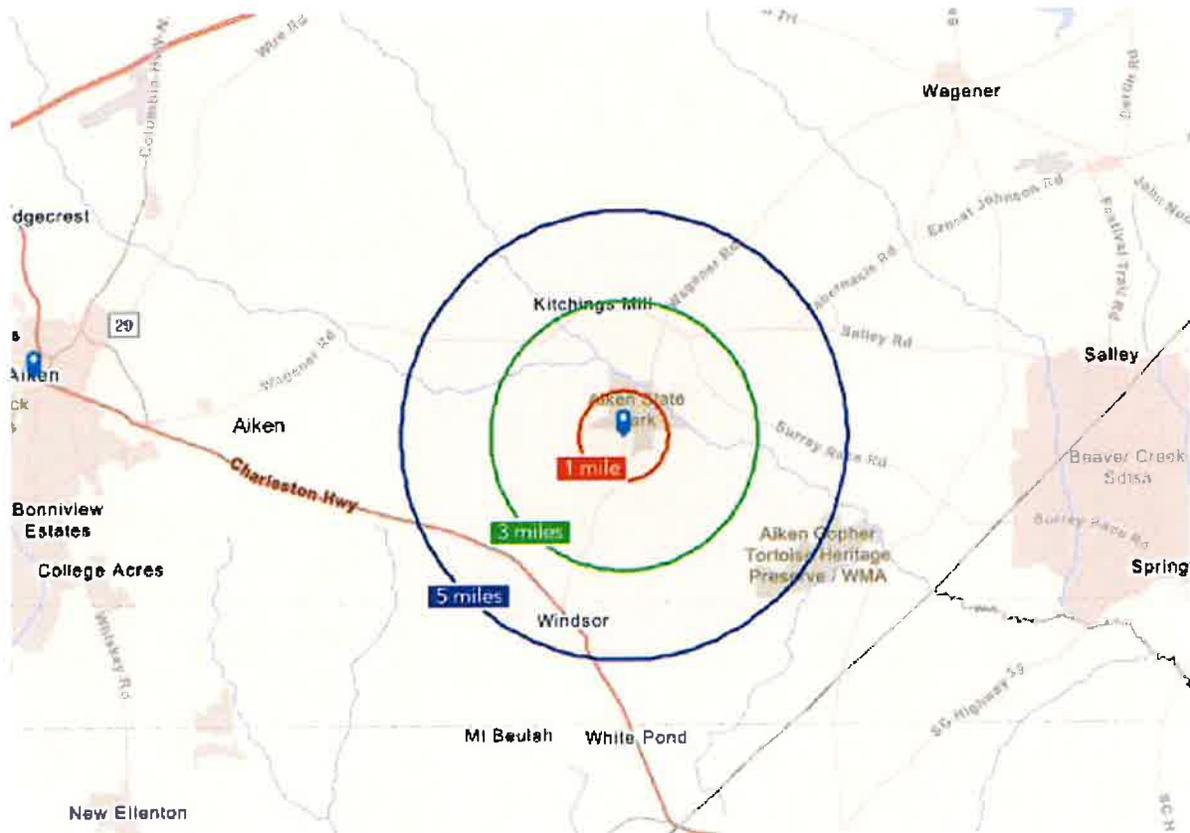
### **CONCLUSION**

In essence, the Augusta-Richmond County MSA gives the impression of a growing southern metropolitan area whose economy is diversified, whose economic growth is deliberate, and whose economic development is largely due to the leader's dedication to growing the economy. The area has many different types of attractions and things to do making it a more desirable place to live. It is expected that the areas pleasant environment, stable income, and the preponderance of employment will generate an attractive market for residential and commercial properties in the long term. The MSA is growing and has a positive outlook for the future. Fort Gordon and the related cyber training facility and Cyber Center are major employers and have resulted in a large influx of employees relocating from other states. Many of these individuals have lived in urban centers and desire to do so in Augusta.

### NEIGHBORHOOD ANALYSIS

Within a community, there is a marked tendency toward the grouping of land uses. The areas devoted to these various uses are termed “physical neighborhoods”. Neighborhood use in this context is further defined as follows:

“A portion of a larger community, or an entire community, in which there is a homogenous grouping of inhabitants, buildings or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interests and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined, natural or man-made barriers or they may be, more or less, well defined by distinct change in land use or in the character of the inhabitants.”



#### LOCATION/BOUNDARIES

The subject neighborhood is located in Aiken County, east of the city limits of Aiken, South Carolina. The general subject neighborhood is bounded on the north by Wagner Road, on the East by Windsor Road, South by Spring Branch Road, and on the West by Weyerhaeuser Road.

**TRAFFIC ARTERIES / ACCESS**

Major traffic arteries serving the subject neighborhood include I-26 which connects with I-20 north of the subject, and Highway 78 to the south. Other major traffic arteries include Highway 278, and U.S. 1. In addition, the neighborhood is also served by a good network of secondary traffic arteries.

**LAND USE PATTERNS**

The land use pattern in the neighborhood is primarily highway commercial along major traffic arteries with residential along secondary streets.

Land uses in close proximity to the subject property include:

- Ragged Rugs Horse Blanket Wash and Repair
- Great Blazes Horse Farm
- Balanced Sport Horses
- Alphawind Kennels
- Shell Convenience Store
- Cedar Branch Cemetery
- Weyerhauser Nursery
- Quail Ridge Nursery
- Overlook at the Vista
- Pet Crematorium
- Darien Baptist Church
- Three Oaks Farm
- Custom Auto Detailing
- Flying Changes Equine Rescue
- Aiken State Park
- Walther Farms
- Residences used as commercial
- Single family residential

**POPULATION**

Selected neighborhood demographics in a one-, three-, and five-mile radii from the subject were obtained from *Site To Do Business* and are shown in the tables as follows. We note that population is expected to increase from 2023 to 2028.

**POPULATION AND HOUSEHOLDS  
BASED ON LOCATION OF SUBJECT PROPERTY**

	1 mile	3 miles	5 miles
<b>Population</b>			
2010 Population	206	883	3,345
2020 Population	202	866	3,206
2023 Population	225	932	3,419
2028 Population	245	1,004	3,608
2010-2020 Annual Rate	-0.20%	-0.19%	-0.42%
2020-2023 Annual Rate	3.37%	2.29%	2.00%
2023-2028 Annual Rate	1.72%	1.50%	1.08%
2020 Male Population	49.0%	48.6%	48.6%
2020 Female Population	51.0%	51.4%	51.4%
2020 Median Age	41.2	41.8	42.9
2023 Male Population	51.1%	51.0%	50.6%
2023 Female Population	48.9%	49.0%	49.4%
2023 Median Age	39.6	40.2	40.0
<b>Households</b>			
2023 Wealth Index	70	71	66
2010 Households	77	334	1,241
2020 Households	84	360	1,304
2023 Households	89	386	1,413
2028 Households	98	422	1,513
2010-2020 Annual Rate	0.87%	0.75%	0.50%
2020-2023 Annual Rate	1.79%	2.17%	2.50%
2023-2028 Annual Rate	1.95%	1.80%	1.38%
2023 Average Household Size	2.53	2.41	2.42

**INCOME**

Based on the same demographic study from *The Site to Do Business* as shown above, we present the following income figures for Per Capita, Average Household, and Median Household for the year 2021 in a one-, three-, and five-mile radius from the subject property.

	1 mile	3 miles	5 miles
<b>Mortgage Income</b>			
2023 Percent of Income for Mortgage	36.2%	36.2%	28.6%
<b>Median Household Income</b>			
2023 Median Household Income	\$44,216	\$44,753	\$49,387
2028 Median Household Income	\$51,012	\$51,605	\$53,296
2023-2028 Annual Rate	2.90%	2.89%	1.54%
<b>Average Household Income</b>			
2023 Average Household Income	\$68,304	\$69,799	\$70,218
2028 Average Household Income	\$82,052	\$83,404	\$82,127
2023-2028 Annual Rate	3.74%	3.63%	3.18%
<b>Per Capita Income</b>			
2023 Per Capita Income	\$27,817	\$28,637	\$28,819
2028 Per Capita Income	\$33,792	\$34,598	\$34,179
2023-2028 Annual Rate	3.97%	3.85%	3.47%

**UTILITIES**

Most of the subject neighborhood is served by wells and septic tanks, and water lines are scattered throughout. The neighborhood is served by gas and electricity. The utilities are adequate to serve the subject neighborhood.

## ZONING

Zoning in the subject neighborhood varies and is complimented by a variety of land uses. Residential uses are generally well protected from adverse influences. Aiken County has jurisdiction over neighborhood properties.

## ENVIRONMENTAL CHARACTERISTICS

The primary environmental characteristics to consider are any nuisances or hazards as a result of the land use in the subject neighborhood. We noted no evident nuisances or hazards in the neighborhood. We consulted the EPA website EnviroMapper and found several facilities of interest near the subject associated with commercial and industrial uses. The topography of the land varies from rolling hills to basically level and is associated with the topography generally found in this region of the state. No environmental characteristics were readily observed which would prove detrimental to development in the subject neighborhood. Please consult an environmental engineer to ascertain the existence of hazardous materials as well as soil characteristics and suitability for development.

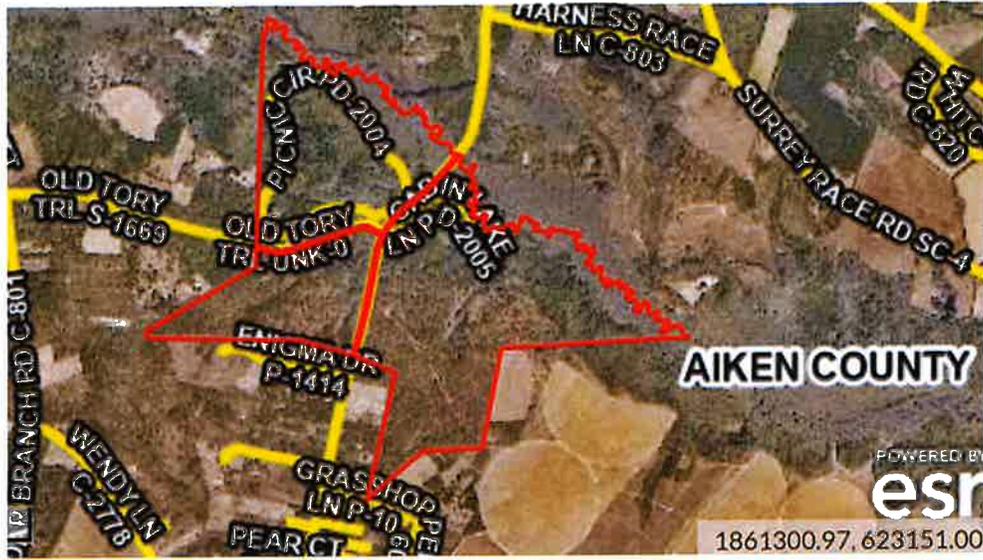
## CONCLUSION

The subject neighborhood is rural Aiken County, South Carolina. The subject neighborhood has a moderate economic outlook, as growth and development is moderate. Overall, land use patterns appear to support moderately increasing property values. Of the four life cycles of the neighborhood (growth, stability, decline and revitalization), the immediate neighborhood is stable.

<b>SITE ANALYSIS</b>	
<b>Description of the Property</b>	<p>The servient parcel is the Aiken State Park, containing 1,096.30 acres. The easements comprise a total of 2.9461 acres of easement area, which includes two shared easements.</p> <p><b>1.2943 Acres shared easement for:</b></p> <ul style="list-style-type: none"> <li>➤ underground fiber optic cable</li> <li>➤ underground electric cable</li> </ul> <p><b>1.6518 Acres shared easement for:</b></p> <ul style="list-style-type: none"> <li>➤ overhead 20' wide electric cable</li> <li>➤ overhead 20' wide fiber optic cable</li> </ul>
<b>Shape</b>	The park is irregular in shape and houses recreational sites within its boundaries.
<b>Flood Zone</b>	Although portions of the Aiken State Park are located in a special flood hazard area, the subject easements are not. A copy of Flood Map 33547912-91.590163 dated 6/19/2012 follows this section.
<b>Topography</b>	Generally level and wooded
<b>Utilities</b>	Electricity. Portions of the state park have public water and/or septic tank.
<b>Environmental</b>	We have not been furnished with any environmental information. The EPA EnviroMapper website shows no facilities of interest near the subject. Appraisers are generally not qualified to detect such conditions other than those readily visible. This appraisal and the appraised value assume that no environmental conditions exist. Please consult a qualified environmental engineer if you have issues.
<b>CONCLUSION</b>	The subject servient estate has 1.096.30 acres of land with two easements with a total of 2.9561 acres comprised of a 1.2943 acre shared easement and 1.6518 acres shared easement as shown on the following survey.



**AERIAL MAP - SERVIENT ESTATE**



### FLOOD MAP



Esri, USDA Farm Service Agency, Microsoft

Powered by Esri

<p><b>PIPS</b></p> <ul style="list-style-type: none"> <li> Approximately location based on user input and does not represent an authoritative property location</li> <li> Submitted Flooding Boundary</li> <li> Digital Data Available</li> <li> No Digital Data Available</li> <li> uncaptured</li> </ul> <p><b>MAP PANELS</b></p> <ul style="list-style-type: none"> <li> Area of Intermit Flood Hazard Zone 1</li> <li> Effective (DMAs)</li> <li> Area of undetermined Flood Hazard Zone 2</li> <li> Otherwise Protected Area</li> </ul> <p><b>OTHER AREAS</b></p> <ul style="list-style-type: none"> <li> Coastal Barrier Resource System Area</li> </ul>	<p><b>SPECIAL FLOOD HAZARD AREAS</b></p> <ul style="list-style-type: none"> <li> <b>WETLAND BASE FLOOD ELEVATION (BEF)</b> Zone A 1, A2 With BEF or Depth Regulatory Floodway Zone AC, AE, AH, XE, XZ</li> <li> <b>0.2% Annual Chance Flood Hazard</b>, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone 1</li> <li> <b>Future Condition 1% Annual Chance Flood Hazard</b> Zone 1</li> <li> Area with Reduced Flood Risk due to Levees, Sea Walls, etc Zone 1</li> <li> Area with Flood Risk due to Levees Zone 0</li> </ul> <p><b>OTHER AREAS OF FLOOD HAZARD</b></p> <ul style="list-style-type: none"> <li> Area with Flood Risk due to Levees Zone 0</li> </ul>	<p><b>OTHER FEATURES</b></p> <ul style="list-style-type: none"> <li> Cross Sections with 1% Annual Chance Vastly Surface Elevation</li> <li> Coastal Truncat</li> <li> Base Flood Elevation Line (BFE)</li> <li> Limit of Study</li> <li> Jurisdiction Boundary</li> <li> Coastal Truncat Baseline</li> <li> Profile Baseline</li> <li> Hydrographic Features</li> </ul> <p><b>GENERAL STRUCTURES</b></p> <ul style="list-style-type: none"> <li> Channel, Culvert, or Storm Sewer</li> <li> Levee, Dike, or Floodwall</li> </ul>
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**SUBJECT PHOTOS**



State Park Rd

State Park Rd at Entrance



View of access road and existing easement

Interior of Site

## ASSESSED VALUATION AND TAXES

The parent parcel is owned by the State of South Carolina – exempt from taxation.

## ZONING AND LEGAL CONSTRAINTS

The subject property is zoned RUD, Rural Development, by Aiken County. A variety of permitted principal uses & conditionally permitted uses include:

- Agricultural production, crops
- Livestock
- Hog and pig farming
- Poultry and eggs
- Sheep and goat farming
- Animal aquaculture
- Other animal production
- Horses and other equine
- Fur-bearing production
- Forestry and logging
- Commercial fishing, hunting, and trapping
- Support activities for agricultural/forestry
- Support activities for animal production
- Mining
- Utilities
- Bldg. construction – general contract and operative builders
- Heavy Construction
- Special trade contractors
- Manufacturing
- Wholesale trade except wrecking, junk & salvage
- Retail trade
- Flea markets
- Manufactured home dealers
- Fuel dealers
- Transportation & Warehousing activities
  - Truck Transportation is conditionally permitted
- Information activities
  - Communication towers/antennas are conditionally permitted
- Finance & insurance activities to include banks, credit intermediation, ATM machines, pawn shops, security & financial investments, insurance carriers, and funds & trusts
- Real Estate Rental & Leasing

- Professional, Scientific, & Technical Services
- Veterinary services
- Management of companies & enterprises
- Administrative Support and Waste-Management Services, not to include Hazardous waste treatment & storage or Material recover facilities
- Educational Services
- Health Care and Social Assistance with Nursing Care, Mental Services, & Community care for elderly being conditionally permitted
- Arts, Entertainment, and Recreation, with Motorized vehicle race tracks being conditionally permitted
- Amusement parks, arcades, gambling ind.
- Golf courses and country clubs
- Marinas
- Fitness and rec. sport centers
- Bowling center
- Gun club and firing ranges
- Riding stables
- Accommodation and Food Services with Camps/RV parks being conditionally permitted
- Repair and maintenance services such as auto repair and car washes
- Personal care services such as beauty and barber shops, funeral homes, cemeteries, crematories, laundry & dry cleaning services, pet care (kennels), photo-finishing labs, and automotive parking lots
- Other Services not including Sexually-oriented businesses
- Religious organizations, all other organizations
- Public Administration services such as Governmental services, Courts, Fire protection, correctional institutions, and administration of economic and housing programs
- Single-family detached dwellings including modular homes. Duplexes, triplexes, quadruplexes, multi-family, apartments, townhouses, and patio homes are conditionally permitted
- Manufactured dwellings are conditionally permitted
- Accessory uses to residential uses are permitted such as bathhouses, greenhouses, domestic animal shelters, & swimming pools
- Home occupations & accessory apartments are conditionally permitted
- Open Storage & temporary uses are conditionally permitted

Parking requirements vary according to usage with veterinary services requiring one space per every 300 square feet of gross floor area.

Non-residential uses require a minimum lot area of 43.5 feet per every 1,000 square feet. Front setback requirements are 50' if located along an arterial road, 40' along a collector

road and 30' along a local road. There is a 10' requirement on each side and 20' at the rear. Maximum height is 35'.

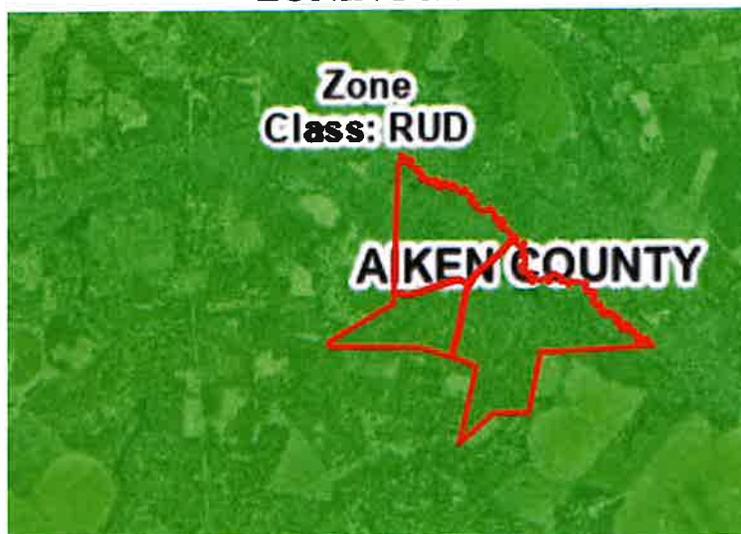
**LEGAL CONSTRAINTS**

We have not been furnished with a Certificate of Title and are unaware of any exceptions to title. An existing electric line exists on site. Please consult your attorney and the Certificate of Title for a complete list of exceptions to title

**CONCLUSION**

The subject is zoned Rural Development which supports a variety of uses.

**ZONING MAP**



## HIGHEST AND BEST USE

Highest and Best Use is defined as, "The reasonably probable use of property that results in the highest value."<sup>3</sup> Highest and Best Use actually involves two separate studies: analysis of the site as though vacant and ready to be put to its Highest and Best Use, and analysis of the property as it is presently improved. Highest and Best Use is a crucial determinant of value in the market and helps in measuring the comparability between recent similar property sales and the subject property. It is the foundation of the valuation process and relies on the prerequisite factors of value: utility, desire, scarcity, and effective purchasing power. Utility is a use that satisfies basic human need. Desire is the use that creates the purchaser's wish for the property. Scarcity occurs when enough participants compete for a property, while effective purchasing power requires that enough participants have the means to purchase a property.

In Highest and Best Use analysis, an appraiser must carefully consider prevailing market conditions and trends and the relationship between the supply of and demand for both the site, if it were vacant, as well as the site, as presently improved. Highest and Best Use must satisfy four tests.

- Is the use:
- A. Legally Permissible?
  - B. Physically Possible?
  - C. Financially Feasible?
  - D. Will that use produce the maximum productivity?

Highest and Best Use is shaped by competitive forces in the market and sets the stage for the analysis in the three approaches to value. The Highest and Best Use of the site as though vacant will be studied first. In doing so, it is assumed that the parcel of land in question has no improvements.

### *Highest and Best Use As If Vacant*

If the land were vacant, what improvement will create the most value? All four tests of Highest and Best Use are first applied to the site, as though vacant.

**Legally Permissible** - Zoning regulations, deed and subdivision regulations can limit the use to which a vacant site can be developed. The subject is zoned RUD, Rural, which permits a number of potential uses. The most likely uses are those exhibited in the neighborhood, which include primarily agricultural uses on larger parcels, with single family residential and service uses scattered throughout.

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<sup>3</sup> The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, 2022, p. 88

**Physically Possible** - The subject site totals 1,096.30 acres. The site is wooded and has variable topography. Most properties in the neighborhood have wells and septic tanks, although water lines are nearby.

**Financially Feasible** - The feasibility of a development depends primarily upon the demand for that use given existing supply. Most of the land near the subject is developed with agricultural uses. Population growth over the next five years is slow, and there is little demand for rural zoned properties nearby. Both supply and demand for large acreage tracts like the subject are extremely limited. Buyers are often investors who are willing to hold the property for a number of years.

**Maximally Productive** - Of all the financially feasible uses, agricultural use is the most appropriate and maximally productive use of the site.

**Conclusion** - The highest and best use of the subject site is for agricultural use. This use is assumed to be legally permissible, physically possible, financially feasible and provides the highest net dollar return to the land.

## EXPOSURE AND MARKETING TIME

Our exposure time analysis will focus on the estimated time the subject property would have been offered on the market prior to a sale. We are required to identify the exposure time that is linked to the Market Value conclusion. Unlike “marketing time”, exposure time immediately precedes the effective date of the appraisal. Exposure time is defined as follows:

The “an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal...Exposure time is a retrospective estimate based upon an analysis of past events assuming a competitive and open market.”<sup>7</sup>

Exposure time is therefore always presumed to have occurred prior to the effective date of the appraisal. Exposure time varies according to the type of property being appraised and the market conditions in effect at the effective date of the appraisal. Exposure time incorporates adequate, sufficient, and reasonable time as well as adequate, sufficient and reasonable effort. Exposure time is typically derived by 1) studying statistical information regarding days on the market prior to sale, 2) information gathered through sales verification, 3) interviews of market participants. Anticipated changes in market conditions, particularly with regard to supply and demand, should be considered. Investor surveys can be used to substantiate the exposure time conclusion but are typically pertain to national markets and may not be appropriate to the market under study. Large acreage tracts typically have a marketing time of one to two years.

Marketing time, which occurs after the effective date of the appraisal, is particularly meaningful when the appraisal is intended to be used for asset valuation, or foreclosure, as the presumption that exposure time occurs *prior* to the effective date of the appraisal may conflict with the appraisal’s intended use.

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<sup>7</sup>*Uniform Standards of Professional Appraisal Practice* (Washington D.C.: The Appraisal Foundation, 2020-2023), p 4.

## APPROACHES TO VALUE

The appraisal of real estate relies heavily on these three approaches to value, which are referred to as the Cost Approach, Sales Comparison Approach (sometimes called Market Approach), and the Income Capitalization Approach. The reliability of the value opinion is largely dependent upon the quantity and quality of available data as well as the number of approaches to value considered in the appraisal process. The market for the property type appraised determines which approach is used to form an opinion of value.

For improved properties, the Cost Approach begins with an opinion of the value of the site as if it were vacant and utilized to its Highest and Best Use. Added to this figure is the cost to replace the subject improvement at current construction prices less any accrued depreciation. The Cost Approach is based on the assumption that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. This approach is meaningful for improvements that are new or almost new, and is less meaningful for an older property.

The Sales Comparison Approach directly compares recent sales of similar properties to the total subject property. Whether vacant land or improved, the sales are compared directly to the subject on a per unit (acre, square foot, etc.) basis. An alternative technique is to compare other sales directly to the subject on the relationship of gross or net income to sales price. This approach closely duplicates the choices available to buyers in the market at the time of the appraisal and assumes that an informed purchaser will pay no more for a property than the cost of acquiring an existing, or substitute property with the same utility.

The Income Capitalization Approach looks at property value through the eyes of a typical investor. In this approach, typical net rental income and its relationship to sales price is analyzed by using a capitalization process, either by a capitalization rate that represents the ratio of sales price to net rental income obtained, or by a yield rate that represents the ratio of the investor's equity yield to value. Market data produces economic rent, vacancy and expense levels to calculate net operating income, as well as the capitalization rate or yield rate that is used to convert net income into a final opinion of value.

The final step in the valuation process is to reconcile the opinions of value indicated by the three approaches into a final opinion of value. The greatest weight is given the approach to value that more nearly represents the actions of the typical purchaser in the market. We will use the Sales Comparison Approach via Site Valuation. .

## SITE VALUATION - FEE SIMPLE VALUE

When estimating the site value, we focus on similarities and differences between the comparable land sales and the subject property. The Sales Comparison Approach is the most appropriate approach for the valuation of vacant land.

Adjustments are made for the differences noted, i.e. a difference in property rights purchased and appraised, buyer and seller motivation, financing and market conditions, as well as physical characteristics such as size, location, access and topography, among others.

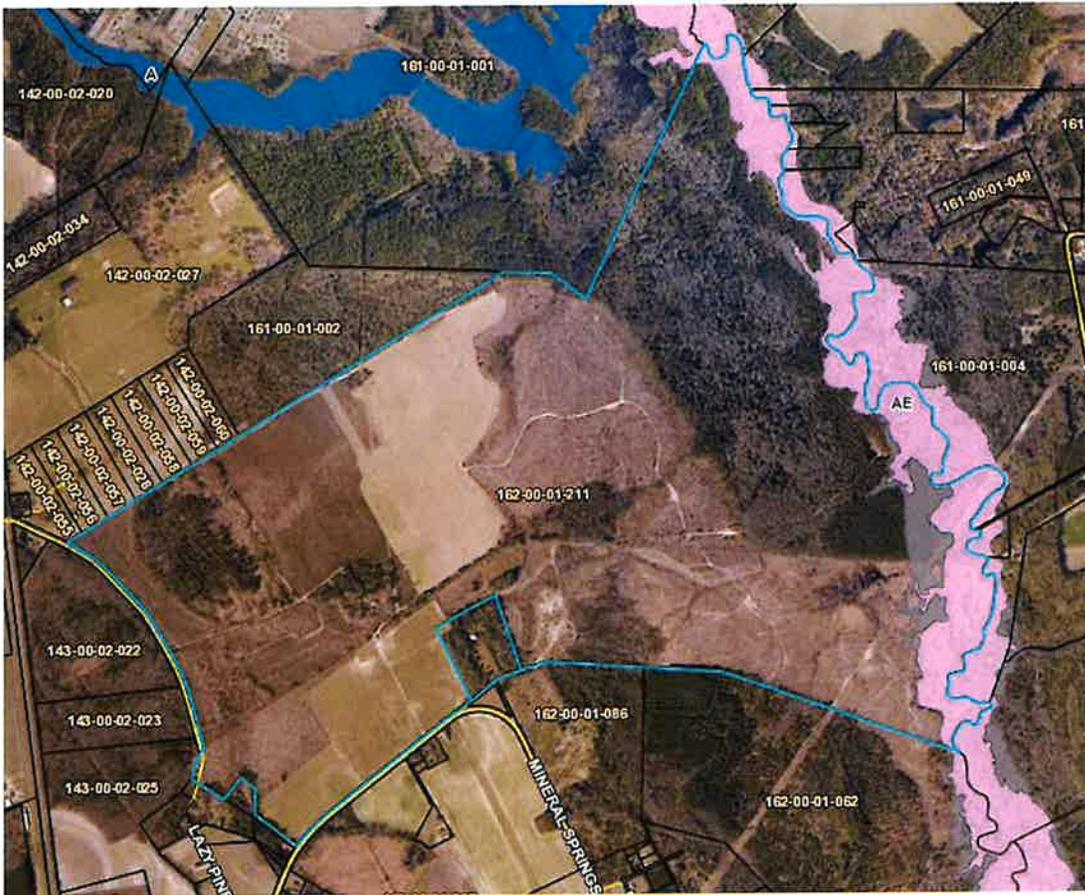
Recent sales of similarly situated vacant properties are compared directly to the subject, with adjustments made to reflect differences between each sale and the property being appraised. Sale 1 is the pending sale for the subject property.

The following land sales are therefore the most recent sales available. Sales were researched from 2015 through the present date.

Shown on the following pages is a description of each sale used, followed by a Sales Comparison Chart. The market recognizes price paid per square foot. For this appraisal, we will use the price per square foot unit of measure.

Please refer to the following land sales profiles. A Location Map and Sales Comparison Chart will also follow, then an analysis of the discount for the partial interest of the shared easement will be provided.

**Land Sale No. 1**



**Property Identification**

**Record ID** 2356  
**Property Type** Agricultural-Undeveloped  
**Property Name** Black Creek Farm  
**Address** 1229 Mineral Springs Road, Darlington, Darlington County, South Carolina 29540  
**Tax ID** 162-00-01-211

**Sale Data**

**Grantor** Collin Drum Coggeshall, et al & Lana Blackmon  
**Grantee** Frey Plantation, LLC  
**Sale Date** November 03, 2020  
**Deed Book/Page** 1094/3146 & 1096/4346  
**Property Rights** Fee simple  
**Sale History** No market sales in past ten years  
**Verification** Gary Springer; June 16, 2021; Other sources: Deed, flyer, public records, Confirmed by Lewis Brunson, MAI

**Land Sale No. 1 (Cont.)**

**Sale Price** \$2,031,500

**Land Data**

**Zoning** Not zoned  
**Topography** Mostly level, wetlands and flood zone  
**Utilities** Well and septic  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 820.000 Acres or 35,719,200 SF  
**Front Footage** Mineral Springs Road; Lazy Pine Road;

**Indicators**

**Sale Price/Gross Acre** \$2,477  
**Sale Price/Gross SF** \$0.06

**Remarks**

This is the assemblage of two adjacent parcels that total about 820 acres purchased with two deeds from different sellers in May and November 2020. The land includes about 120 acres of cropland (15%) and the 700 acres of timberland with minimal timber value. No irrigation was in place. About 50% of the land is covered with wetlands. The property borders Black Creek on the rear. The sale included a 1,900 square foot farmhouse built in 1861 in usable condition.

**Land Sale No. 2**



**Property Identification**

**Record ID** 2358  
**Property Type** Agricultural-Undeveloped  
**Property Name** Player Farm  
**Address** St. Charles Road, Bishopville, Lee County, South Carolina 29010  
**Tax ID** 051-00-00-102-000

**Sale Data**

**Grantor** C. B. Player, III, Marie Player Smith, Weber Kirby Player  
**Grantee** John W. Player  
**Sale Date** December 30, 2020  
**Deed Book/Page** 400/125  
**Property Rights** Fee simple  
**Marketing Time** Direct sale  
**Verification** James R. Seagars, Jr.; June 17, 2021; Other sources: Deed, public records, Confirmed by Lewis Brunson, MAI  
  
**Sale Price** \$2,577,400

**Land Data**

**Zoning** Rural  
**Topography** Mostly level, 80% cropland, 20% wooded

**Land Sale No. 2 (Cont.)**

**Shape** Irregular

**Land Size Information**

**Gross Land Size** 868.060 Acres or 37,812,694 SF

**Front Footage** St. Charles Road;

**Indicators**

**Sale Price/Gross Acre** \$2,969

**Sale Price/Gross SF** \$0.07

**Remarks**

This farm land located in the mid-section of Lee County is about 65% cropland and 35% wooded wetlands. The fields are ditched for drainage, and about 50% of the cropland is irrigated. The irrigation equipment is older and there is one well. The sale was a direct sale between distant cousins with no real estate listing or agents involved, however the purchase price was reported to be a market price. The attorney that closed the sales stated the seller was older and needed to reduce debt. The timber value was estimated at \$30,000.

**Land Sale No. 3**



**Property Identification**

<b>Record ID</b>	2359
<b>Property Name</b>	Cooper's Mill Farm
<b>Address</b>	Coopers Mill Road, Dog Island Road & Scots Road, Bishopville, Lee County, South Carolina 29010
<b>Tax ID</b>	045-00-00-034, -041, -170

**Sale Data**

<b>Grantor</b>	FPI Colorado, LLC
<b>Grantee</b>	Coopers Mill PLOZ Farm I, LLC
<b>Sale Date</b>	March 18, 2021
<b>Deed Book/Page</b>	404/30
<b>Property Rights</b>	Fee simple

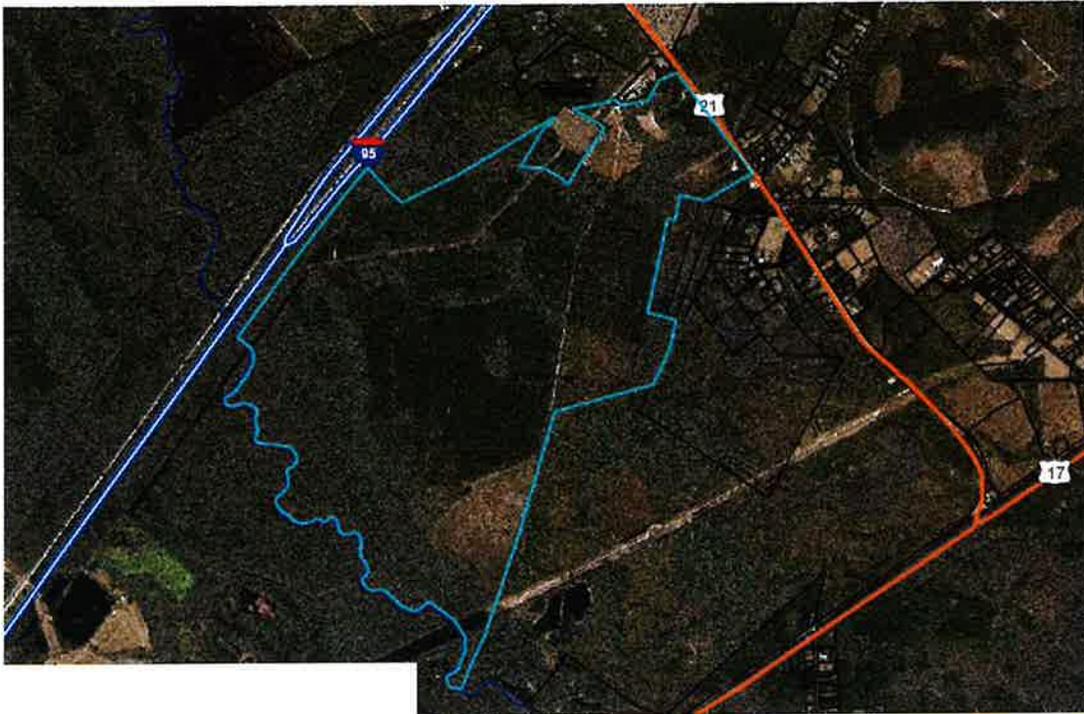
**Land Sale No. 3 (Cont.)**

<b>Marketing Time Verification</b>	N/A Curtis Spencer; September 30, 2015; Luca Fabbri, June 17, 2021; Other sources: Deed, public records, press release, Confirmed by Lewis Brunson, MAI
<b>Sale Price</b>	\$3,213,000
<b><u>Land Data</u></b>	
<b>Zoning</b>	RU, Rural District
<b>Topography</b>	Mostly level, some wetlands
<b>Utilities</b>	Well and septic required
<b>Shape</b>	Irregular
<b><u>Land Size Information</u></b>	
<b>Gross Land Size</b>	1,023.700 Acres or 44,592,372 SF
<b>Front Footage</b>	Coopers Mill Road; Scotts Road; Dog Island Road;
<b><u>Indicators</u></b>	
<b>Sale Price/Gross Acre</b>	\$3,139
<b>Sale Price/Gross SF</b>	\$0.07

**Remarks**

This sale included three adjacent parcels on either side of Coopers Mill Road about ten miles south of Bishopville. About 537 acres (53%) is cleared, drained by ditches, and in use as cropland, and the remainder covered with natural growth timber. The land is partially irrigated with two wells. The dry land soil types are well-suited for use as cropland. A long-term land lease is in place. This land was part of a portfolio of 2,811 acres across eight farms located in an Opportunity Zone, and the buyer and seller are both REIT funds that specialize in agricultural properties. The seller purchase the land in 2014 for \$2,377,366 or \$2,322 per acre.

**Land Sale No. 4**



**Property Identification**

**Record ID** 2528  
**Property Name** Rural Timberland  
**Address** Lowcountry Highway, Yemassee, Colleton County, South Carolina 29945  
**Tax ID** 266-00-00-020.000

**Sale Data**

**Grantor** Loblolly Tree Farm Limited Partnership  
**Grantee** Collum's Timber Investments, LLC  
**Sale Date** December 01, 2020  
**Deed Book/Page** 2912/213  
**Property Rights** Fee Simple  
**Sale History** Portion of property purchased by seller in 1999  
**Verification** Walter H. Sanders; September 06, 2022; Other sources: Deed, plat, public records, Confirmed by Lewis Brunson, MAI

**Sale Price** \$3,410,000

**Land Data**

**Zoning** RD-1, Rural Development  
**Topography** Mild changes  
**Utilities** None on site  
**Shape** Irregular

**Land Sale No. 4 (Cont.)**

**Flood Info** About 50% in Flood Zone A

**Land Size Information**

**Gross Land Size** 1,144.000 Acres or 49,832,640 SF

**Indicators**

**Sale Price/Gross Acre** \$2,981

**Sale Price/Gross SF** \$0.07

**Remarks**

This land is located in a rural section of Colleton County and close to an exit of I-95. The property has about 0.40-mile frontage on Lowcountry Highway (US 21) and extensive frontage on the Combahee River. Approximately 40-50% of the land is located in Flood Zone A, The dry portions are covered with planted pine and the remainder is covered with natural growth hardwoods. No timber value information was available.



LAND SALES COMPARISON CHART					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Name	<b>Aiken State Park</b>	<b>Black Creek Farm</b>	<b>Player Farm</b>	<b>Cooper's Mill Farm</b>	<b>Rural Timberland</b>
Location	1155 State Park Road Windsor, SC	1229 Mineral Springs Rd. Darlington, SC	St. Charles Road Bishopville, SC	Coopers Mill Road Bishopville, SC	Lowcountry Highway Yemassee, SC
Date		11/20	12/20	03/21	12/20
Sale Price		\$2,031,500	\$2,577,400	\$3,214,000	\$3,410,000
Size/Acres	1,096.300	820.000	868.00	1,023.700	1,144.00
Price/Acre		\$2,477	\$2,969	\$3,140	\$2,981
Zonine	Rural	Not zoned	Rural	Rural	Rural
Utilities		Well and Septic	None	Well and septic	None on site
% Flood Zone	None	50% Wetlands	35% wooded wetlands	None	40 to 50%
Adjustments:					
Property Rights		0%	0%	0%	0%
Adjusted Price		\$2,477	\$2,969	\$3,140	\$2,981
Financing		0%	0%	0%	0%
Adjusted Price		\$2,477	\$2,969	\$3,140	\$2,981
Conditions of Sale		0%	0%	0%	0%
Adjusted Price		\$2,477	\$2,969	\$3,140	\$2,981
Market Conditions	1%	3%	3%	3%	3%
Adjusted Price per Acre		\$2,551	\$3,058	\$3,234	\$3,070
Location		0%	0%	0%	-10%
Access		0%	0%	0%	0%
Size		0%	0%	0%	0%
Flood Zone		5%	5%	0%	5%
Net Adjustment		5%	5%	0%	-5%
Indicated Value/Acre		<b>\$2,679</b>	<b>\$3,211</b>	<b>\$3,234</b>	<b>\$2,917</b>

**EXPLANATION OF ADJUSTMENTS**

Adjustments are made to the comparable sales for differences between the comparable and the subject property. The following are generally accepted adjustment categories. The first four categories - real property rights appraised, financing, conditions of sale, and market conditions (time) are cumulative when the adjustments are percentages. Normally, a sale should first be adjusted for the cumulative adjustment where the remaining adjustments such as location and other physical characteristics are applied. Location, physical characteristics and other adjustments are additive, and may be in any order. An explanation of each adjustment category is as follows:

**PROPERTY RIGHTS CONVEYED**

The real property rights conveyed is the first adjustment made to a comparable. The appraisal of the subject property rights can best be compared to comparable property rights. All sales conveyed a fee simple interest, so no adjustments are warranted.

**FINANCING**

Financing conditions are at market, and no adjustments are required.

**CONDITIONS OF SALE (MOTIVATION)**

Parties involved in a transaction may be motivated by conditions surrounding the sale that influence the purchase price, such as a seller attempting to avoid foreclosure, or a buyer who has a limited amount of time to purchase a property due to like-kind-exchange time requirements. Sometimes, a property owner may need adjacent land for expansion of their existing facility so the purchase price is affected upward as they are a 'captive' buyer. Sale conditions are typical for all sales and no adjustment is needed.

**MARKET CONDITIONS (TIME)**

It is market conditions and not the passage of time that cause prices to change. This is an example of the principle of change. A market conditions adjustment is a cumulative adjustment within the sales comparison approach. As discussed in the Market Analysis section, sales are adjusted upward 1% annually.

**LOCATION**

Location has one of the greatest impacts on market value. All sales are similarly located to the subject except Sale 4, which has Interstate frontage and exposure. A moderate negative adjustment is made.

**SIZE**

Adjustments are considered based on optimum size, shape, and overall utility of the comparable sales in comparison to the subject. Economies of scale are often considered in this adjustment when market data generally supports the premise that the larger the property size, the lower the unit price and vice versa. No adjustments are required for the size differences by comparison.

**ZONING**

Zoning has a substantial impact on the permitted use for a property. The sales and the subject are all zoned rural or equivalent. No adjustment is required.

**FLOOD ZONE**

Moderate adjustments are made to Sales 1, 2 and 4, which contain some flood area while the subject has none.

**RECONCILIATIONe FEE SIMPLE VALUE**

The indicated value for the subject site after adjustment ranges from \$2,679 to \$3,234 per acre. The average is \$3,010 per acre. All sales have similar net adjustments and are given equal weight. A value of **\$3,000 per acre** is concluded as the value of the servient estate.

## EASEMENT / CORRIDOR VALUATION

A corridor is “an elongated narrow passageway, as in a hall found in a building or a strip of land used for a variety of purposes, including the following:

1. Road or rail transportation
2. Aqueducts and canals
3. Various utility distribution corridors, including those which accommodate electrical power lines, fiber optic telecommunications facilities and petroleum product pipelines
4. Avigation or aircraft overflight and landing patterns<sup>8</sup>

The owner of the underlying land has not assigned all of its rights in the easement parcels. The “Bundle of Rights” theory is a “concept that compares property ownership to a bundle of sticks with each stick representing a distinct and separate right to the property owner, e.g., the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or some of these rights”.<sup>9</sup> In other words, the underlying land owner can sell the easement, lease it, or give it away. An access road/easement runs in the same utility corridor as the subject’s easements. The following steps should be included in the analysis:

1. Identify the easement area
2. Identify placement and extent of the easement infrastructure
3. Identify easement’s impact on the bundle of rights and highest and best use
4. Apply the four tests of highest and best use and impact on the parent tract
5. Correlate the above factors

The rights of the subject’s easement corridor are limited to a portion of the ownership interest and is defined in the easements – shown in the Addenda and summarized below.

---

<sup>8</sup> *Charles P. Bucana, Sr. MAI and Robert G. Kunhs, Esq.*, Fiber Optic Communication Corridor Right-of-Way Valuation Methodology, Valuation Insights and Perspectives, The Appraisal Institute, p. 16-10

<sup>9</sup> *The Dictionary of Real Estate Appraisal*, Seventh Edition, Appraisal Institute, Chicago 2022, p. 22

**DESCRIPTION OF THE EASEMENT AREAS**

The utility easements are for 1) an underground electric cable and 2) an overhead fiber optic cable. Each contain the same amount of land area. A Utility Easement Plat across the lands of the property known as Aiken State Park prepared for Aiken Electric Cooperative, Inc. by Hass & Hilderbrand, Inc. dated July 10, 2023 shown on the following page shows a total easement area of:

- 128,332 square feet, or 2.9461 acres total area, of which
  - 56,380 square feet, 1.2943 acres is an underground easement area shared by underground fiber optic cable and underground electric cable
  - 71,952 square feet, or 1.6518 acres is an overhead easement area, which is 20' in width and is shared by overhead fiber optic cable and overhead electric cable

A copy of the plat follows.



**EASEMENTS & CORRIDOR RIGHTS**

The proposed easement documents are included in the Addenda. The easements are generally 20' in width and are accessed from State Park Road, "Y" shaped and crosses the parent parcel in a southeast direction, terminating at other private property. From State Park Road to the point where the easements intersect is approximately 1,467 linear feet. The northernmost easement from the intersection to the property line is about 1,903 linear feet while the southernmost easement from the intersection to the property line is 2,733± linear feet. Total length is 6,103± feet or 1.16 miles. No building improvements are located near the easements. The height of the overhead fiber optic line is the same as the typical overhead electric line. The land adjacent to the easements is located in an undeveloped portion of Aiken State Park - no park amenities are nearby. At the time of inspection, the easement areas were readily accessible via the dirt access roads that run concurrent with the lines. The easements are summarized as follows.

**Easement - 1.2943 acres**

This easement of right-of-way is for the purpose of construction, operation, maintenance and replacement of underground electric cable as well as overhead fiber optic cable. Conditions are:

- Grantor: State of South Carolina
- Grantee: Aiken Electric Cooperative, Inc.
- Any damage to the property is borne by the Grantee
- Grantee to maintain the easement
- Easement may be terminated upon abandonment by Grantor with 30 days prior notice to Grantee
- Easement terminates upon abandonment of the use of the easement
- Indemnification applies
- Easement is not exclusive
- Easement area is shared with an access road

**Easement - 1.6518 acres**

This easement of right-of-way is for the purpose of construction, operation, maintenance and replacement of underground electric cable and above ground fiber optic cable. Conditions are:

- Grantor: State of South Carolina
- Grantee: Aiken Electric Cooperative, Inc.
- Any damage to the property is borne by the Grantee
- Grantee to maintain the easement
- Easement may be terminated by Grantor with 30 days prior notice to Grantee upon abandonment and indemnification applies
- Easement is not exclusive
- Easement area is shared with an access road

### CONCLUSION OF HIGHEST AND BEST USE

The parent parcel is the Aiken State Park. The easements cross the parent parcel through an existing access road/easement area. No improvements are near the easement areas. Before the easements, the land area is used for access, and overhead electric lines are present along the access corridor. The parent parcel has been continuously used as a State Park since 1934. highest and best use is for agricultural purposes, in accordance with the prevailing use for private properties in the neighborhood. Zoned Rural Development, agricultural use is permitted. Although numerous other uses are permitted, the most likely use is for rural/agricultural use given the subject's size. Population growth is very moderate, so demand is moderate. The highest and best use for the subject parent parcel is for agricultural use, and the highest and best use will not change after the new easements are in place.

### ENHANCEMENT FACTOR

The next step is to ascertain if an "enhancement factor" applies to the proposed easement areas. The value of a transportation or utility corridor can be increased due to the assemblage of land and easement acquired to create a corridor – a time consuming and arduous process that includes land, improvements, construction and indirect costs can increase the value of a corridor. Appraisal literature reports data on corridor enhancement factors. The following sources were considered:

- In an article entitled "Transit corridor valuation, issues and methods", Amy McGuire, JD, Ron Throupe, PhD. & Wayne L. Hunsperger, MAI, *The Appraisal Journal* 2012, Reports that John P. Dolman and Charles F. Seymour reported in a 1978 issue of *The Appraisal Journal* that most corridor sales support a factor of 1.1 to 2.0, with the highest factors connecting major urban centers, where land values are likely much higher.
- The same source (Seymour) reports that freight rail corridors tend to support a factor from 1.1 to 1.2. Electrical transmission line corridors generally range from 1.50 to 1.70.
- Charles W. Rex, III, MAI in an article entitled "On the Right Track with ATF Corridor Valuation" in *RMI Midwest*, 2002, reported data on 45 corridor transactions illustrating sale price/ATF ratios of 1.00 to 2.62. While 6 transactions illustrated factors greater than 2.0, four had no premium factor (i.e. a factor of 1.00). Seventeen had factors of 1.50 or less. The majority had a factor of 1.50±.
- Clifford A. Zoll reports in an article entitled "Rail Corridor Markets and Sale Factors." *The Appraisal Journal*, October 1991 p. 512 that a factor of 0.25 – 0.50 is appropriate for liquidation, 1.00 – 1.74 for continued use, and 4.00 – 6.00 for acquisition, presumed for corridors connecting major urban centers.

Dolman and Seymour also identify eleven factors for comparison purposes, of which these apply to the subject sewer corridor:

1. Density of development
2. General level of value along the corridor
3. The demand for corridor use in each location
4. The availability of substitute corridors
5. The number of parcels that must be acquired to assemble a substitute parcel.

The subject is located in an area of primarily rural development. Demand is very moderate. No substitute corridors are available to my knowledge. Assemblage to create a substitute parcel would be a lengthy and arduous process. Nevertheless, the easement areas are not exclusive and are encumbered with an access road. Further, the easement areas can be terminated upon 30 days notice if abandoned, so they are not perpetual in nature.

We therefore conclude that an Enhancement Factor does not apply to the subject.

#### **VALUATION OF EASEMENTS**

Current appraisal theory posits that private sector transactions can be used as market evidence for comparison purposes in appraising telecommunication corridors. Since this data is for easements in perpetuity, it cannot be applied to the subject easement as the easement can be terminated if abandoned upon 30 days' notice (in accordance with state law for state leases).

Since the 1800's, the Interstate Commerce Commission has used the "Across the Fence" (ATF) method to appraise railroad corridors. This method is a variation of the Sales Comparison Approach and is based on the premise that the land corridor should be worth at least as much as the land through which it passes. Public utilities include land corridors and are used for a specific purpose. The land has been valued at \$3,000 per acre. The easements share use for access and existing power lines. We therefore conclude a value of 50% for the subject's easement, or \$1,500 per acre in fee simple.

#### **LIQUIDATION VALUE**

"In the railroad industry, the process of dividing up a former corridor into smaller parcels and selling them off is called *liquidation*. When the valuation process includes allowances for marketing time and expenses, the result is called *net liquidation value (NLV)*<sup>10</sup> Although the subject is not a rail corridor, it is a utility corridor and the NLV method is an acceptable appraisal methodology for corridor valuation.

The discount for liquidation value can be supported by market participant surveys and, if available, actual liquidation sales.

---

<sup>10</sup> Arthur G. Rahn, "Valuation of Transportation Corridors", *The Appraisal Journal*, Winter 2009, 56-61.

Market Participant Surveys: A survey of 113 designated (MAI, SIOR, CCIM) market participants resulted in 28 results for undeveloped land. Six participants reported that site of one to twenty acres in size would typically be liquidated at a discount of 20% to 25%, while five participants reported a discount of 30% to 35%. Three reported 5% to 10% while three reported a discount of 45% to 50%. A local developer reported a discount of 50%.

Market Data: The following market data is used to support our opinion of an appropriate discount. No liquidation sales of abandoned rail corridors could be found.

- 53%
- 66%
- 20%
- 36%
- 51%
- 57%
- 56%
- 50%

The above liquidation data is for commercial properties of all types. The following factors are for land only:

- 58%
- 57%
- 72%

Given the above, the higher discount for the subject land encumbered with easements is appropriate. We conclude a discount of 60% for the subject. Applying a discount factor of 60% yields a liquidation value for the entire 2.9461 acres calculated as follows:

<u>EASEMENT LAND VALUE</u>	<u>Value per Acre</u>	<u>\$ per Acre</u>		<u>TOTAL VALUE</u>
	\$1,500	2.9461		\$4,419
Discount			60.00%	
Total Discount				\$2,651
Total Discounted Value		2.9461		\$1,768
Discounted Value per Acre				\$600

Next, the value of each of the shared easements must be calculated, as there are two easements that will be shared by two separate utility easements.

<u>ALLOCATED EASEMENT VALUE</u>	<u>Value per Acre</u>	<u>\$ per Acre</u>		<u>TOTAL VALUE</u>
<b>1.2943 ACRE SHARED EASEMENT</b>	\$600	1.2943		\$777
Allocated Easement Value Per Shared Easement			Divided by 2	\$388
<b>ROUNDED TO</b>				<b>\$400</b>
<b>1.6518 ACRE SHARED EAESMENT</b>	\$600	1.6518		\$991
Allocated Easement Value Per Shared Easement			Divided by 2	\$496
Discounted Value per Acre				\$281
<b>ROUNDED TO</b>				<b>\$300</b>

Further, no damages apply to the parent parcel as easements already exist on the subject proposed easement areas.

**CONCLUSION**

The value of the easements are summarized below:

<b>1.2943 ACRE EASEMENT</b>	
Underground Fiber Optic Cable	\$400
Underground Electric Caable	\$400
<b>1.6518 ACRE EASEMENT</b>	
Overhead Fiber Optic Cable	\$300
Overhead Electric Cable	\$300

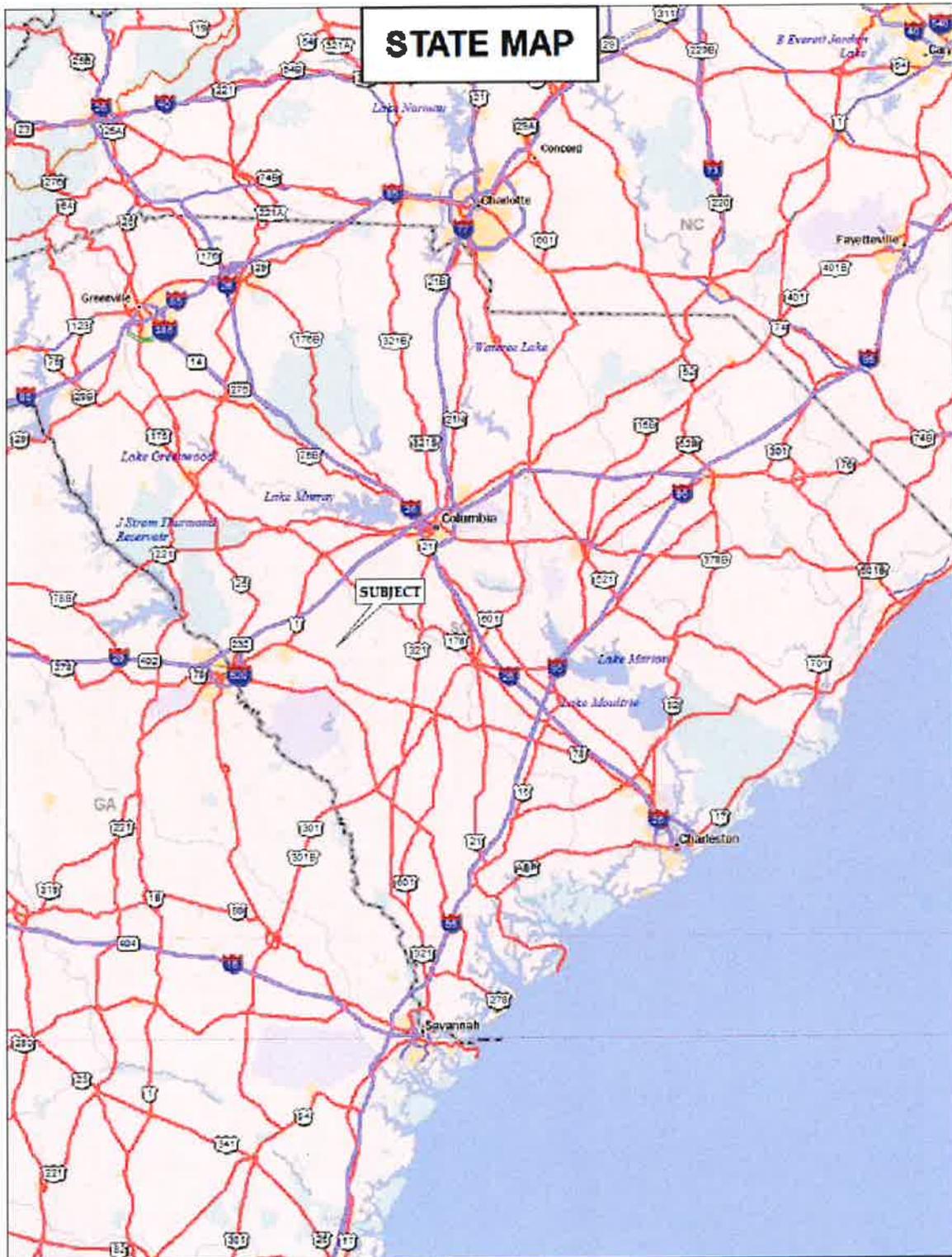
**RECONCILIATION AND FINAL VALUE OPINION**

The applicable approaches to value are well supported by a plethora of market data and indicate the following:

<b>IMPACT OF PROPOSED EASEMENT ON MARKET VALUE OCTOBER 30, 2023</b>	
<b>Market Value Reduction - Shared Easements</b>	
<b>1.2943 Acres Underground Fiber Optic Cable</b>	<b>\$400</b>
<b>1.2943 Acres Underground Electric Cable</b>	<b>\$400</b>
<b>1.6518 Acre Overhead Fiber Optic Cable</b>	<b>\$300</b>
<b>1.6518 Acre Overhead Electric Cabale</b>	<b>\$300</b>

# ADDENDA

# STATE MAP



 DeLORME

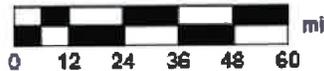
Data use subject to license.

© DeLorme, DeLorme Street Atlas USA® 2015

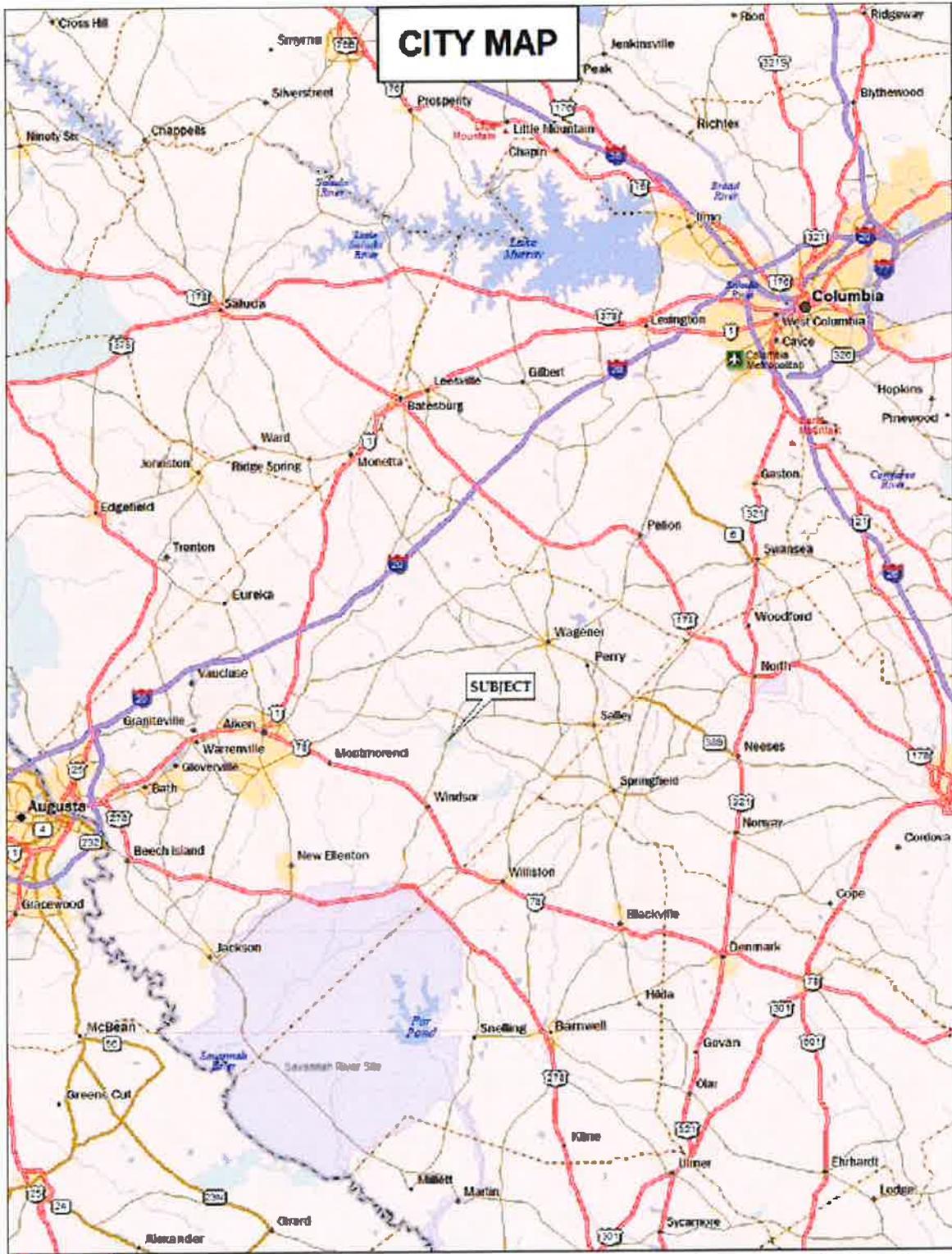
[www.delorme.com](http://www.delorme.com)



MN (8 0° W)



Data Zoom 6-5



**CITY MAP**

**SUBJECT**



Data use subject to license.

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www.delorme.com



# NEIGHBORHOOD MAP



Data use subject to license.  
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www.delorme.com





Any damage to the property of Grantor or any injury to any person caused by or relating to the installing, maintaining or repairing of said underground electric cable, apparatus or use of equipment related thereto, shall be borne by Grantee; provided further, however, the Grantor understands and agrees that Grantor shall make no use of the Easement Area which is inconsistent with the uses and purposes for which the Easement has been granted without Grantee's prior consent. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

Grantee shall maintain such Easement Area in good condition.

This Easement may be terminated by Grantor, upon thirty (30) days prior written notice to Grantee, and such interests as Grantee may have shall revert to Grantor if Grantor in its sole discretion determines that Grantee: (1) has quit and abandoned all use of such underground electric cable; (2) continues an uncorrected violation or breach of any of the terms and conditions herein; or (3) ceases to use this easement for its intended purpose as described herein.

Unless earlier terminated, this Easement shall continue in force only for a period of fifty (50) years from the date of this Easement, at which time it shall cease.

Grantee further agrees and covenants that Grantee shall indemnify and hold harmless Grantor from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs of attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the Easement granted herein.

Grantee will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

It is further understood and agreed that this Easement is not to be construed as an easement granted to the exclusion of Grantor or to others later granted a similar right. This Easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the Property.

Grantee further agrees that this Easement is being granted for Grantee's use only. Grantee further agrees that this Easement shall not be transferred or assigned without the prior approval of the State reviewing authority. In accordance with the foregoing, Grantor will not unreasonably restrain or obstruct the reviewing authority's review of the transfer or assignment of this Easement.

IN WITNESS WHEREOF, Grantor has caused this Easement to be duly executed the day and year first above written.

WITNESSES:

Grantor:

State of South Carolina by and through the

Department of Administration

\_\_\_\_\_  
1<sup>st</sup> Witness

By: \_\_\_\_\_(SEAL)  
(Print Name)  
(Title)

\_\_\_\_\_  
2<sup>nd</sup> Witness

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF COUNTY )

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named, \_\_\_\_\_(name), \_\_\_\_\_(title), of the \_\_\_\_\_(Grantor), personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Signature of Notary Public State of SC  
Print Name of Notary: \_\_\_\_\_  
My commission expires: \_\_\_\_\_





**Exhibit A**



Any damage to the property of Grantor or any injury to any person caused by or relating to the installing, maintaining or repairing of said overhead electric cable, apparatus or use of equipment related thereto, shall be borne by Grantee; provided further, however, the Grantor understands and agrees that Grantor shall make no use of the Easement Area which is inconsistent with the uses and purposes for which the Easement has been granted without Grantee's prior consent. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

Grantee shall maintain such Easement Area in good condition.

This Easement may be terminated by Grantor, upon thirty (30) days prior written notice to Grantee, and such interests as Grantee may have shall revert to Grantor if Grantor in its sole discretion determines that Grantee: (1) has quit and abandoned all use of such above-ground electric cable; (2) continues an uncorrected violation or breach of any of the terms and conditions herein; or (3) ceases to use this easement for its intended purpose as described herein.

Unless earlier terminated, this Easement shall continue in force only for a period of fifty (50) years from the date of this Easement, at which time it shall cease.

Grantee further agrees and covenants that Grantee shall indemnify and hold harmless Grantor from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs of attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the operation, maintenance, or use of the Easement granted herein.

Grantee will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

It is further understood and agreed that this Easement is not to be construed as an easement granted to the exclusion of Grantor or to others later granted a similar right. This Easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the Property.

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IN WITNESS WHEREOF, Grantor has caused this Easement to be duly executed the day and year first above written.

WITNESSES:

Grantor:

State of South Carolina by and through the

Department of Administration

\_\_\_\_\_

1<sup>st</sup> Witness

By: \_\_\_\_\_ (SEAL)

(Print Name)

(Title)

\_\_\_\_\_

2<sup>nd</sup> Witness

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA )

)

COUNTY OF COUNTY )

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named, \_\_\_\_\_ (name), \_\_\_\_\_ (title), of the \_\_\_\_\_ (Grantor), personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_

Signature of Notary Public State of SC

Print Name of Notary: \_\_\_\_\_

My commission expires: \_\_\_\_\_





**Exhibit A**



Any damage to the property of Grantor or any injury to any person caused by or relating to the installing, maintaining or repairing of said underground fiber optic cable, apparatus or use of equipment related thereto, shall be borne by Grantee; provided further, however, the Grantor understands and agrees that Grantor shall make no use of the Easement Area which is inconsistent with the uses and purposes for which the Easement has been granted without Grantee's prior consent. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

Grantee shall maintain such Easement Area in good condition.

This Easement may be terminated by Grantor, upon thirty (30) days prior written notice to Grantee, and such interests as Grantee may have shall revert to Grantor if Grantor in its sole discretion determines that Grantee: (1) has quit and abandoned all use of such underground fiber optic cable; (2) continues an uncorrected violation or breach of any of the terms and conditions herein; or (3) ceases to use this easement for its intended purpose as described herein.

Unless earlier terminated, this Easement shall continue in force only for a period of fifty (50) years from the date of this Easement, at which time it shall cease.

Grantee further agrees and covenants that Grantee shall indemnify and hold harmless Grantor from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs of attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the Easement granted herein.

Grantee will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

It is further understood and agreed that this Easement is not to be construed as an easement granted to the exclusion of Grantor or to others later granted a similar right. This Easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the Property.

Grantee further agrees that this Easement is being granted for Grantee's use only. Grantee further agrees that this Easement shall not be transferred or assigned without the prior approval of the State reviewing authority. In accordance with the foregoing, Grantor will not unreasonably restrain or obstruct the reviewing authority's review of the transfer or assignment of this Easement.





IN WITNESS WHEREOF, Grantee has caused this Easement to be executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WITNESSES:

**Grantee:**

**Aiken Electric Cooperative, Inc.**

\_\_\_\_\_  
1<sup>st</sup> Witness

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
2<sup>nd</sup> Witness

Its: \_\_\_\_\_  
Print Name & Title

STATE OF SOUTH CAROLINA )

)

**ACKNOWLEDGEMENT**

COUNTY OF COUNTY )

I, the undersigned notary public for the State of South Carolina, do hereby certify that \_\_\_\_\_ (name), the \_\_\_\_\_ (title) of \_\_\_\_\_ (Grantee) personally appeared before me this day and acknowledged the due execution of the foregoing instrument. The person providing the acknowledgement is either known to me or has provided satisfactory evidence of identification to be the person whose name is subscribed to the foregoing instrument.

Witness my hand and official seal this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(AFFIX NOTARY SEAL)

\_\_\_\_\_  
Notary Public for South Carolina

Print Notary name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**Exhibit A**





by Grantee; provided further, however, the Grantor understands and agrees that Grantor shall make no use of the Easement Area which is inconsistent with the uses and purposes for which the Easement has been granted without Grantee's prior consent. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

Grantee shall maintain such Easement Area in good condition.

This Easement may be terminated by Grantor, upon thirty (30) days prior written notice to Grantee, and such interests as Grantee may have shall revert to Grantor if Grantor in its sole discretion determines that Grantee: (1) has quit and abandoned all use of such above-ground fiber cable; (2) continues an uncorrected violation or breach of any of the terms and conditions herein; or (3) ceases to use this easement for its intended purpose as described herein.

Unless earlier terminated, this Easement shall continue in force only for a period of fifty (50) years from the date of this Easement, at which time it shall cease.

Grantee further agrees and covenants that Grantee shall indemnify and hold harmless Grantor from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs of attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the operation, maintenance, or use of the Easement granted herein.

Grantee will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

It is further understood and agreed that this Easement is not to be construed as an easement granted to the exclusion of Grantor or to others later granted a similar right. This Easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the Property.

Grantee further agrees that this Easement is being granted for Grantee's use only. Grantee further agrees that this Easement shall not be transferred or assigned without the prior approval of the State reviewing authority. In accordance with the foregoing, Grantor will not unreasonably restrain or obstruct the reviewing authority's review of the transfer or assignment of this Easement.

IN WITNESS WHEREOF, Grantor has caused this Easement to be duly executed the day and year first above written.

WITNESSES:

**Grantor:**

State of South Carolina by and through the

Department of Administration

\_\_\_\_\_  
1<sup>st</sup> Witness

By: \_\_\_\_\_(SEAL)

(Print Name)

(Title)

\_\_\_\_\_  
2<sup>nd</sup> Witness

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA )

)

COUNTY OF COUNTY )

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named, \_\_\_\_\_(name), \_\_\_\_\_(title), of the \_\_\_\_\_(Grantor), personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_

Signature of Notary Public State of SC

Print Name of Notary: \_\_\_\_\_

My commission expires: \_\_\_\_\_





**Exhibit A**

## ASSUMPTIONS AND LIMITING CONDITIONS

The use of this appraisal for any purpose signifies the reading and acceptance of all assumptions, attachments and limiting conditions. These conditions are a part of the appraisal and are intended to establish that the appraiser's function is to provide a present value indication or analysis for the subject property based upon the appraiser's observations. This appraisal report is an economic study to estimate value as defined in the report. It is not a construction, engineering, environmental, legal or architectural study nor survey and no such expertise is implied. No testing of material, equipment, soil, water, air or vegetation was made on or off site.

### THE APPRAISAL HAS BEEN MADE WITH THE FOLLOWING GENERAL ASSUMPTIONS:

1. It is assumed that the legal description as given is correct.
2. It is assumed that the title to the property is good and marketable.
3. It is assumed that opinions, data, and estimates furnished by others in the course of the research for the assignment are correct.
4. It is assumed that the property is under responsible ownership and competent management.
5. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this report. It is also assumed that no recorded restriction, zoning ordinance, or other encumbrance would prohibit the use of the property for any purpose indicated to be the Highest and Best Use unless cited in the report.
6. Any legal instrument or engineering document, plat or report affecting or indicating an effect upon the use and utility of the property has been furnished to the appraiser by the orderer or property owner and that if no such documents are presented (in original form or a copy) prior to or by the date of the property visit of the property, it is a representation that no such documents exist. If the orderer provides no such instruments, the appraiser obtained them from public sources, and the information is assumed to be correct.
7. It is assumed that appropriate waste disposal facilities are available from public or private sewer, at a minimal cost to the property owner, unless otherwise discussed in the body of this report. If a septic tank and/or well serve the site, it is assumed that they are safe and sanitary and in good working order.
8. The property is appraised as though owned in fee simple and free and clear of any existing lien or encumbrance, unless specifically noted in this report.
9. The appraiser has no responsibility for matters of a technical or legal nature, especially those affecting title to the property. Deed and subdivision restrictions, easements, and other encumbrances may affect the value of the property. Unless the orderer provides the exceptions to title, no title search has been undertaken by the appraiser to discover such conditions. The client is urged to retain legal counsel with regard to such encumbrances, if desired.
10. The plot plan, sketches and drawings are for the sole purpose of assisting the reader in visualizing the property. Unless otherwise indicated, they are not engineering drawings.
11. The appraisal is based on there being no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser has no

responsibility for such conditions, or for engineering studies which might be required to discover such factors.

12. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not necessarily observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances or conditions. The presence of substances such as asbestos, urea-formaldehyde foam insulation, underground, above ground, air-borne or water-borne chemicals, lead based paint, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or knowledge required in discovering them. The client is urged to retain an expert in this field, if desired.
13. This appraisal report is an economic study for value; it is not an engineering, wetlands, structural, mechanical, feasibility, or architectural study.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property (if improved) to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property was not considered.
15. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and there is no encroachment unless noted in the report.

**LIMITING CONDITIONS WHICH APPLY TO THE ACCEPTANCE AND COMPLETION OF THIS APPRAISAL ASSIGNMENT INCLUDE:**

1. No obligation for court testimony with regard to this appraisal report exists, unless arrangements have been previously made.
2. Value distributions as outlined in this report serve as a basis for distribution of total valuation and shall not be separately quoted or utilized.
3. Possession of this report or any copy thereof does not carry with it right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. Use of this report is limited to the person, persons, agency or firm for whom it is prepared, and to the appraiser. The Bylaws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each appraisal report signed by such Member, except as hereinafter provided. The client may distribute copies of this appraisal report in its entirety to third parties, however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, there is no accountability, obligation, or liability to any third party. It is; however, the third parties' responsibility to assure itself that the information contained herein is accurate and complete. Any reliance on the contents shall be solely at the third parties' risk.

This document when provided to third parties is without any warranty or representation, expressed or implied, as to its content, its suitability for any purpose, its accuracy or completeness. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser.

4. This appraisal is to be used only in its entirety and no part is to be used without the whole report. The appraiser so indicated on the individual certification prepared all conclusions and opinions concerning the analyses as set forth in the report. No change of any item in the report shall be made by anyone other than the appraiser and/or officer of the firm. The appraiser and firm shall have no responsibility if any such unauthorized change is made.
5. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute, the Real Estate Appraiser Act and Regulations of the South Carolina Department of Labor, Licensing and Regulation - Real Estate Appraisers Board, and/or the Real Estate Appraiser Classification and Regulation Act, Georgia Real Estate Appraisers Board.
6. This appraisal was obtained from Property Solutions or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 522(b)(4). Notify Deborah L. Tripp, MAI, SRA or an officer of Property Solutions of any request to reproduce this appraisal in whole or part.
7. An abundance of research and analysis was conducted in the preparation of this appraisal and/or appraisal report. All file data, research, and analysis, is incorporated herein by reference.
8. Appraisals are maintained for five years or two years after final disposition in court.
10. For purposes of this appraisal, any masculine pronoun shall include the feminine, any feminine pronoun shall include the masculine, any plural pronoun shall include the singular, and any singular pronoun shall include the plural.

**QUALIFICATIONS OF THE APPRAISER  
DEBORAH L. TRIPP, MAI, SRA**

**PROPERTY SOLUTIONS, LLC  
5721 BUSH RIVER ROAD  
COLUMBIA, SC 29212  
803.407.3000**

---

**PROFESSIONAL DESIGNATIONS AND AFFILIATIONS**

- ◆ MAI - Member of the Appraisal Institute, 1996, Member #11,163
- ◆ SRA - Senior Residential Appraiser Member of the Appraisal Institute, 1990
- ◆ State Certified General Real Estate Appraiser - State of South Carolina, GG1132
- ◆ State Certified General Real Estate Appraiser – State of North Carolina, A5379
- ◆ State Certified General Real Property Appraiser – State of Georgia, 5364
- ◆ Broker certified, South Carolina Real Estate Commission, 1988 – 380218832
- ◆ Broker-in-Charge, South Carolina Real Estate Commission License REL.29249.BIC

**TECHNICAL TRAINING**

*Courses*

Society of Real Estate Appraisers Courses Completed:

Course 101, “An Introduction to Real Property Appraising”, 1984

Course 102, “Applied Residential Property Appraising”, 1985

Appraisal Institute Courses Completed:

Course 201, “Principles of Income Property Appraising”, 1991

Course 202, “Applied Income Property Valuation”, 1991

Course 410, “Standards of Professional Practice, Part A”, 1996

Course 420, “Standards of Professional Practice, Part B”, 1996

Course 430, “Standards of Professional Practice, Part C”, 2005

“Seven Hour National USPAP Update Course”, 2020-2022 Edition, 2021

Course 833, “Fundamentals of Separating Real Property, Personal Property and Intangible Assets”, 2012

*Recent Seminars and Professional Development Programs*

“Valuation of Conservation Easements”, Completed Curriculum and Passed Examination”, Appraisal Institute, 2023

“Conservation Transactions: Legal and Appraisal Matters”, SC Conservation Bank, 2022

“State of South Carolina Economic Summit 2022” Appraisal Institute, 2022

“Conservation Easements, 2021 Updates on Legal, Appraisal, Accounting and Ethical Issues”, The Alabama/Mississippi chapter of the Appraisal Institute & The Georgia-Alabama Land Trust, 2021

“Valuation Resources for Solar Photovoltaic Systems”, Appraisal Institute, 2021

“Six Recent Appraiser Lawsuits and the Lessons from Each”, Appraisal Institute, 2021

“State of SC Economic Summit, Parts 1 and 2”, Appraisal Institute, 2021

“Aerial Inspections for Real Estate”, Appraisal Institute, 2021

“What’s up with Technology for Real Estate Appraisers”, Appraisal Institute, 2020

“Artificial Intelligence, AVMs & Blockchain – Implications for Valuation”, Appraisal Institute, 2020

“Valuation Impacts of COVID-19”, Appraisal Institute, 2020

“Covid-19 Latest Developments and Collaborative Efforts”, Appraisal Institute, 2020

“SCR Coronavirus Advocacy Update-Local, State, and Federal” South Carolina Association of REALTORS®, 2020

“Covid-19 – Rapid Response and Latest Developments”, Appraisal Institute, 2020

“South Carolina REALTORS® Broker in Charge Coronavirus Legal Update”, SCR, 2020

“Appraising for the Department of Interior (AVSO) & Other Federal Agencies”, Appraisal Institute, 2019

“ARGUS Enterprise Training”, Appraisal Institute, 2019

“Engagement Letters”, Appraisal Institute, 2018

“Uniform Standards for Federal Land Acquisition”, - Appraisal Institute, 2018

## QUALIFICATIONS OF DEBORAH L. TRIPP, MAI, SRA - (Continued)

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### PROFESSIONAL CONTRIBUTIONS

#### Author:

- ◆ "Practical Applications: The Cost Approach and Accrued Depreciation" Seminar sponsored by SC Chapter of the Appraisal Institute and approved by the SC Real Estate Appraisers Board, 1993
- ◆ "Appraiser Independence Redefined: The Empowerment of a Profession", Appraisal Institute, Valuation Insights and Perspectives, Volume 1, # 4, Fall, 1996.
- ◆ "Proposals and Engagements – Preparing for Marriage with your Client", Appraisal Institute, Valuation Insights and Perspectives, Volume 4, #3, Third Quarter, 1999.
- ◆ Various appraisal seminars and workshops, 1988 to 2007

#### Advisor:

- ◆ Valuation Insights and Perspectives, professional periodical, published quarterly by the Appraisal Institute, Chicago, Illinois, through 1999.

#### Reviewer:

- ◆ "Senior Housing - *Looking Toward the Third Millennium* ", Arthur E. Gimmy, MAI, Appraisal Institute, Chicago, Illinois, 1998.
- ◆ "Fannie Mae Desktop Underwriter Quantitative Analysis Appraisal Report Form 2055 & Qualitative Analysis Appraisal Report Form 2065", Joseph L. Minnich, III, SRPA, SRA, Appraisal Institute, Chicago, Illinois, 1997.

#### Other:

Past President and Cofounder, CREW Midlands South Carolina, 2014 (Commercial Real Estate Women)  
President, CREW Midlands South Carolina, 2013  
President Elect, CREW Midlands SC, 2012  
Director, CREW Midlands SC, 2010-2011  
Past President and Co-Founder: SC Professional Appraisers Coalition, 2009  
Board of Directors, SC Chapter Appraisal Institute, 2004-2006  
Government Relations Committee, SC Chapter Appraisal Institute, 2003, 2014-2016  
Associate Guidance Committee Chair, SC Chapter Appraisal Institute, 2003  
Member, Government Relations Committee, Appraisal Institute, 1996-2002  
Vice-Chair, Government Relations Committee, Appraisal Institute, 1999  
Member, Public Affairs Committee, Appraisal Institute, 1999  
Member, Publications Review Subcommittee, Appraisal Institute, 1996-1999  
Member, Communications Committee, Appraisal Institute, 1999  
SC State Chair, Government Relations Subcommittee, Appraisal Institute, 1994-1998

### EXPERIENCE

- ◆ Property Solutions, LLC, Owner/President, Analyst, Appraiser, Consultant, 1998 to present.
- ◆ Administrator/Subcontract Senior Commercial Appraiser, Executive Vice President and/or owner, various appraisal firms since 1981.
- ◆ Experience in real estate industry as Broker-in-Charge or licensed agent since 1977.

**QUALIFICATIONS OF DEBORAH L. TRIPP, MAI, SRA - (Continued)**

**SCOPE OF PROPERTY ANALYSIS COMPLETED**

*Real Estate Analysis Prepared For*

US Department of Justice	Southern First Bank
University of South Carolina	Wal-Mart
City of Columbia	SouthState Bank
Internal Revenue Service	Wells Fargo Bank
Security Federal Bank	SC Law Enforcement Division
South Carolina Department of Transportation	Richland County
South Carolina Department of Parks, Recreation & Tourism	First Citizens Bank & Trust
Blue Cross & Blue Shield of South Carolina	Truist
Department of Housing & Urban Development	Lexington Medical Center
First Horizon	Attorneys
South Carolina State Housing Authority	South Carolina National Guard
Columbia Housing Authority	South Carolina Budget & Control Board
General Services Administration	South Carolina Bar Association
University of South Carolina	State Farm Insurance Company
	US Army Corps of Engineers

*Real Estate Analysis and Consulting*

Extensive experience in numerous property types including:

Health Care Enterprises	Hospitals	Senior Care Facilities
Conservation Easements	Market Analysis	Life Care Communities
Independent Living Facilities	Apartments	HUD Programs
Complex Properties	Tax Credit	Review Appraisals
Litigation Appraisals	Litigation Consulting	Partial Acquisition
Partial Interests	Environmentally Impaired	Shopping Centers
Retail Buildings	Offices	Office Parks
Restaurants	Historic Properties	Single Family Residences
Development Land	Mixed Use Developments	Plantations
Subdivisions	Feasibility Studies	Market Analysis
Rental Studies	Air Rights	Marinas

**Qualified as Expert Appraisal Witness on Real Estate Analysis and Valuation in:** US Bankruptcy Court, District of South Carolina; Lexington County Family Court, Eleventh Judicial Circuit; Aiken County Civil Court, Second Judicial Circuit, Administrative Law Judge Division, State of SC. Consultant in real estate mediation deliberations and depositions.

**Community Service**

Co-Founder, Commercial Real Estate Women – Midlands Chapter  
 Co-Founder, South Carolina Professional Appraisers Coalition  
 President, Southwell Subdivision Homeowner's Association Board of Directors, 2011  
 Chair and Organizer, Central South Carolina Habitat for Humanity **First Ladies Build**, the first  
 Women-built Habitat House in South Carolina, First Lady Rachel Hodges, Honorary Chair  
 Nominated for South Carolina "Woman of Achievement" Award, Governor's Commission on Women, 2001

BCD 1362346

State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Appraisers Board

**DEBORAH L TRIPP**

Is hereby entitled in practice as a:  
Certified General Appraiser

License Number: 1132

Expiration Date: 06/30/2024  
OFFICE COPY

*Laura B. Smith*  
Administrator

DEBORAH LYNN TRIPP

#	0304	END OF RENEWAL
Status	ACTIVE	11/30/2024

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
220 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



LYNN DEMPSEY  
Real Estate Commissioner  
1235610403354210



**NORTH CAROLINA APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER  
**DEBORAH L TRIPP**

23      A5379      |      G      |      Y      24  
APPRAISER NUMBER      TYPE      NATIONAL REGISTRY

*Deborah L Tripp*      *Laura B. Smith*  
Appraiser's Signature      Executive Director

**EXPIRES JUNE 30, 2024**

BCD 1433371

State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Commission

OFFICE CODE: REO.5387 OFC      LICENSE NO: 29249

THIS PERSON LISTED BELOW HAS BEEN DULY LICENSED BY THE SOUTH CAROLINA REAL ESTATE COMMISSION

ASA BROKER IN CHARGE

**DEBORAH L TRIPP**

PROPERTY SOLUTIONS LLC  
5721 BUSH RIVER RD  
COLUMBIA SC 29212

Expires 06/30/2024  
OFFICE CARD

*Paul T. ...*  
Administrator

BCD 1362346

State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Appraisers Board

**DEBORAH L TRIPP**

Is hereby entitled in practice as a:  
Certified General Appraiser

License Number: 1132

Expiration Date: 06/30/2024  
OFFICE COPY

*Laura P. Smith*  
Administrator

DEBORAH LYNN TRIPP

# 0364

Status ACTIVE

END OF RENEWAL 11/30/2024

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605

LYNN DEMPSEY  
Real Estate Commissioner

1235610403354210

 **NORTH CAROLINA APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER  
**DEBORAH L TRIPP**

23 24

A5379 APPRAISER NUMBER | G TYPE | Y NATIONAL REGISTRY

*Deborah L Tripp* Appraiser's Signature | *Laura P. Smith* Executive Director

EXPIRES JUNE 30, 2024

BCD 1433371

State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Commission

OFFICE CODE: REG.5387 OFC  
LICENSE NO: 29249

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ASA BROKER IN CHARGE

**DEBORAH L TRIPP**

PROPERTY SOLUTIONS LLC  
5721 BUSH RIVER RD  
COLUMBIA SC 29212

Expires 08/30/2024  
OFFICE CARD

*R. T. A.*  
Administrator

**QUALIFICATIONS OF THE APPRAISER**  
**JESSICA D. BRYSON**  
**PROPERTY SOLUTIONS, LLC®**  
**5721 BUSH RIVER ROAD**  
**COLUMBIA, SC 29212**

---

**PROFESSIONAL AFFILIATIONS**

State Certified General Real Estate Appraiser, State of South Carolina, 6793  
State Certified General Real Estate Appraiser, State of North Carolina, A8298  
State Certified General Real Property Appraiser, State of Georgia, 385213  
Practicing Affiliate, Appraisal Institute

**EDUCATION**

Bachelor of Arts in English, Concentration in Writing, Winthrop University, 2008

**APPRAISAL INSTITUTE COURSES COMPLETED**

- Basic Appraisal Principles, 2010, 2016
- Basic Appraisal Procedures, 2011, 2016
- 15-Hour National USPAP Course, 2011, 2016
- Real Estate Finance, Statistics, and Valuation Modeling, 2011, 2017
- General Appraiser Sales Comparison Approach, 2013
- General Appraiser Market Analysis and Highest & Best Use, 2013
- General Appraiser Site Valuation & Cost Approach, 2013
- General Appraiser Income Approach/Part 1, 2017
- General Appraiser Income Approach/Part 2, 2017
- General Appraiser Report Writing and Case Studies, 2017

**OTHER COURSES/SEMINARS COMPLETED**

- Inconsistency: It's Hiding in Plain Sight in Your (Commercial) Appraisal, May 2022
- The Paperless Real Estate Appraisal Office, 2022: Ten Years Later, April 2022
- Commercial Land Valuation, April 2022
- 2022-2023 7-Hour National USPAP Update Course, December 2021
- Local Impact on Value Due to COVID-19 (Update), December 2020
- Eminent Domain and Condemnation, 2020
- Data Verification Methods, 2020
- Appraisal of Medical Office Buildings, 2020
- Appraising for the Department of Interior (AVSO) & Other Federal Agencies, 2019
- Commercial Appraisal Review, 2018
- Solving Land Valuation Puzzles, 2018
- Appraisal Subject Matter Electives, 2017
- Business Practices and Ethics, 2011, 2017, 2022
- Hot Topics and Myths in Appraiser Liability, 2017
- Supervisor-Trainee Course for South Carolina, 2017
- Evaluating Commercial Construction Primer, 2015

**QUALIFICATIONS OF JESSICA D. BRYSON - (Continued)**

---

**PROFESSIONAL EXPERIENCE**

- Property Solutions, LLC, Certified General Appraiser - April 2018 - Present
- Property Solutions, LLC, Apprentice Appraiser, 2011 - April 2018
- Property Solutions, LLC, Office Manager, 2010
- Executive Assistant, SC Professional Appraisers Coalition, 2006 - 2008

**APPRAISAL EXPERIENCE**

Offices	Industrial Warehouses	Development Land
Medical Offices	Manufacturing Facilities	Triple Net Leased Properties
Retail	Childcare Centers	Ground-leased Properties
Restaurants	Car Washes	Physical Fitness Facilities
Institutional Properties	Redevelopment Projects	Mixed Use Development
Kennels	Religious Facilities	Bank Branches
Veterinary Facilities	Multi-Family	Appraisal Review
Breweries	Bus Transfer Stations	Historic Property
Market Rent Studies	Easements	Environmental Conditions

**COMMUNITY SERVICE**

- Cat and dog foster parent, Pawmetto Lifeline
- Animal rescue, adoption, and spay/neuter advocate
- Social media marketing expert for various municipal animal control facilities
- Delta Zeta Sorority

BCD 1473354

State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Appraisers Board

**JESSICA DAWN BRYSON**

Is hereby entitled in practice as a:

**Certified General Appraiser**

License Number: **6793**

Expiration Date: 06/30/2024

OFFICE COPY

*Laura L. Smith*  
Administrator



**NORTH CAROLINA APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

22 **JESSICA D BRYSON** 23

A8298	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

*Jessica Bryson* Appraiser's Signature      *[Signature]* Executive Director

**EXPIRES JUNE 30, 2023**

**JESSICA DAWN BRYSON**

# 385213  
Status **ACTIVE**

**END OF RENEWAL**  
09/30/2023

**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1805



**LYNN DEMPSEY**  
Real Estate Commissioner

1624357531410007

TOTAL AREA  
EASEMENT AREA  
128,332 sq. ft.  
**2.9461 Ac.**

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

**STATE PARK ROAD**  
S2 - 53 \* 66' R/W  
45' MPH SPEED LIMIT  
DOCKET No. 2,284

OLD TORY TRAIL  
STATE PARK Rd.  
1443.75'

N 127°04'00" E  
24.61'

THE AEC OVERHEAD 20' EASEMENT  
IS PARALLEL TO AND CRISSCROSSES  
AN EXISTING 20' ACCESS EASEMENT  
PER DB 1051/192, MB 650/98 & 514/131

LOT  
1

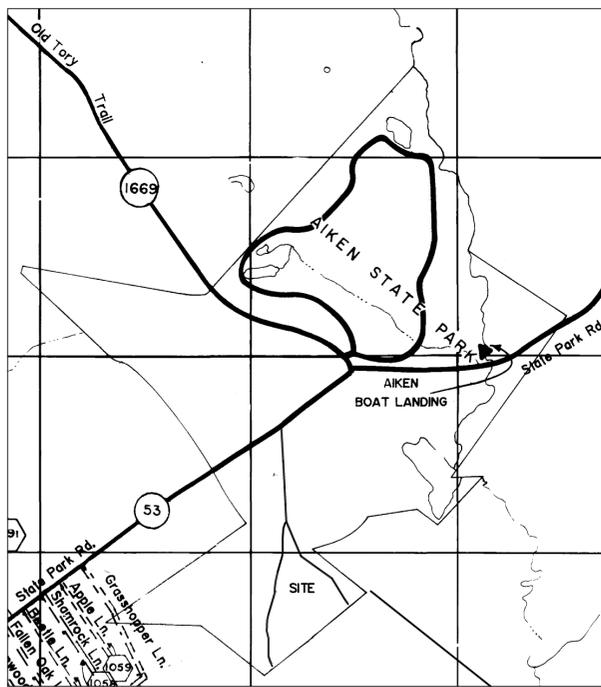
**PARK SIDE SUBDIVISION**  
G.I.S. No. 239-00-02-001  
DARRELL J. & PATRICIA ANN  
**WILSON**  
PLAT BOOK 38/130-1

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

G.I.S. No. 239-00-01-011  
OLD PARCEL No. 00-297.0-02-001  
**AIKEN STATE PARK**  
SOUTH CAROLINA  
DEPT. of PARKS, RECREATION & TOURISM  
THE STATE FORESTRY COMMISSION  
AND  
STATE BUDGET & CONTROL BOARD  
DB 66/26 & 33  
MB 14/493 & 499  
PLAT BOOK 1/51

G.I.S. No. 239-00-01-010  
OLD PARCEL No. 00-298.0-01-008  
MICHAEL M.  
**CHAMBERLIN**  
and  
MARGARET A.  
**O'BRIEN**  
RB 4554/1358 MB 650/98  
PB 21/37-1 MB 514/131

G.I.S. No. 239-00-01-015  
OLD PARCEL No. 00-298.0-01-004  
**HULL**  
LIVING TRUST  
RB 4860/1728  
RB 4836/1220  
PB 15/11



LOCATION DIAGRAM  
SCALE: 1" = 200'

UNDERGROUND LINE TABLE		
LINE	BEARING	LENGTH
U21	S 00°16'53" W	21.63'
U22	S 22°42'18" E	101.27'
U23	S 37°16'30" E	181.60'
U24	S 41°19'04" E	120.15'
U25	S 40°29'23" E	152.08'
U26	S 33°03'04" E	84.07'
U27	S 24°39'58" E	312.49'
U28	S 28°51'39" E	170.84'
U29	S 32°49'33" E	69.99'
U30	S 35°13'36" E	95.52'
U31	S 41°34'33" E	26.69'
U32	S 80°52'47" E	16.30'
U33	S 33°03'35" E	22.78'
U34	S 11°56'25" W	11.60'
U35	S 29°07'35" E	55.33'
U36	S 24°17'56" E	394.40'
U37	S 28°38'25" E	105.51'
U38	S 39°13'02" E	201.79'
U39	S 54°40'07" E	142.22'
U40	S 40°45'01" E	181.20'
U41	S 41°15'21" E	161.64'
U42	S 57°44'39" E	95.50'
U43	S 66°22'36" E	65.44'
U44	N 66°22'36" W	71.53'
U45	N 57°44'39" W	99.91'
U46	N 41°15'21" W	164.63'
U47	N 40°45'01" W	178.84'
U48	N 54°40'07" W	142.49'
U49	N 39°13'02" W	206.35'
U50	N 28°38'25" W	108.12'
U51	N 24°17'56" W	394.32'
U52	N 29°07'35" W	34.14'
U53	N 34°44'32" W	52.92'
U54	N 41°34'33" W	32.86'
U55	N 35°13'36" W	97.05'
U56	N 32°49'33" W	71.10'
U57	N 28°51'39" W	172.26'
U58	N 24°39'58" W	311.76'
U59	N 33°03'04" W	81.30'
U60	N 40°29'23" W	150.71'
U61	N 41°19'04" W	120.79'
U62	N 37°16'30" W	184.86'
U63	N 22°42'18" W	107.89'
U64	N 00°16'53" E	37.61'
U65	S 44°01'41" E	5.81'
U66	S 63°47'50" E	17.72'

OVERHEAD LINE TABLE		
LINE	BEARING	LENGTH
L1	S 43°56'30" E	419.68'
L2	S 43°55'27" E	497.80'
L3	S 43°57'53" E	336.45'
L4	S 44°01'41" E	325.03'
L5	S 63°47'50" E	361.17'
L6	S 64°10'23" E	360.09'
L7	N 84°42'31" E	397.05'
L8	N 84°25'24" E	332.50'
L9	S 72°13'14" E	458.70'
L10	S 76°05'23" E	109.97'
L11	N 76°05'23" W	111.85'
L12	N 72°13'14" W	455.24'
L13	S 84°25'24" W	328.42'
L14	S 84°42'31" W	402.67'
L15	N 64°10'23" W	365.72'
L16	N 63°47'50" W	364.72'
L17	N 44°01'41" W	328.53'
L18	N 43°57'53" W	336.46'
L19	N 43°55'27" W	497.80'
L20	N 43°56'30" W	405.33'

OVERHEAD  
EASEMENT AREA  
71,952 sq. ft.  
**1.6518 Ac.**

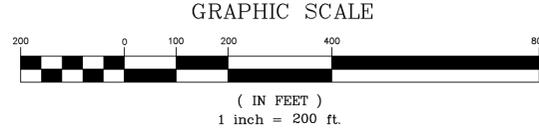
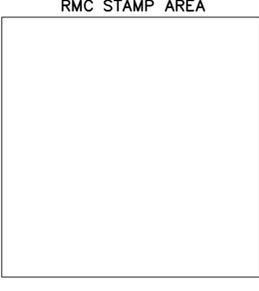
THE AEC OVERHEAD 20' EASEMENT  
IS PARALLEL TO AND CRISSCROSSES  
AN EXISTING 20' ACCESS EASEMENT  
PER DB 1051/192, MB 650/98 & 514/131

UNDERGROUND  
EASEMENT AREA  
56,380 sq. ft.  
**1.2943 Ac.**

THE AEC UNDERGROUND ELECTRIC  
SERVICE LINE IS LOCATED IN THE  
NORTHEAST EDGE OF THE NORTHERN  
MOST TIRE RUT OF THE ACCESS ROAD



AIKEN COUNTY PLANNING DEPT.



G.I.S. No. 240-00-02-001  
OLD PARCEL No. 00-298.0-01-009  
**RONI RHODES**  
**REISELT**  
DB 1850/52 RB 4536/2334  
MB 20/319 MB 1069/18  
PB 64/660

NOTE  
According to the national  
flood insurance program  
MAP 450002 0045 B  
w/ an effective date of  
MARCH 4, 1980 this property  
is found to be located in  
a FLOOD ZONE "C".

I hereby state to the best of my  
knowledge, information and belief,  
the survey shown hereon was made in  
accordance with the requirements of  
the minimum standards manual for  
the practice of land surveying in  
South Carolina, and meets or exceeds  
the requirements for a Class A survey  
as specified therein, also there are no  
encroachments, projections, or  
setbacks affecting the property other  
than those shown."

---

AGENCY: Department of Administration, Facilities Management and Property Services and State Fiscal Accountability Authority

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SUBJECT: Short-Term Leasing of Student Housing by Higher Education

Over the last year, the Department of Administration (Admin) and the State Fiscal Accountability Authority (SFAA) have been made aware of two institutions entering short-term leases of student housing using the emergency procurement procedures appearing in the Consolidated Procurement Code. As a result of these errors, these institutions have not been obtaining the statutorily required lease approvals until after the leases have been executed. To prevent further misunderstanding, both Admin's Division of Facilities Management and Property Services and the SFAA's Division of Procurement Services intend to issue a joint statement to all institutions of higher education informing them of the Consolidated Procurement Code's inapplicability to these leases and the necessity of acquiring the approvals required by Title 1, Chapter 11 of the South Carolina Code of Laws. A copy of the statement is attached.

This information was submitted to the JBRC at its January 24, 2024, meeting.

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AUTHORITY ACTION REQUESTED:

Receive as information the statement to institutions of higher education regarding the applicable statutory approval for short-term leases of student housing, as recommended by Admin's Division of Facilities Management and Property Services and the Authority's Division of Procurement Services.

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ATTACHMENTS:

- (a) SC Code of Laws Sections 1-11-55 and 1-11-56
- (b) SC Code of Regulations Section 19-447.1000
- (c) Joint Statement of Admin's Division of Facilities Management and Property Services and SFAA's Division of Procurement Services

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

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Meeting Scheduled for: January 30, 2024

Regular Agenda

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**1. Submitted by:**

(a) Agency: Department of Administration (Admin)

(b) Authorized Official Signature:

Ashlie Lancaster

Ashlie Lancaster, Director, FMPS

(c) Agency: State Fiscal Accountability Authority

(d) Authorized Official Signature:

John H. White

John White, Chief Procurement Officer  
& State Engineer

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**2. Subject:** Short-Term Leasing of Student Housing by Higher Education

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**3. Summary and Background Information:**

Over the last year, Admin and SFAA have been made aware of two institutions entering short-term leases of student housing using the emergency procurement procedures appearing in the Consolidated Procurement Code. As a result of these errors, these institutions have not been obtaining the statutorily required lease approvals until after the leases have been executed. To prevent further misunderstanding, both Admin's Division of Facilities Management and Property Services and the SFAA's Division of Procurement Services intend to issue a joint statement to all institutions of higher education informing them of the Consolidated Procurement Code's inapplicability to these leases and the necessity of acquiring the approvals required by Title 1, Chapter 11 of the South Carolina Code of Laws. A copy of the statement is attached.

This information was submitted to the JBRC at its January 24, 2024, meeting.

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**4. What is the Authority asked to do?** Receive as information the statement to institutions of higher education regarding the applicable statutory approval for short-term leases of student housing.

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**5. What is recommendation of the Division of Facilities Management and Property Services and the Division of Procurement Services?** Receive as information the statement to institutions of higher education regarding the applicable statutory approval for short-term leases of student housing.

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**6. Private Participant Disclosure – Check one:**

No private participants will be known at the time the Authority considers this agenda item. Landlord is an exempt governmental entity.

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.

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**7. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_

(b) Office Name: Click or tap here to enter text.

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**8. List of Supporting Documents:**

- (a) SC Code of Laws Sections 1-11-55 and 1-11-56
- (b) SC Code of Regulations Section 19-447.1000
- (c) Joint Statement of Admin's Division of Facilities Management and Property Services and SFAA's Division of Procurement Services

(a)

## SC CODE OF LAWS

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

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

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

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

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

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

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

#### Code Commissioner's Note

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

#### Effect of Amendment

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

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

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

"department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

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

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

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

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

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

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

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

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

**Effect of Amendment**

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

(b)

## SC CODE OF REGULATIONS

19-447.1000. Leasing of Real Property.

### A. LEASE OF NON STATE-OWNED REAL PROPERTY

No governmental body shall contract for the lease, rental, or use of non state-owned real property without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of non state-owned real property unless the governmental body has been exempted.

#### 1. GENERAL REGULATIONS

(a) The Office of General Services shall be accountable for the procurement of leased real property for governmental bodies in accordance with the regulations promulgated by the Board.

(b) All leases shall require the written approval of the Office of General Services, except when such lease is exempt from approval by the Budget and Control Board.

(c) Before approving any lease, Office of General Services shall:

(1) assure that all appropriate approvals have been obtained.

(2) verify that adequate funds exist for the lease payments;

(3) verify that lease payments represent no more than fair market rental;

(4) verify that upfitting costs represent no more than current market costs;

(5) verify that a multi-year financial plan has been submitted by the requesting agency for review by the Budget and Control Board's budget office.

(d) All requests for leased real property by governmental bodies and agencies shall be submitted to the Office of General Services on a "Request for Space Form" provided by General Services.

(1) This form shall include, but not be limited to:

(a) The purpose for which the space will be used.

(b) Any special requirements or needs with written justification (computer rooms, etc.).

(c) Parking requirements and justification.

(d) The general location or area desired.

(e) A multi-year financial plan for review by the Board's budget office.

(2) The amount of office space desired shall be computed and justified using the standards specified in Code Section 1-11-55.

(3) Other types of space (warehouse, laboratory, etc.) shall require a written letter of justification from the requesting agency or governmental body and shall include documentation of market standards for use of this type space. The Office of General Services shall be accountable for investigating the existing space or any other information given in the justification.

(4) The "Request for Space Form" or any other document requesting space or justifying the need for space shall be certified by the Director of the requesting agency or governmental body.

(e) An agency or governmental body desiring to renew an existing lease is responsible for notifying the Office of General Services in writing of its intention to do so at least 60 days before the renewal deadline as stated in the lease. Upon approval by appropriate boards and the Office of General Services, the governmental body or agency shall notify the Lessor that it has elected to exercise its right of renewal pursuant to the lease. The Office of General Services may send each a renewal request form and a reminder notice well in advance of these deadlines.

(f) Under no circumstances will the requesting governmental body or state agency contact or negotiate lease terms with any real estate agency, broker, builder, owner, or representative in reference to space needs without the prior written consent of the Office of General Services.

(g) The Office of General Services will begin investigation of available rental space within ten (10) working days after receiving the "Request for Space Form".

(h) When processing requests for space, the Office of General Services will first determine whether appropriate state-owned or state-leased space is available before exploring commercial space alternatives. If such space is available, the Office of General Services will direct the requesting agency or governmental body to occupy said space. If state-owned or state-leased space is unavailable or inappropriate, the Office of General Services shall begin a solicitation process to secure proposals for commercial space from as many qualified developers and/or brokers as is practicable.

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

## 2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

## 3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

#### 4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

- (1) all prior approvals have been obtained;
- (2) adequate funds exist for the lease payments;
- (3) lease payments are no more than fair market rental; and
- (4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

#### 5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

#### 6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

#### 7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

(b) The Office of General Services shall determine which of the above regulations are applicable to any special lease situation and may adopt additional procedures to meet special needs on a case by case basis.

#### 8. STANDARD LEASE DOCUMENTS

(a) The Office of General Services will be responsible for drafting and updating the state standard lease document.

(b) The state standard lease document will be used in all lease negotiations unless a substitute document is approved in advance by the Office of General Services.

(c) The state lease document will incorporate cancellation provisions including a right to cancel in the event of a (a) non-appropriation of funds for the renting agency, (b) dissolution of the agency and (c) the availability of public space in substitution for private space being leased by the agency.

#### B. LEASE OF STATE-OWNED REAL PROPERTY

No governmental body shall contract with any commercial entity or other governmental body for the lease, rental, or use of state-owned real property whether it be titled in the name of the State of South Carolina or any governmental body, without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of state-owned real property unless the governmental body has been exempted.

#### C. EXEMPTIONS

The Budget and Control Board may exempt governmental bodies from leasing state-owned and non state-owned real property through the leasing procedure herein required provided, however, that annual reports be filed with the Office of General Services, prior to July 1 of each year. Annual reports shall contain copies of all existing leases of state-owned and non state-owned real property. The Budget and Control Board may limit or withdraw any exemptions provided for in this Regulation.

(c)

To: Chief Financial Officers, Housing Directors, and Facilities Directors at Institutions of Higher Education

From: Ashlie Lancaster, Director  
Division of Facilities Management and Property Services, Department of Administration

John St. C. White, Chief Procurement Officer & State Engineer  
Division of Procurement Services, State Fiscal Accountability Authority

Subject: **Short-Term Leasing of Student Housing**

Date: \_\_\_\_\_

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Over the last year, the Department of Administration (Admin) and the State Fiscal Accountability Authority (SFAA) have been made aware of two institutions entering short-term leases of student housing using the emergency procurement procedures appearing in the Consolidated Procurement Code. As a result of these errors, these institutions did not obtain the statutorily required lease approvals until after the leases were executed. To prevent further misunderstanding, both Admin's Division of Facilities Management and Property Services and the SFAA's Division of Procurement Services are issuing this joint statement to all institutions of higher education informing them of the Consolidated Procurement Code's inapplicability to these leases and the necessity of acquiring the approvals required by Title 1, Chapter 11 of the South Carolina Code of Laws. If your institution has entered into a lease that is currently active using the emergency procurement procedures appearing in the Consolidated Procurement Code, please contact Admin's Division of Facilities Management and Property Services immediately to arrange for review by applicable governmental authorities.

#### Applicability of the Leasing Laws

In most circumstances, the State's general leasing laws will apply to an agreement to acquire the right to use another party's real property for the short-term housing of students, whether the rights are conveyed by a rental or lease agreement or by a license. These laws appear in Sections 1-11-55, 1-11-56, and 1-11-65, as well as Regulation 19-447.1000. While staff-level approval may be available, these laws generally call for review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority prior to entering the lease. In all circumstances, institutions must consult with Admin's Division of Facilities Management and Property Services (FMPS).

Agencies are encouraged to plan for their space needs well in advance to ensure sufficient time to competitively solicit for available properties and to obtain all necessary approvals prior to executing a lease. Any time an agency has a space need, it should immediately notify FMPS in writing of what those needs are and what actions the agency intends to take to meet those needs. FMPS will advise the agency of the best way to proceed based on the circumstances. Admin will also notify the Joint Bond Review Committee and State Fiscal Accountability Authority if the proposed lease would require approvals by those bodies.

#### Applicability of the Consolidated Procurement Code to Short Term Student Housing

In most circumstances, the Consolidated Procurement Code will not apply to an acquisition of the right to use another party's real property for the short-term housing of students, whether the rights are conveyed by a rental or lease agreement or by a license. For example, the Procurement Code does not apply to an acquisition of a leasehold estate, even though it includes complementary subordinate supplies, services, information technology, or construction (e.g., building security, janitorial services, utilities). The Procurement Code will usually apply to a lease agreement that involves a substantial acquisition of supplies, services, information technology, or construction, but

we would not expect such acquisitions in a typical lease of short-term student housing. For additional context, agencies may wish to review Procurement Regulation 19-445.2000E(4). When services other than those illustrated here are involved, institutions are encouraged to contact the Division of Procurement Services for guidance.

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Aiken Technical College Ground Lease at 2276 Jefferson Davis Highway, Graniteville SC to the Aiken County Board of Education

Aiken Technical College (ATC) requests approval to enter into a ground lease via its Commission of ± 6.45 acres of land on the ATC Campus at 2276 Jefferson Davis Highway, Graniteville SC 29829 to the Aiken County Board of Education (Ex Officio: Trustees of the Consolidated School District of Aiken County), (School District). The term of the proposed lease is sixty years (January 1, 2024-January 31, 2084) with two optional five-year extensions.

The School District desires to construct new facilities for the Aiken County Career and Technology Center (ACCTC) upon this land. ATC has determined that the ACCTC is in line with their mission and will provide an elite academic experience for qualified students, introduce students to a career and offer intensive study and certification which could result in increased enrollment at ATC, particularly in high-demand fields such as healthcare, advanced manufacturing, computer science and industrial technology. As such, other than \$10.00 consideration, there will be no Rent charged for this ground lease.

In the event of dissolution of ATC, the School District, at its option and subject to required governmental approvals, can purchase the land and rights of the Demised Premises at the then appraised value. At such time, ATC, or its successor in interest, shall have no further obligations under the lease. At the end of the lease term at the option of ATC, ATC and the School District will either split the cost to demolish the ACCTC facilities or ATC may purchase the facilities at no cost subject to required governmental approvals.

The Aiken County Commission for Technical and Comprehensive Education approved this ground lease on December 15, 2023. The State Board for Technical and Comprehensive Education approved this ground lease on December 15, 2023. The JBRC favorably reviewed this lease-out on January 24, 2024. Commission on Higher Education approval is not required as this is a lease-out.

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AUTHORITY ACTION REQUESTED:

Approve the proposed sixty-year ground lease with two optional five-year extensions to the Consolidated School District of Aiken County for ±6.45 acres, as recommended by the Department of Administration, Facilities Management and Property Services.

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ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

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**Meeting Scheduled for: January 30, 2024**

**Regular Agenda**

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**1. Submitted by:**

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

*Ashlie Lancaster*

Ashlie Lancaster, Director

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- 2. Subject:** Aiken Technical College Ground Lease at 2276 Jefferson Davis Highway, Graniteville SC to the Aiken County Board of Education
- 

**3. Summary Background Information:**

Aiken Technical College (ATC) requests approval to enter into a ground lease via its Commission of  $\pm$  6.45 acres of land on the ATC Campus at 2276 Jefferson Davis Highway, Graniteville SC 29829 to the Aiken County Board of Education (Ex Officio: Trustees of the Consolidated School District of Aiken County), (School District). The term of the proposed lease is sixty years (January 1, 2024-January 31, 2084) with two optional five-year extensions.

The School District desires to construct new facilities for the Aiken County Career and Technology Center (ACCTC) upon this land. ATC has determined that the ACCTC is in line with their mission and will provide an elite academic experience for qualified students, introduce students to a career and offer intensive study and certification which could result in increased enrollment at ATC, particularly in high-demand fields such as healthcare, advanced manufacturing, computer science and industrial technology. As such, other than \$10.00 consideration, there will be no Rent charged for this ground lease.

In the event of dissolution of ATC, the School District, at its option and subject to required governmental approvals, can purchase the land and rights of the Demised Premises at the then appraised value. At such time, ATC, or its successor in interest, shall have no further obligations under the lease. At the end of the lease term at the option of ATC, ATC and the School District will either split the cost to demolish the ACCTC facilities or ATC may purchase the facilities at no cost subject to required governmental approvals.

The Aiken County Commission for Technical and Comprehensive Education approved this ground lease on December 15, 2023. The State Board for Technical and Comprehensive Education approved this ground lease on December 15, 2023. The JBRC favorably reviewed this lease-out on January 24, 2024. Commission on Higher Education approval is not required as this is a lease-out.

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- 4. What is the Authority asked to do?** Approve the proposed sixty-year ground lease with two optional five-year extensions to the School District for  $\pm$ 6.45 acres.

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**5. What is recommendation of the submitting agency involved?** Approve the proposed sixty-year ground lease with two optional five-year extensions to the School District for ±6.45 acres.

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**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

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**7. Recommendation of other office (as required)?**

(a) Authorized Signature: \_\_\_\_\_

(b) Office Name: [Click or tap here to enter text.](#)

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**8. List of Supporting Documents:**

(a) Letter from Agency

(b) Letter from Commission



December 14, 2023

Ms. Ashlie Lancaster  
Director  
Division of Facilities Management and Real Property Services  
South Carolina Department of Administration  
1200 Senate Street, Suite 640  
Columbia, SC 29201

Dear Ms. Lancaster:

Aiken Technical College (ATC) requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings to consider a sixty (60) year lease with the Aiken County Public School District (ACPSD) for a plat of land located at 2276 Jefferson Davis Highway, Graniteville, South Carolina, 29829.

As leaders in workforce development, ATC and ACPSD wish to locate and construct the School District's new state-of-the-art, 90,000 square foot Career and Technology Center on the Aiken Technical College campus.

This project would allow for greater synergy in educating the citizens of Aiken County in the high-demand fields of healthcare, advanced manufacturing, computer science, and industrial technology, as having both secondary and post-secondary facilities on a single campus will better enhance dual enrollment opportunities for high school students and create a direct workforce pipeline from K-12 into higher education.

The proposed lease is a sixty-year term, beginning February 1, 2024, and expiring January 31, 2084. This lease has a \$10.00 fee. There is also a request for two optional five (5) year extensions if agreed to by both parties.

Thank you for your assistance in this process and your consideration of our request. Please let me know if you need any additional information.

Sincerely,

Forest E. Mahan, PhD  
President  
Aiken Technical College



# AIKEN TECHNICAL COLLEGE

*Office of the Aiken County Commission for Technical and  
Comprehensive Education*

December 15, 2023

Ms. Ashlie Lancaster, Director  
Division of Facilities Management and Real Property Services  
South Carolina Department of Administration  
1200 Senate Street, Suite 640  
Columbia, SC 29201

Dear Ms. Lancaster,

The Commission for Aiken Technical College (ATC) supports the decision to allow the lease of 6.45 acres within the property of 2276 Jefferson Davis Highway, Graniteville, SC 29829 to the Aiken County Public School District (ACPSD) for which to build their new Aiken County Career and Technology Center (ACCTC). The Commission is cognizant that the transaction will not create any financial burden on ATC but will, in fact, create a collaboration between the two institutions.

It is the intent of the college to allow ACPSD to utilize plat book#5 051\_06, constituting 6.45 acres of land, along with sole use of parking lot #5 and shared use of lot #4 to build and operate their new educational facility.

The lease will not impact the daily activities on the ATC campus or cause/create any damage to the campus as a whole. It is with the best interest of Aiken Technical College in mind that we make this request.

Respectfully,

The Aiken County Commission for Technical and Comprehensive Education

—  
Joe E. Lewis  
Commission Chair

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Governor’s School for Agriculture at John de la Howe at Tomb Road, McCormick 29835 in McCormick County Lease-Out and Easement

The South Carolina Governor’s School for Agriculture at John de la Howe (the “School”) is requesting approval to lease out 0.23± acres of land located off of Tomb Road in McCormick County to Celco Partnership, d/b/a Verizon Wireless, its successor, or permitted assignee (“Verizon”) for the erection and maintenance of a telecommunications facility to include a tower along with communication structures to house equipment, supporting cables, fencing and equipment incidental to the operation of a telecommunications tower (collectively, the “Telecommunications Facility”) on the site. The Telecommunications Facility is being constructed at the request of the School to obtain cellular service that is currently lacking to the School’s 1,300-acre campus.

The requested ground lease (the “Lease”) term is five years beginning January 1, 2024 and rent shall begin on the first day of the month following the commencement of construction of the telecommunications tower or twelve (12) months following the date upon which both this Lease and the Easement Agreement have been fully executed, with an automatic extension for four (4) optional renewal terms of five (5) years each unless Verizon notifies the School and South Carolina Educational Television (“ETV”), as a party to the Lease, that it does not wish to extend. The annual rent, determined to be the fair market value based on an appraisal conducted by a State certified General Real Estate Appraiser in the State of South Carolina, will be \$6,000.00 for each of the first five years of the term. After the first five (5) years, the annual rent will escalate by 5% and will continue to escalate by 5% every 5 years thereafter as reflected in the chart below.

<b>Term Yr</b>	<b>Annual Rent (rounded)</b>
1-5	\$6,000.00
6-10	\$6,300.00
11-15	\$6,615.00
16-20	\$6,946.00
21-25	\$7,293.00
<b>TOTAL RENT OVER TERM</b>	<b>\$165,770.00</b>

In addition to the rent, Verizon will pay a co-location fee to ETV at a rate of 15% for any entities in addition to Verizon or the State that use the Telecommunication’s Facility.

In conjunction with this lease-out, the School desires to grant an access and utility easement to Verizon in the two areas (consisting of 0.74± miles of roadway and 0.162± acres) for the purpose of ingress, egress, construction, installation, operation and maintenance of the Telecommunication’s Facility, utilities, related equipment, appurtenances and services on the property. The term of the easement will be twenty-five (25) years to align with the lease-out. The easement will contain termination language that if the easement holder abandons the easement or terminates the related ground lease, the easement will terminate. Additionally, the easement will terminate upon breach of the easement terms by the easement holder or if the easement is no longer used for its intended purpose. In the event the School relocates the access road upon which a portion of the easement is to

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: South Carolina Governor's School for Agriculture at John de la Howe at Tomb Road, McCormick 29835 in McCormick County Lease-Out and Easement

be located, the easement may be modified to accommodate this change subject to necessary government approvals. The appraised value of the easement is \$22.40; as such the easement will be granted for appraised value plus \$700 administrative fee to be paid by Verizon. This easement will be subject to the same assignment and subletting conditions of the related ground lease. The School has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy. The ground lease was reviewed favorably by the JBRC at its January 24, 2024 meeting.

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AUTHORITY ACTION REQUESTED:

Approve the proposed five year ground lease and automatic four five-year renewal terms from the South Carolina Governor's School for Agriculture at John de la Howe off of Tomb Road in McCormick to Cellco Partnership, d/b/a Verizon Wireless, its successor, or permitted assignee, for 0.23± acres of land; grant the up to 25 year access and utility easement consisting of 0.74± miles of roadway and 0.162± acres for the purpose of ingress, egress, construction, installation, operation and maintenance of the communication utilities and related equipment and appurtenances, as recommended by the Department of Administration, Facilities Management and Property Services.

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ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 30, 2024

Regular Agenda

1. Submitted by:

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

*Ashlie Lancaster*  
Ashlie Lancaster, Director

2. Subject: South Carolina Governor’s School for Agriculture at John de la Howe at Tomb Road, McCormick 29835 in McCormick County Lease-Out and Easement

3. Summary Background Information:

The South Carolina Governor’s School for Agriculture at John de la Howe (the “School”) is requesting approval to lease out 0.23± acres of land located off of Tomb Road in McCormick County to Celco Partnership, d/b/a Verizon Wireless, its successor, or permitted assignee (“Verizon”) for the erection and maintenance of a telecommunications facility to include a tower along with communication structures to house equipment, supporting cables, fencing and equipment incidental to the operation of a telecommunications tower (collectively, the “Telecommunications Facility”) on the site. The Telecommunications Facility is being constructed at the request of the School to obtain cellular service that is currently lacking to the School’s 1,300-acre campus.

The requested ground lease (the “Lease”) term is five years beginning January 1, 2024 and rent shall begin on the first day of the month following the commencement of construction of the telecommunications tower or twelve (12) months following the date upon which both this Lease and the Easement Agreement have been fully executed, with an automatic extension for four (4) optional renewal terms of five (5) years each unless Verizon notifies the School and South Carolina Educational Television (“ETV”), as a party to the Lease, that it does not wish to extend. The annual rent, determined to be the fair market value based on an appraisal conducted by a State certified General Real Estate Appraiser in the State of South Carolina, will be \$6,000.00 for each of the first five years of the term. After the first five (5) years, the annual rent will escalate by 5% and will continue to escalate by 5% every 5 years thereafter as reflected in the chart below.

Term Yr	Annual Rent (rounded)
1-5	\$6,000.00
6-10	\$6,300.00
11-15	\$6,615.00
16-20	\$6,946.00
21-25	\$7,293.00
TOTAL RENT OVER TERM	\$165,770.00

In addition to the rent, Verizon will pay a co-location fee to ETV at a rate of 15% for any entities in addition to Verizon or the State that use the Telecommunication's Facility.

In conjunction with this lease-out, the School desires to grant an access and utility easement to Verizon in the two areas (consisting of 0.74± miles of roadway and 0.162± acres) for the purpose of ingress, egress, construction, installation, operation and maintenance of the Telecommunication's Facility, utilities, related equipment, appurtenances and services on the property. The term of the easement will be twenty-five (25) years to align with the lease-out. The easement will contain termination language that if the easement holder abandons the easement or terminates the related ground lease, the easement will terminate. Additionally, the easement will terminate upon breach of the easement terms by the easement holder or if the easement is no longer used for its intended purpose. In the event the School relocates the access road upon which a portion of the easement is to be located, the easement may be modified to accommodate this change subject to necessary government approvals. The appraised value of the easement is \$22.40; as such the easement will be granted for appraised value plus \$700 administrative fee to be paid by Verizon. This easement will be subject to the same assignment and subletting conditions of the related ground lease. The School has determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy. The ground lease was reviewed favorably by the JBRC at its January 24, 2024 meeting.

- 
- 4. What is the Authority asked to do?** Approve the proposed five year ground lease and the automatic four five-year renewal terms from the South Carolina Governor's School for Agriculture at John de la Howe off of Tomb Road in McCormick to Cellco Partnership, d/b/a Verizon Wireless, its successor, or permitted assignee, for 0.23± acres of land; grant the up to 25 year access and utility easement consisting of 0.74± miles of roadway and 0.162± acres for the purpose of ingress, egress, construction, installation, operation and maintenance of the communication utilities and related equipment and appurtenances

- 
- 5. What is recommendation of the division of Facilities Management and Property Services?** Approve the proposed five year ground lease and automatic four five-year renewal terms from the South Carolina Governor's School for Agriculture at John de la Howe off of Tomb Road in McCormick to Cellco Partnership, d/b/a Verizon Wireless, its successor, or permitted assignee, for 0.23± acres of land; grant the up to 25 year access and utility easement consisting of 0.74± miles of roadway and 0.162± acres for the purpose of ingress, egress, construction, installation, operation and maintenance of the communication utilities and related equipment and appurtenances.

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**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.

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**7. Recommendation of other office (as required)?**

- (a) Authorized Signature: \_\_\_\_\_
- (b) Office Name: [Click or tap here to enter text.](#)

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**8. List of Supporting Documents:**

- (a) Letter from SC Governor's School for Agriculture at John de la Howe
- (b) Letter from Counsel for Verizon Wireless
- (c) Plats
- (d) SC Code of Laws Section 10-1-130
- (e) Proviso 8.4 of the FY 2023-2024 Appropriations Act



# SC Governor's School for Agriculture

AT JOHN DE LA HOWE

Ms. Ashlie Lancaster  
South Carolina Department of Administration  
Real Property Services  
1200 Senate Street, 6<sup>th</sup> floor  
Columbia, SC 29201

RE: Lease-Out and Easement for Verizon Wireless Tower at the South Carolina Governor's School for Agriculture at John de la Howe.

Dear Ms. Lancaster,

The management team at the South Carolina Governor's School for Agriculture at John de la Howe ("School") formally requests that the State Fiscal Accountability Authority ("Authority") and Joint Bond Review Committee grant approval for a ground lease ("Lease-Out"), and that the Authority grant approval of an access and utility easement, both to Cellco Partnership d/b/a Verizon Wireless ("Verizon"), a public utility provider. The purpose of the Lease-Out will be to allow Verizon to have a structure (i.e. a wireless communications tower) on the School's campus. The purpose of the easement shall be for ingress, egress, installation, construction, repair and maintenance of the tower and tower equipment.

An appraisal was conducted to determine the appropriate rental rate for the Lease-Out, coming out to \$6,000 per year and escalating 5% every five years thereafter. The term of the Lease-Out is five years with four (4) optional renewal terms of five (5) years each, to commence January 1, 2024 and end on December 31, 2028 unless extended.

The term of the easement will be twenty-five (25) years to align with the Lease-Out. The easement will contain termination language that if the easement holder abandons the easement or terminates the related ground lease, it will terminate. Additionally, the easement will terminate upon breach of the easement terms by the easement holder or if the easement is no longer used for its intended purpose. The roadway portion of the easement may be relocated only if John de la Howe School relocates the access road in the future.

The wireless communications tower to be constructed by Verizon shall provide high speed internet services and reception to the School's 1,300-acre campus that are currently lacking. The current lack of necessary cellular service is a significant safety concern for parents, students and the School's administration that the School is aiming to address with this easement and the related ground lease for the tower's construction.

The location of the wireless communications tower will greatly benefit the School by improving communication ability around the property, and as such, the easement would be granted to Verizon at the appraised value.



# SC Governor's School for Agriculture

AT JOHN DE LA HOWE

The proposed easement will not materially impair the utility of the School's property nor impact the operation of the institution or create any financial burden on the School's budget.

Thank you in advance for your consideration of this easement request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Mims". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott Mims

JDLH Facilities Director

**BAKER DONELSON**  
BEARMAN, CALDWELL & BERKOWITZ, PC

NICHOLAS C. STEINHAUS, SHAREHOLDER  
**Direct Dial:** 803.251.8828  
**Direct Fax:** 803.753.9750  
**E-Mail Address:** [nsteinhaus@bakerdonelson.com](mailto:nsteinhaus@bakerdonelson.com)

1501 MAIN STREET  
SUITE 310  
COLUMBIA, SC 29201  
  
PHONE: 803.251.8800  
  
[www.bakerdonelson.com](http://www.bakerdonelson.com)

September 18, 2023

**VIA FED EX**

**The South Carolina  
Department of Administration**

Attn: Brittnei Geny  
1200 Senate Street  
Columbia, South Carolina 29201

Re: Statement of Need for Easement – Cellco Partnership d/b/a Verizon Wireless

Dear Ms. Geny:

At the request of The South Carolina Department of Administration, we are providing this statement on behalf of our client, Verizon Wireless, regarding our client's need for an easement on State of South Carolina owned property commonly known as the South Carolina Governor's School for Agriculture at John de la Howe located at Tomb Road, McCormack 29835 in McCormick County, South Carolina (PIN 065-00-00-001) (the "Property").

Verizon Wireless will be leasing a one hundred feet by one hundred feet (100' x 100') parcel (the "Leased Premises") on the Property for the purpose of constructing and operating a wireless communication tower and associated improvements. The Leased Premises are located over four thousand feet (4,000') from the nearest public right of way, SC Hwy 81. As a result, Verizon Wireless must secure rights of ingress and egress and the right to install utilities on the Property. Based on our discussions, Verizon Wireless was presented with two (2) options: (1) the State can grant a revocable license for ingress, egress, and utilities; or (2) the State can grant a stand-alone easement for ingress, egress, and utilities.

Verizon Wireless cannot own, operate, and maintain a communications facility unless it has the ability to access the facility and the ability to install all necessary utilities. If Verizon Wireless were to accept revocable license option offered by the State, then Verizon Wireless' use of the facility could be interrupted or effectively terminated at any time if the State chooses to revoke the license. This is a material business and legal risk that Verizon Wireless cannot accept. If this communications facility suddenly goes "off air" as a result of a loss of utility service, this would impact Verizon Wireless' customers that are being served by this tower location and it would impact the service of customers being served by the immediately surrounding tower locations.

Brittini Geny  
September 18, 2023  
Page 2

Verizon Wireless intends to sublease space on this tower to other wireless communication providers and the proposed lease with the State contains a provision whereby the State will receive a percentage of the revenue generated from those subleases. The risk presented by revocable access and utility rights would severely impact the marketability of the site for use by other wireless communication providers.

In addition to the foregoing, Verizon Wireless will be investing substantial capital to develop and construct the proposed communications facility. A loss of access and utility rights as a result of a revoked license would effectively terminate Verizon Wireless' use of the site. Wireless communication providers and tower companies will not risk the capital investment required to develop a communication facility if their access or utility rights can be terminated at any time.

Please contact me at your earliest convenience via email or telephone to confirm that you have received this letter and the enclosures and to discuss any questions you might have regarding the proposed easement.

Sincerely,

BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ, PC



Nicholas C. Steinhaus, Shareholder



- LEGEND**
- = CALCULATED POINT
  - AIF = ANGLE IRON FOUND
  - CGF = COMBINED GRID FACTOR 0.999789
  - D.B. = DEED BOOK
  - EP = EDGE OF PAVEMENT
  - GP = GATE POST
  - IPPF = IRON PIPE FOUND
  - IPS = IRON PIN SET (#4 REBAR)
  - IRF = IRON ROD FOUND
  - MNS = MAG NAIL SET
  - OHE = OVERHEAD ELECTRIC
  - P.B. = PLAT BOOK
  - PG. = PAGE
  - POB = POINT OF BEGINNING
  - POC = POINT OF COMMENCEMENT
  - POT = POINT OF TERMINUS
  - PP = POWER POLE
  - PP-TRSF = POWER POLE WITH TRANSFORMER
  - R/W = RIGHT OF WAY
  - SCGS = SOUTH CAROLINA GEODETIC SURVEY
  - SCSPC = SOUTH CAROLINA STATE PLANE COORDINATES
  - TP = TELEPHONE PEDESTAL
  - TRSF = TRANSFORMER

PARCEL ID #  
065-00-00-001  
UNITED STATES OF AMERICA  
JOHN DE LA HOWE SCHOOL  
D.B. 90 PG. 33

CENTER OF PROPOSED TOWER  
LAT = 33°57'20.5" N  
LONG = 82°24'49.9" W  
GROUND ELEVATION = 431.2' NAVD 88

**Lessee Premises**

**COMMENCE** at the center of the intersection of Gettys Road and Tomb Road; thence S18°59'13"W 289.65 feet to a point marking the northeast corner of the **Lessee Premises**, the **POINT OF BEGINNING**, said point having South Carolina State Plane Coordinates on the North American Datum of 1983 (2011) of North 775,175.10 feet and East 1,571,370.43 feet; thence the following four (4) calls: (1) S17°03'09"E 100.00 feet; (2) S72°56'51"W 100.00 feet; (3) N17°03'09"W 100.00 feet; (4) N72°56'51"E 100.00 feet to the **POINT OF BEGINNING** and containing 10,000 square feet as shown on a survey for **Cellco Partnership d/b/a Verizon Wireless** prepared by McMurray Land Surveying, Inc. (COA # 4744) and signed by Michael P. McMurray, SCPLS No. 28601 dated January 6, 2023.

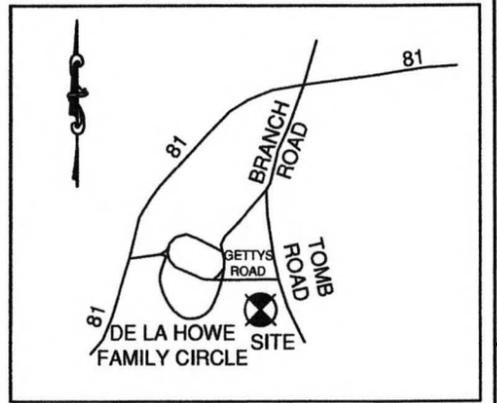
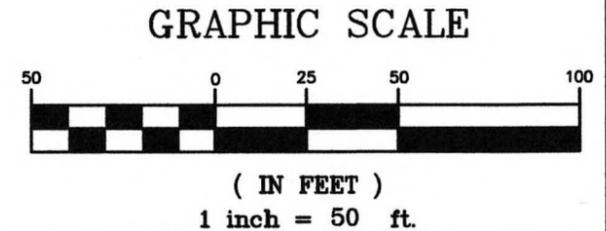
FIELD WORK COMPLETED ON NOVEMBER 7, 2022.  
THIS SURVEY WAS PREPARED AT THE REQUEST OF KIMLEY-HORN AND ASSOCIATES, INC.

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THAT THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THERE IN.

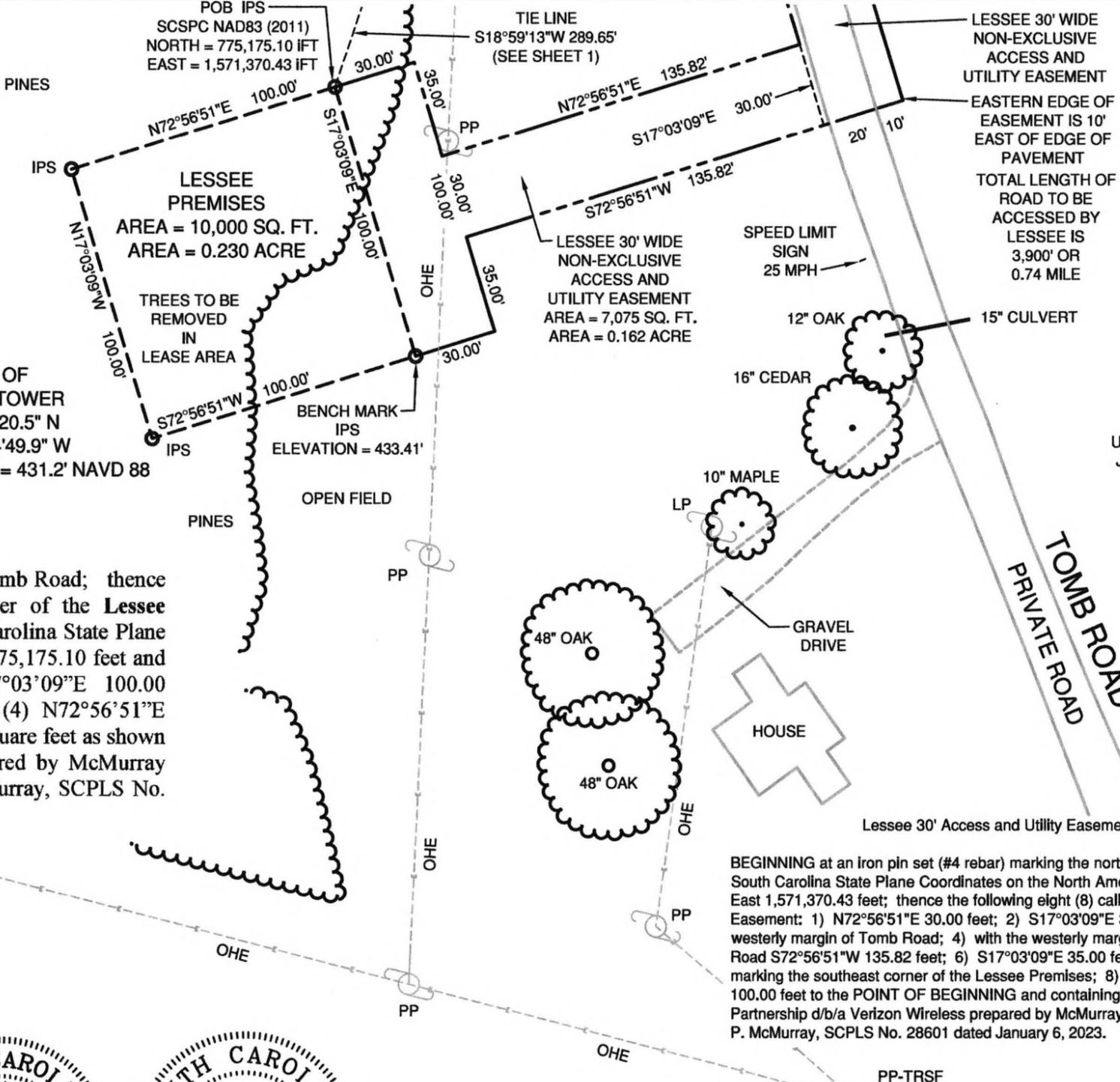
McMURRAY LAND SURVEYING, INC. DATE 1/06/23  
MICHAEL P. McMURRAY  
318 E. OLD HWY. 74  
MONROE, NC 28112  
S.C. PROFESSIONAL LAND SURVEYOR NO. 28601  
TELEPHONE NUMBER (704) 254-2736



PARCEL ID #  
065-00-00-001  
UNITED STATES OF AMERICA  
JOHN DE LA HOWE SCHOOL  
D.B. 90 PG. 33



PARCEL ID #  
065-00-00-001  
UNITED STATES OF AMERICA  
JOHN DE LA HOWE SCHOOL  
D.B. 90 PG. 33



**BEGINNING** at an iron pin set (#4 rebar) marking the northeast corner of the Lessee Premises, said iron pin having South Carolina State Plane Coordinates on the North American Datum of 1983 (2011) of North 775,175.10 feet and East 1,571,370.43 feet; thence the following eight (8) calls with the perimeter of the Lessee Access and Utility Easement: 1) N72°56'51"E 30.00 feet; 2) S17°03'09"E 35.00 feet; 3) N72°56'51"E 135.82 feet to a point in the westerly margin of Tomb Road; 4) with the westerly margin of Tomb Road S17°03'09"E 30.00 feet; 5) leaving Tomb Road S72°56'51"W 135.82 feet; 6) S17°03'09"E 35.00 feet; 7) S72°56'51"W 30.00 feet to an iron pin set (#4 rebar) marking the southeast corner of the Lessee Premises; 8) with the easterly line of the Lessee Premises N17°03'09"W 100.00 feet to the **POINT OF BEGINNING** and containing 7,075 square feet as shown on a survey for Cellco Partnership d/b/a Verizon Wireless prepared by McMurray Land Surveying, Inc. (COA #4744) and signed by Michael P. McMurray, SCPLS No. 28601 dated January 6, 2023.

**Kimley»Horn**  
11720 AMBER PARK DRIVE, SUITE 600, ALPHARETTA, GA 30009  
PHONE: 770-825-0744 WWW.KIMLEY-HORN.COM

Drawn by: EK Check by: MM Approved by: MM Date: 1/06/23

JOHN DE LA HOWE HIGH SCHOOL  
TOMB ROAD  
McCORMICK, SC 29835  
McCORMICK COUNTY

**verizon wireless**  
Cellco Partnership d/b/a Verizon Wireless

REVISIONS				
No.	DATE	DESCRIPTION	BY	CHK APPD
0	1/06/23	ISSUED AS FINAL DRAWING	EK	MM MM
A	3/19/21	ISSUED FOR REVIEW	EK	MM MM

SITE SURVEY  
PROPOSED TOWER SITE

DRAWING NO. SHEET 2 OF 4 REV 0



PARENT PARCEL LEGAL DESCRIPTION FROM TITLE REPORT

Property located in McCormick County, South Carolina

Property located at S.C. Highway 81, bearing McCormick County Tax Map Number 065-00-00-001, being 1,216.41 acres, more or less.

Tax Parcel No. 065-00-00-001

PARCEL ID #  
074-00-00-022  
PEDRO BRITO & GALVAN ESPERANZA  
D.B. 207 P G. 96

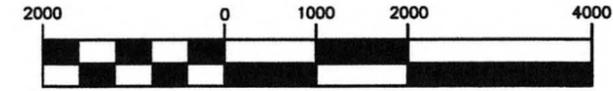
PARCEL ID #  
074-00-00-024  
DAVID CAMPBELL  
D.B. 224 P G. 119

LESSEE PREMISES  
AREA = 10,000 SQ. FT.  
AREA = 0.230 ACRE  
(SEE SHEET 2)

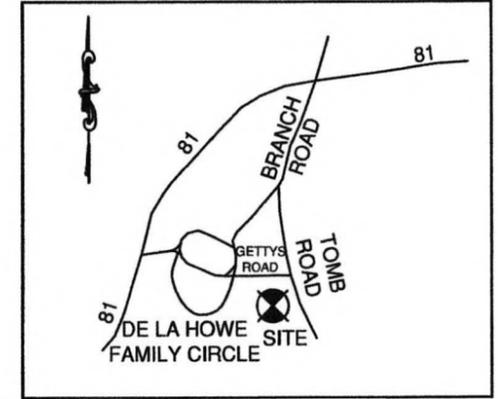
PARCEL ID #  
065-00-00-001  
UNITED STATES OF AMERICA  
JOHN DE LA HOWE SCHOOL  
D.B. 90 PG. 33

PARCEL ID #  
065-00-00-001  
UNITED STATES OF AMERICA  
JOHN DE LA HOWE SCHOOL  
D.B. 90 PG. 33

GRAPHIC SCALE



( IN FEET )  
1 inch = 2000ft.



VICINITY MAP  
NOT TO SCALE

LEGEND

- = CALCULATED POINT
- AIF = ANGLE IRON FOUND
- CGF = COMBINED GRID FACTOR 0.999789
- D.B. = DEED BOOK
- EP = EDGE OF PAVEMENT
- GP = GATE POST
- IPPF = IRON PIPE FOUND
- IPS = IRON PIN SET (#4 REBAR)
- IRF = IRON ROD FOUND
- MNS = MAG NAIL SET
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- SCGS = SOUTH CAROLINA GEODETIC SURVEY
- SCSPC = SOUTH CAROLINA STATE PLANE COORDINATES
- TP = TELEPHONE PEDESTAL
- TRSF = TRANSFORMER

FIELD WORK COMPLETED ON NOVEMBER 7, 2022.  
THIS SURVEY WAS PREPARED AT THE REQUEST OF KIMLEY-HORN AND ASSOCIATES, INC.

SURVEY CERTIFIED TO JOHN DE LA HOWE SCHOOL, CELCO PARTNERSHIP d/b/a/ VERIZON WIRELESS, AND BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ PC

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THAT THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THERE IN.

McMURRAY LAND SURVEYING, INC. DATE 1/06/23  
MICHAEL P. McMURRAY  
318 E. OLD HWY. 74  
MONROE, NC 28112  
S.C. PROFESSIONAL LAND SURVEYOR NO. 28601  
TELEPHONE NUMBER (704) 254-2736



NOTES ON REVIEW OF TITLE REPORT:

FIDELITY NATIONAL TITLE INSURANCE COMPANY  
ISSUE DATE: 6/22/2022 FIDELITY ORDER NO. 33925743

Vested Owner: John De La Howe School, subject to the interest of the United States of America  
Search disclosed the following:

1. Taxes  
Type of Tax: County  
Calendar year: 2020  
Amount: \$0.00  
Parcel ID #: 065-00-00-001  
Paid through: TAX EXEMPT  
Assessment: \$0.00 (total = land and improvements, if any) Not a survey matter.
2. Terms and conditions of Lease and Contract dated November 17, 1926 by and between G.W. Cade, and The Dr. John De La Howe Industrial School, recorded on December 6, 1926 in Deed Book 7, Page 225. Not a survey matter.
3. Easement in favor of South Carolina Power Company set forth in instrument recorded on September 30, 1936 in Deed Book 15, Page 135. Easement canceled and superceded by Deed Book 3, Page 169
4. Easement in favor of South Carolina Power Company set forth in instrument recorded on July 5, 1949 in Deed Book 16, Page 588. Power line easement along Highway 28.
5. Easement in favor of South Carolina Electric & Gas Company set forth in instrument recorded on June 5, 1951 in Deed Book 16, Page 155. Easement is on the West side of Hwy. 81.
6. Easement in favor of The South Carolina Electric & Gas Company, a South Carolina corporation set forth in instrument recorded on October 5, 1967 in Deed Book 3, Page 169. As shown on map.
7. Matters as shown and noted on Plat recorded in Plat Book 9, Page 16. Depicts a portion of Parent Tract.
8. Matters as shown and noted on Plat recorded in Plat Book 9, Page 213. Depicts a portion of Parent Tract.
9. Matters as shown and noted on Plat recorded in Plat Book 9, Page 263. Depicts a portion of Parent Tract.
10. Matters as shown and noted on Plat recorded in Plat Book 9, Page 264. Depicts a portion of Parent Tract.
11. Easement Grant in favor of The County of McCormick, South Carolina set forth in instrument recorded on March 5, 1981 in Deed Book 54, Page 26. Does not affect Lessee's intended uses.
12. Matters as shown and noted on Plat recorded in Plat Book 14, Page 31. Depicts a portion of Parent Tract.
13. Permit for Transmission Line Right-of-Way Encroachment in favor of South Carolina Electric & Gas Company, a South Carolina corporation set forth in instrument recorded on September 22, 1999 in Deed Book 146, Page 152. Does not affect Lessee's intended uses.
14. Permit for Transmission Line Right-of-Way Encroachment in favor of South Carolina Electric & Gas Company, a South Carolina corporation set forth in instrument recorded on September 22, 1999 in Deed Book 146, Page 153. Does not affect Lessee's intended uses.
15. Forest Products Sale Agreement by and between John de la Howe School of McCormick, SC and Canal Wood Corporation, recorded on May 26, 2000 in Deed Book 150, Page 167. Agreement has expired.
16. Easement in favor of The South Carolina Electric & Gas Company, a South Carolina corporation set forth in instrument recorded on August 26, 2004 in Deed Book 184, Page 120. Blanket easement along Hwy. 81
17. Memorandum of Timber Contract dated January 30, 2006, by and between John de la Howe School and Holmes Timber Company, Inc., recorded on February 15, 2006 in Deed Book 200, Page 97. Contract has expired.

**Kimley»Horn**

11720 AMBER PARK DRIVE, SUITE 600, ALPHARETTA, GA 30009  
PHONE: 770-825-0744 WWW.KIMLEY-HORN.COM

JOHN DE LA HOWE HIGH SCHOOL  
TOMB ROAD  
McCORMICK, SC 29835  
McCORMICK COUNTY



Cellco Partnership d/b/a Verizon Wireless

REVISIONS					
No.	DATE	DESCRIPTION	BY	CHK	APPD
0	1/06/23	ISSUED AS FINAL DRAWING	EK	MM	MM
A	3/19/21	ISSUED FOR REVIEW	EK	MM	MM

PARENT PARCEL

TITLE REPORT REVIEW

DRAWING No. SHEET 4 OF 4

Drawn by: EK Check by: MM Approved by: MM Date: 1/06/23

6

5

4

3

2

1

A

B

C

D

## **SOUTH CAROLINA CODE OF LAWS**

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

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

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

#### Effect of Amendment

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

## **PROVISO 8.4 OF THE FY 2023-2024 APPROPRIATIONS ACT**

**8.4.** (ETV: Wireless Communications Tower) The Educational Television Commission is directed to coordinate tower and antenna operations within South Carolina state government. The commission shall: (1) approve all leases regarding antenna placement on state-owned towers and buildings; (2) coordinate all new tower construction on state-owned property; (3) promote and market excess capacity on the State's wireless communications infrastructure; (4) generate revenue by leasing, licensing, or selling excess capacity on the State's wireless communications infrastructure; and (5) construct new communications assets on appropriate state-owned property for the purpose of generating revenue pursuant to this proviso. The commission shall retain and expend such funds for agency operations. The commission shall be authorized to carry forward unexpended funds from the prior fiscal year into the current fiscal year. The commission shall annually report to the Chairmen of the Senate Finance and House Ways and Means Committees by October first of each year all revenue collected and disbursed.

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Winthrop University Emergency Housing Lease

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Winthrop University has entered into a lease agreement with Walk 2 Campus Holdings, LLC (W2C) to address its housing deficit in the current academic year. The lease was entered into on September 1, 2023, and is with an apartment community known as CampusWalk for up to fifty-eight (58) beds in furnished rooms from August 19, 2023, to May 19, 2024, at an average rate of \$857/month/bed for a potential total of \$447,484 over the term. The University charges the students that same rent as incurred by the University for each bed type. The rent includes all utilities. The University will also pay W2C for any tenant caused damages at the end of each semester after move-out and inspections and will charge the applicable students directly for the same.

The University reports that all 58 beds were used during the Fall semester, and they anticipate all 58 beds being utilized during the Spring semester.

The University conducted this acquisition pursuant to the Consolidated Procurement Code as an emergency procurement, as the University thought that was the proper mechanism to acquire these rooms at the time. The agreement, however, is 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.

The JBRC favorably reviewed this lease at its January 24, 2024, meeting.

The University anticipates the shortage in sufficient student housing to continue and is exploring the possibility of acquiring CampusWalk apartments. In the meantime, the University has begun working with the Department of Administration to solicit for beds beginning in academic year 2024-25. Any resulting lease will be presented to the JBRC and SFAA for approval as applicable.

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AUTHORITY ACTION REQUESTED:

Approve Winthrop University's emergency student housing agreement, as recommended by the Department of Administration, Facilities Management and Property Services

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ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY  
AGENDA ITEM WORKSHEET**

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**Meeting Scheduled for: January 30, 2024**

**Regular Agenda**

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**1. Submitted by:**

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

*Ashlie Lancaster*  
Ashlie Lancaster, Director

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**2. Subject:** Winthrop University Emergency Housing Lease

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**3. Summary and Background Information:**

Winthrop University has entered into a lease agreement with Walk 2 Campus Holdings, LLC (W2C) to address its housing deficit in the current academic year. The lease was entered into on September 1, 2023, and is with an apartment community known as CampusWalk for up to fifty-eight (58) beds in furnished rooms from August 19, 2023, to May 19, 2024, at an average rate of \$857/month/bed for a potential total of \$447,484 over the term. The University charges the students that same rent as incurred by the University for each bed type. The rent includes all utilities. The University will also pay W2C for any tenant caused damages at the end of each semester after move-out and inspections and will charge the applicable students directly for the same.

The University reports that all 58 beds were used during the Fall semester, and they anticipate all 58 beds being utilized during the Spring semester.

The University conducted this acquisition pursuant to the Consolidated Procurement Code as an emergency procurement, as the University thought that was the proper mechanism to acquire these rooms at the time. The agreement, however, is 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.

The JBRC favorably reviewed this lease at its January 24, 2024, meeting.

The University anticipates the shortage in sufficient student housing to continue and is exploring the possibility of acquiring CampusWalk apartments. In the meantime, the University has begun working with the Department of Administration to solicit for beds beginning in academic year 2024-25. Any resulting lease will be presented to the JBRC and SFAA for approval as applicable.

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**4. What is the Authority asked to do?** Approve Winthrop University's emergency student housing agreement.

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**5. What is recommendation of the submitting agency involved?** Consider approval of Winthrop University's emergency student housing agreement.

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**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
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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:**

- Winthrop University Letter



*Facilities Management*

January 8, 2024

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 2023 semester, Winthrop University observed an increase in student matriculation and enrollment, creating a deficit in available housing for students. The University enacted measures to expand all available on campus space to absorb the students but still determined that the anticipated housing shortage warranted the necessity for emergency arrangements to accommodate students who had requested residential housing. Without on-campus housing, freshmen and sophomore students would be forced to seek their own housing arrangements and would lose University oversight that comes through having resident advisors readily available, access to dining facilities, and the residential area monitoring by the University's Police Department. As a result, the University entered into agreement with a nearby housing providers, Walk2Campus, who operates the CampusWalk apartments that are adjacent to the Winthrop campus. Since they had a limited number of beds available to address our anticipated housing deficit.

At the time the University entered into this agreement, we thought we were 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). Following guidance from the Department of Administration (Admin), the University is now requesting that this agreement 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 2024-25, 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,

James J. Grigg  
Associate Vice President for Facilities

349 Columbia Avenue  
Rock Hill, SC 29733  
803/323-2261

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AGENCY: State Fiscal Accountability Authority, Executive Director

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SUBJECT: South Carolina State Ceiling Allocation Plan – 2024 Administrative Updates

The Authority adopted the 2024 South Carolina State Ceiling Allocation Plan on August 29, 2023. Section C requires that the Authority Secretary administratively update the annual State Ceiling Allocation Plan by the second Monday in January. On January 9, 2024, the Authority Secretary did publish an administratively updated plan. This revision updates (1) Section D to reflect the total state ceiling as certified by the Authority Secretary pursuant to Section 1-11-500; (2) Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year; (3) Section E to reflect the now current amounts identified in that section; (4) Section E to add the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-250(G); (5) Section G to recalculate the dollar amounts based on the actual certified amount of state ceiling for the Plan year; and (6) includes the December 12, 2023 Amendment #1 identified as “Section S. Exemption”.

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AUTHORITY ACTION REQUESTED:

Receive as information the administratively updated 2024 State Ceiling Allocation Plan.

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ATTACHMENTS:

1. Administratively updated 2024 South Carolina State Ceiling Allocation Plan

**2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

**SECTION A. CONVENTIONS, DEFINITIONS AND EXHIBITS**

*Authorized Request* includes any request submitted pursuant to §1-11-530(A) or (B) and any request for Issuance Approval as defined below using prior year carryforward.

*Issuance approval* means approval by the State Authority for the issuance by State Housing of private activity bonds for a multi-family housing project, as required by Section 31-13-90.

*Plan Year* refers to the year to which this plan applies, which is noted in the header on each page.

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*Commerce* means the South Carolina Department of Commerce.

*Committee* means the Joint Bond Review Committee.

*JEDA* means the Jobs-Economic Development Authority.

*Secretary* means the Secretary of the State Fiscal Accountability Authority.

*State Authority* means the State Fiscal Accountability Authority.

*State Housing* means the State Housing Finance Development Authority.

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Exhibit	Subject
A	Competitive Criteria for Industrial and Economic Development Projects, and Projects Proposed for Other Qualified Purposes
B	Competitive Criteria for Multi-family Housing Projects
C	Evaluation and Ranking Report Format for Multi-family Housing Projects

**SECTION B. AUTHORITY AND ADOPTION**

The State Authority approved this plan at its meeting of August 29, 2023. Unless the State Authority provides otherwise herein, the Plan is effective upon adoption.

The Committee favorably reviewed this plan at its meeting of August 22, 2023.

# **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

Section 1-11-520(A) requires the annual publication of a State Ceiling Allocation Plan no later than September thirtieth of the year preceding the Plan Year. The State Authority intends to adopt each year's plan at its last regularly scheduled meeting prior to September thirtieth.

## **SECTION C. PLAN UPDATES AND AMENDMENTS; PLAN PUBLICATION**

### Administrative Updates

The Plan may be updated administratively as provided herein. An administrative update authorized by this plan is deemed not to constitute an amendment to the Plan.

By the second Monday in January, the Secretary shall publish an administrative update of the plan that (a) updates Section D to state the actual certified amount of state ceiling for the Plan Year, (b) updates Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year, (c) updates Section E to state the then-current amounts identified in that Section (d) adds to Section E the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-520(G), and (e) using the Category Percentages previously approved, recalculates the dollar amounts in Section G based on the actual certified amount of state ceiling for the Plan year.

At the State Authority's first regularly scheduled meeting for the Plan Year, the Secretary will submit a summary of the updates to the State Authority as an informational agenda item.

### Plan Amendments

The Plan may be amended as allowed by Title 1, Chapter 11. Section 1-11-520 expressly contemplates amendments to the annual allocation plan upon a finding of exceptional and compelling circumstances by the State Authority. Amendments are subject to review and comment by the Committee. See Section H.

### Publication of the Plan

Section 1-11-520(A) requires the State Authority to publish the plan. Once approved, the Secretary is directed to publish the approved plan, as well as any amendment or update, by posting it to the State Authority's website. The initial plan and every update or amendment shall remain on the State Authority's website until the end of the Plan Year.

All updates or amendments shall be sequentially numbered. With each update or amendment, the header shall be revised to include the number and date of the update or amendment, as applicable.

**2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

**SECTION D. DETERMINATION OF STATE CEILING AND LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS**

The total state ceiling on the issuance of private activity bonds for the current Plan Year is \$671,694,375, as certified by the Secretary pursuant to Section 1-11-500.

Unless authorized pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% of the total state ceiling (\$67,169,437.50) in the case of an industrial or economic development project, or 5% (\$33,584,718.75) for any other authorized request.

The total state ceiling for the Plan Year will not be known until the January following the plan's adoption; accordingly, for purposes of the plan's publication, the State Authority will use the state ceiling for the year in which the plan is published. As reflected above, the limits on authorized requests are calculated against the total state ceiling for the year preceding this Plan Year. As reflected in Section E below, the plan will also use an estimate of the carryforward the Secretary anticipates will be unused and available for the Plan Year. These and other tentative amounts will be updated pursuant to Section C.

**SECTION E. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN**

In addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward from prior years and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	\$671,694,375
Plus amounts expired, relinquished, revoked, or otherwise not utilized for issuance	\$0
Plus amounts carried forward from prior calendar years that remain unused:	
Allocated to Multi-Family Housing (2021; expires 2024)	\$2,839,401
Allocated to Multi-Family Housing (2022; expires 2025)	\$200,977,550
Allocated to Multi-Family Housing (2023; expires 2026)	\$175,507,079
<hr/>	
Total	\$1,051,018,405 <sup>1</sup>

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<sup>1</sup> The State Authority allocated and designated as carryforward \$375,507,079 of the 2023 state ceiling to State Housing on December 31, 2023. Of that amount, State Housing elected to apply \$175,507,079 to its multi-family housing program and \$200,000,000 to its single-family program.

**2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

**SECTION F. ALLOCATION PERIODS & DATES FOR ALLOCATIONS TO AUTHORIZED REQUESTS**

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two allocation periods and hereby designates February 1 and August 1 as the beginning of each period. On those dates, 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years will be considered on one or more dates on or after the beginning of each allocation period, as established and announced by the Executive Director of the State Authority. Notwithstanding the foregoing, all authorized requests for the same permitted purpose during a single allocation period must be made at only one meeting during that period.

**SECTION G. CATEGORIES OF PERMITTED PURPOSES; PERCENTAGE ASSIGNMENTS TO CATEGORIES**

In accordance with Section 1-11-520(A), the State Authority adopts the following categories of permitted purposes and assigns percentages of the current-year state ceiling to those categories.

Categories of Permitted Purposes <sup>2</sup>	Category Percentage	Category Amount	Amount Available for Allocation on or after February 1 of the Plan Year	Amount Available for Allocation on or after August 1 of the Plan Year
Industrial and Economic Development <sup>3</sup>	40%	\$268,677,750	\$134,338,875	\$134,338,875
Multi-Family Housing <sup>4</sup>	0%	\$0.00	\$0.00	\$0.00
Single-Family Housing <sup>5</sup>	20%	\$134,338,875	\$67,169,437.50	\$67,169,437.50
Other Qualified Purposes <sup>6</sup>	40%	\$268,677,750	\$134,338,875	\$134,338,875
Totals	100%	\$671,694,375	\$335,847,187.50	\$335,847,187.50

<sup>2</sup> Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

<sup>3</sup> Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.

<sup>4</sup> Qualified residential rental projects.

<sup>5</sup> Qualified mortgage bonds.

<sup>6</sup> Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

# **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

The above amounts are subject to revisions pursuant to the update required by Section C.

As noted in Section E, there is carryforward available for Multi-Family Housing that will expire during the plan year unless otherwise utilized. Accordingly, no assignment of state ceiling is contemplated for Multi-Family Housing until the available carryforward is exhausted.

Any unused state ceiling from the first period shall automatically carry over to the same category for the second period unless reassigned by State Authority pursuant to 1-11-520(C).

If an authorized request submitted to the Secretary cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Secretary is authorized not to place the request on the State Authority's agenda. In such an event, Secretary will notify the State Authority's members as soon as practicable prior to the scheduled meeting date.

## **SECTION H. PLAN AMENDMENTS**

Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) can only be effected by an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

## **SECTION I. EVALUATION AND RANKING BY STATE HOUSING AND COMMERCE**

Pursuant to Section 1-11-520(E), the State Authority hereby directs that State Housing perform the periodic evaluation and ranking of all multi-family housing projects involving either an authorized request for state ceiling or a request for issuance approval of bonds using carryforward. In performing this evaluation and ranking, State Housing will use the competitive criteria adopted in this plan and provide a report as described in **Exhibit C**.

Pursuant to Section 1-11-520(E), the State Authority hereby directs that the South Carolina Department of Commerce perform the periodic evaluation and ranking of any non-housing project involving an authorized request for state ceiling. In performing this evaluation and ranking, Commerce will use the competitive criteria adopted in this plan and provide a report as described herein.

## **SECTION J. SUBMISSION FOR 2023 RANKING**

No request for an allocation of state ceiling will be considered by the State Authority until the project associated with the request has been evaluated and ranked by either State Housing or Commerce, as applicable.

## **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

No request for issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years will be considered by the State Authority until the project has been evaluated and ranked by State Housing. Reference Section E.

Timely submissions are essential for applicants seeking an allocation of state ceiling or approval to issue multi-family housing bonds. Any delay can undermine the ability of the State Authority to timely adopt any plan amendment necessary to modify the category assignments. Reference Section H.

### Industrial and Economic Development

Any Industrial or Economic Development project making an authorized request during an allocation period must submit all necessary information to Commerce by any due date established by Commerce for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, Commerce should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, Commerce must provide the State Authority with its allocation recommendations and its evaluation and ranking for any non-housing project seeking an allocation of state ceiling, provided the request was timely received by Commerce.

As noted in Item 6 of Section P below, Commerce must provide the State Authority with written confirmation of the Coordinating Council's allocation recommendations no later than the published bond due date for the applicable State Authority meeting.

### Multi-Family Housing

All multi-family housing projects making an authorized request during an allocation period must submit all necessary information to State Housing by the due date established by State Housing for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, State Housing should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, State Housing must provide the State Authority with a report of its evaluation and ranking of all projects requesting an allocation of state ceiling and all projects requesting issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. The report must include all the information identified in **Exhibit C**.

## **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

As noted in Item 7 of Section P below, State Housing must provide the State Authority with written confirmation of its Board’s allocation recommendations for State Housing projects no later than the published bond due date for the applicable State Authority meeting.

### **SECTION K. REQUIRED REPORTS**

No later than September 30<sup>th</sup> each year, the State Authority must adopt a plan for the next calendar year. In order to develop that plan, the State Authority needs reliable information before it begins drafting. To gather that information, the State Authority requests the following reports be submitted by August 1<sup>st</sup> of each year.

The State Authority acknowledges that specific project details may not be known in all cases for the coming plan year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests.

These reports will also inform any decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current-year state ceiling for year-end designation as carryforward.

#### Industrial and Economic Development Bonds

Commerce and JEDA, in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for the year following the plan year. The response must include the project name,<sup>7</sup> amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

Separate from its report, Commerce must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final ranking and recommendations no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period. Commerce must submit proposed deadlines on the 10th business day following the Authority’s adoption of a meeting schedule for the Plan Year.

Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development, less any allocation requested for known

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<sup>7</sup> Or other identifying information in the event the name of the project is not yet public.

## **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

### **Multi-Family and Single-Family Housing Bonds**

State Housing must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for the year following the plan year. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation.

The report must also include recommendations for the amount of carryforward from prior years needed for State Housing to continue each of its programs in the year following the plan year.

With its report, Housing must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

State Housing must provide the Secretary with a year-end account of any unused remaining carryforward from prior years no later than first business day of January each year.

### **SECTION L. COMPETITIVE CRITERIA - GENERALLY**

Section 1-11-520(E) requires that the allocation plan establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

### **SECTION M. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES**

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public

## **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs<sup>8</sup> that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Coordinating Council must submit its proposed recommendations for the year following the plan year to the State Authority no later than August 1 of the plan year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

For projects seeking state discretionary incentives such as job development credits and/or state grant funding, a definitive agreement with the Coordinating Council must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary revitalization, grant performance or other incentive agreement provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must, after the project has been fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

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<sup>8</sup> Generally, maintenance of existing jobs will not meet this criterion.

**2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

**SECTION N. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION**

State Housing must provide each year to the State Authority for inclusion in the State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to multi-family housing projects.

Determinations of highest value and greatest public benefit must reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources must include without limitation the amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits must include without limitation such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. A determination of highest value must include a comparison of the state resources to the project’s total cost.

State Housing may coordinate these determinations with the applicable Qualified Allocation Plan and any other threshold requirements, policies, or procedures as are consistent with this section.

If multiple multi-family project submissions (for ceiling allocation and/or issuance approval for use of carryforward) will be considered by the State Authority within a single allocation period, State Housing must rank those projects from highest to lowest value and public benefit, as determined by the provisions of this section and Exhibit B.

These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. State Housing must submit its proposed recommendations for the coming year to the State Authority no later than August 1 of the plan year.

In addition to the foregoing, State Housing must, after the projects are fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting.

For the current year, the competitive criteria for Multi-family Housing projects recommended by State Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

# **2024 South Carolina State Ceiling Allocation Plan – As Administratively Updated January 8, 2024, by Authority Secretary Pursuant to Section C and including the December 12, 2023 Amendment #1, “SECTION S. EXEMPTION”**

## **SECTION O. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION**

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

## **SECTION P. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS**

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary is authorized not to place any incomplete submission on the agenda. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all requests for allocation of state ceiling must meet all of the following requirements, as applicable:

1. If the applicable private activity bonds require approval of the State Authority, the request for allocation of state ceiling must include a contemporaneous request for approval to issue the associated bonds. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the State Authority for the issuance approval request.
2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by JEDA must be approved by the Coordinating Council (§ 41-43-110(A)).
3. If a request for allocation of state ceiling regards private activity bonds for a multi-family housing project, either (i) the petition making the request must be accompanied by both a preliminary determination of the project’s eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.
4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using carryforward allocated to State Housing in prior years, either the (i) the petition making the request must be accompanied by both a preliminary determination of the project’s eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax

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credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.

5. If an authorized request regards a multi-family housing project, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter). This requirement applies even if the project includes an irrevocable waiver of any claim for state tax credits pursuant to Section 12-6-3795.
6. The petition submitted for each authorized request must include an acknowledgement that any amount of allocation subsequently requested will constitute a new authorized request and a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).
7. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Coordinating Council for the amount of state ceiling proposed to be allocated to the project.
8. In the case of a proposed project using state ceiling from the Multi-family Housing category or prior year carryforward previously allocated to State Housing for multi-family housing projects, the project must appear on a single consolidated list of projects ranked by State Housing and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.
9. A request to take any of the following actions must be accompanied by a letter signed by an executive officer of the project sponsor providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.
10. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the

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state ceiling applies must be accompanied by a letter signed by an executive officer of the project sponsor that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

11. In the case of an industrial or economic development project, an authorized request seeking more than ten percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D). The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

12. In the case of a project for any purpose other than for industrial or economic development, an authorized request seeking more than five percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D).

13. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable State Authority meeting, the State Authority's Secretary is authorized not to place the item on the State Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

### **SECTION Q. EXTENSIONS AND CARRYFORWARDS**

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the State Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly,

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the State Authority will undertake a heightened level of review and exercise conservative discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

### **SECTION R. BACKGROUND**

On August 30, 2022, the State Fiscal Accountability Authority adopted the inaugural South Carolina State Ceiling Allocation Plan pursuant to Act 202 of 2022. Section A of the 2022 State Ceiling Allocation Plan provided the background and purpose of the plan. The background and purpose of the inaugural plan and Act 202 of 2022 has not changed and need not be repeated on an annual basis. However, the Background and Purpose as written in the 2022 State Ceiling Allocation Plan remains relevant and is incorporated by reference for the 2023 South Carolina State Ceiling Allocation Plan.

### **SECTION S. EXEMPTION**

In response to the recent Joint Resolution, Act 88 of 2023, which authorizes supplemental financial support to address escalations and other costs for certain multifamily housing developments, State Housing created a Supplemental Allocation Plan, which subsequently received a favorable review by the Joint Bond Review Committee. Certain projects identified in the Supplemental Allocation Plan require approval of an authorized request by the State Authority pursuant to the State Ceiling Allocation Plan. In order to facilitate the intent of Act 88, and in light of their inclusion in the Supplemental Allocation Plan, the State Authority exempts any original and supplemental allocations of state ceiling in the amounts reflected within the Supplemental Allocation Plan; provided this exemption expires once the bonds for any project qualified for the exemption have been issued. Any subsequent request by a project sponsor following supplemental allocation of state ceiling to the project will constitute a new authorized request to which the 2024 State Ceiling Allocation Plan shall apply. This exemption does not excuse any project from compliance with Section 1-11-530 or apply to any request for an allocation of current year ceiling.

## **SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS**

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the "Department") in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

### **Background**

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development project. These criteria are designed to achieve highest value and greatest public benefit.

### **Review Procedures and Scoring**

During the review process, Department staff will evaluate the following factors for each industrial and economic development project requesting allocation of the state ceiling and will give scores weighted in the ranges set forth on the attached Scoring Criteria for Bond Applicants and as discussed below.

1. **Tier ranking of the county in which the project will be located as determined by the South Carolina Department of Revenue for the year in which allocation is sought.**  
Projects in the most rural counties will be given the higher scores to encourage development in those counties. The rural counties are most in need of industrial development to sustain and improve those counties.
2. **Type of Project.**  
Projects that improve public infrastructure will score higher than projects that only benefit the public through job creation and investment. Manufacturing projects will score higher than non-manufacturing projects because they attract suppliers that generate further new job creation and investment to South Carolina.
3. **Number of existing jobs to be maintained at the project.**  
The larger the current employment, the higher the score because larger companies have the greatest impact on the economy of the local region and the state as a whole.
4. **Number of net new jobs to be created at the project.**  
The more jobs being created, the greater the impact on the economy of the local region and the state as a whole by providing more employment for residents and resulting in increased income to the state.
5. **Average salary of the new jobs to be created at the project.**  
Jobs with higher wages will increase income to the state, and jobs with wages above the per capita income of the county have a greater impact on the economic well-being of that county.
6. **Existing investment of the entity.**  
The greater the existing investment the more property taxes that will be received to benefit the economy of the local region and the state as a whole.
7. **New investment to be made at the project.**  
Similarly, the greater the new investment, the more property taxes that will be received and will benefit the county and local school districts.

8. **Financing available to support the project.**

This category is the most subjective, but a vital consideration. A project's ability to support the project financially is essential to the success.

9. **Cost Benefit**

The South Carolina Coordinating Council for Economic Development (the "Coordinating Council") will perform a cost benefit analysis on each project. Absent extenuating circumstances, a project that does not have a positive financial benefit to the state will not be recommended for state ceiling allocation; provided, however, projects locating in Tier 3 and 4 counties will not be excluded from consideration because of a negative return on investment resulting from the estimated value of job tax credits. While the cost benefit analysis assumes all job tax credits earned and accrued are used, as a practical matter, companies rarely have sufficient income tax liability to use the maximum value of the credits. This is particularly true in the most rural counties because of the extremely high value of the job tax credits under state law.

After consideration of each factor and allocation of appropriate scores, the Department will then calculate the final score using the following formula:

$((\text{County Designation} \times (\text{New Jobs} + \text{New Investment})) + \text{Type of Project} + \text{Existing jobs} + \text{Existing Investment} + \text{Average Salary} + \text{Financing} + \text{Cost Benefit})$

<b>Scoring Criteria for Bond Applicants</b>	
<b><u>County Designation</u></b>	
Tier 4	3
Tier 3	2
Tier 2	1
Tier 1	1
<b><u>Type of Project</u></b>	
Public Infrastructure	4
Manufacturing	2
Other Business	0
<b><u>Existing Jobs</u></b>	
> 500	2
100-500	1
0-100	0
<b><u>New Jobs</u></b>	
>300	5
150-300	4
50-149	3
25-49	2
<25	1
<b><u>Existing Investment</u></b>	
>\$300,000,000	3
\$100,000,000- \$300,000,000	2
\$70,000,000-\$100,000,000	1
<\$70,000,000	0
<b><u>New Investment</u></b>	
>\$20,000,000	4
\$10,000,000-\$20,000,000	3
\$5,000,000-\$10,000,000	2
<\$5,000,000	1
<b><u>Avg. Salary</u></b>	
>150% of per capita income	2
100% of per capita income	1
<100%	0
<b><u>Financing</u></b>	
Financing in place	5
Financing not sufficient to sustain project	0
<b><u>Cost Benefit</u></b>	
Positive State Benefit > \$10 million	4
Estimate positive state benefit < \$9.9 Million	2
Negative	-30



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

Richard A. Hutto  
Interim Executive Director

August 1, 2023

Delbert H. Singleton, Jr., Secretary  
State Fiscal Accountability Authority  
Wade Hampton Building  
1200 Senate Street, Ste 600  
Columbia, SC 29201

Re: 2024 Proposed State Ceiling Criteria

Dear Secretary Singleton:

Please be aware that the Proposed State Ceiling Criteria for 2024 will remain the same as the Proposed State Ceiling Criteria last year. Please see the information attached.

I would greatly appreciate if this matter could be placed before the State Fiscal Accountability Authority for consideration in conjunction with the State Ceiling Allocation Plan.

Very truly yours,

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

Richard Hutto, CPA  
Interim Executive Director



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Chairman

Bonita H. Shropshire  
Executive Director

*This proposed criteria for State Ceiling allocations is presented solely for consideration by the Joint Bond Review Committee and State Fiscal Accountability Authority and is not intended to provide official or final guidance to participants in the program. Once approved by the JBRC and SFAA, final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority (SC Housing).*

### Proposed State Ceiling Criteria

For those projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits, SC Housing will require certain threshold criteria as detailed in the applicable Qualified Allocation Plan (QAP) which is the controlling document related to the allocation of the credit. This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing will require projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above will be ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. Section O of the State Ceiling Allocation Plan requires, at a minimum, certain measures to be included. The following criteria meet the requirements of the State Ceiling Allocation Plan:

- State resources per heated residential square foot
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

Exhibit B - 2024 Competitive Criteria for Multi-family Housing Projects

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.



Exhibit C - Evaluation and Ranking Report Format for Multi-family Housing Projects

1	Project Name
2	Location (Municipality)
3	Issuer
4	Attorney
5	State Tax Credits (1 year)
6	State Tax Credits (10 years)
7	State Tax Credit Letter Date
8	Current Year-Ceiling Allocation Request Amount
9	Ceiling Allocation Date
10	Carryforward granted by SFAA or SC Housing
11	Amount of Carryforward requested from SHFDA
12	Balance of Carryforward held by SHFDA
13	Annual State Tax Credit needed
14	Balance of Annual State Tax Credits Allocated to 4% projects

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF January 30, 2024

ITEM NUMBER 10

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AGENCY: State Fiscal Accountability Authority

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SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 9:30 a.m. on Tuesday, March 26, 2024, in Room 252, Edgar A. Brown Building.

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AUTHORITY ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Tuesday, March 26, 2024, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: