

STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, June 18, 2024 – 3:00 P.M.
Room 252, Edgar A. Brown Building

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C.		MINUTES OF PREVIOUS MEETINGS
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5.	Department of Administration, Facilities Management and Property Services	Winthrop University Lease of 630 and 610 Rose Street in Rock Hill
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STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, June 18, 2024 – 3:00 P.M.
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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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11.	Division of Procurement Services	Procurement Audit and Certification for College of Charleston
12.	Division of Procurement Services	Procurement Audit and Certification for the South Carolina Department of Labor, Licensing and Regulation
13.	Division of Procurement Services	Procurement Code Exemption for the University of South Carolina River District Project
14.	State Fiscal Accountability Authority	Future Meeting

MEETING OF June 18, 2024

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

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$2,360,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Health Care Facilities Revenue Bonds, Series 2024; Novant Health, Inc.	Novant Health, Inc. Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous Robinson Bradshaw - Allen Robertson, Alice Adams	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	3/22/2024
\$90,000,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2024; Furman University	Furman University Conduit: SCJEDA	Parker Poe – Tyler Smith, Emily Zackon	Maynard Nexsen - Laurie Becker	3/22/2024
\$40,000,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2024; Berkeley Charter Education Association, Inc. - Mevers School of Excellence & Berkeley Preparatory Academy	Berkeley Charter Education Association, Inc. - Mevers School of Excellence & Berkeley Preparatory Academy Conduit: SCJEDA	Haynsworth Sinkler Boyd – Jeremy Cook, Brad Love, Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	3/22/2024
\$150,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2024; McLeod Health	McLeod Health Conduit: SCJEDA	Haynsworth Sinkler Boyd – Ben Zeigler, Kathy McKinney	Pope Flynn Group - Joe Lucas	5/15/2024

MEETING OF June 18, 2024

ITEM NUMBER 1

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

\$39,800,000; SC JEDA; Jobs-Economic Development Authority Educational Facilities Revenue and Revenue Refunding Bonds, Series 2024; GMCK12, LLC dba Greer Preparatory Academy & Greer Middle College Charter High School	GMCK12, LLC dba Greer Preparatory Academy & Greer Middle College Charter High School Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	5/15/2024
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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 June 18, 2024 meeting:**

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$2,360,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Health Care Facilities Revenue Bonds, Series 2024; Novant Health, Inc.	Novant Health, Inc. Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous Robinson Bradshaw - Allen Robertson, Alice Adams	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	3/22/2024
\$90,000,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2024; Furman University	Furman University Conduit: SCJEDA	Parker Poe – Tyler Smith, Emily Zackon	Maynard Nexsen - Laurie Becker	3/22/2024
\$40,000,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2024; Berkeley Charter Education Association, Inc. - Mevers School of Excellence & Berkeley Preparatory Academy	Berkeley Charter Education Association, Inc. - Mevers School of Excellence & Berkeley Preparatory Academy Conduit: SCJEDA	Haynsworth Sinkler Boyd – Jeremy Cook, Brad Love, Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	3/22/2024
\$150,000,000; SC JEDA; Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2024; McLeod Health	McLeod Health Conduit: SCJEDA	Haynsworth Sinkler Boyd – Ben Zeigler, Kathy McKinney	Pope Flynn Group - Joe Lucas	5/15/2024
\$39,800,000; SC JEDA; Jobs-Economic Development Authority Educational Facilities Revenue and Revenue Refunding Bonds, Series 2024; GMCK12, LLC dba Greer Preparatory Academy & Greer Middle College Charter High School	GMCK12, LLC dba Greer Preparatory Academy & Greer Middle College Charter High School Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Suyash Raiborde	Howell Linkous & Nettles – Sam Howell, Alan Linkous	5/15/2024

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
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AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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

(a) Project: JBRC Item 1: College of Charleston
H15.9688: St. Philip Housing Innovation District Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-2.08 acres in Charleston County.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 9 in FY25 (estimated at \$11,000,000)
CHE Approval: 04/24/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Capital Reserve (4), Maintenance, Renovation, Replacement & Expansion				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Two of the largest freshman classes in school history have come in the last three years and Fall 2024 could set yet another record, per the college. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking distance of campus. Through a separate project, the college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots.

Characteristics: There are two contiguous properties that total +/-2.08 acres adjacent to the main campus. The first parcel is +/-1.09 acres at 99 St. Philip Street, and contains a 250-bed apartment building, a courtyard, and a parking lot, all currently leased by the college. The second parcel is +/-0.9 acres at 106 Coming Street and contains a

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

parking lot leased by the college and a vacant, non-historic building, to be demolished.

Financial Impact: The property is being offered by 106 Coming Street, LLC and 99 St. Philip Street, LLC for the proposed purchase price of \$68,200,000. The due diligence activities will be funded from FY23 Capital Reserve Funds (uncommitted balance \$10 million at April 9, 2024). The project is expected to result in an increase of \$2,120,000 (year 1), \$2,184,000 (year 2), and \$2,250,000 (year 3), in annual operating expenditures. If acquired, the property will be redeveloped as part of a separate project for an estimated cost of \$162,820,000 that will be funded from Housing Revenue Bonds. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester and has not changed from 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: \$68,220,000 (internal). The acquisition will be funded by \$9,980,000 in FY23 Capital Reserve, \$9,000,000 in FY24 Capital Reserve. \$12,500,000 in FY23 Appropriated State (nonrecurring), \$520,000 in FY24 Appropriated State (nonrecurring), and \$36,200,000 in Revenue Bonds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Project: JBRC Item 2: College of Charleston
H15.9689: St. Philip Housing Innovation District
- Request: Establish Phase I Pre-Design Budget to redevelop 106 Cumming Street and 99 St. Phillips Street which is a total of +/-2.08 acres adjacent to the downtown campus.
- Included in CPIP: Yes – 2023 CPIP Priority 8 of 9 in FY25 (estimated at \$11,000,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B)(11), Maintenance, Renovation, Replacement, & Expansion				1,980,000	1,980,000
All Sources				<u>1,980,000</u>	<u>1,980,000</u>

Summary of Work: The site currently contains a 250-bed apartment building, courtyard, and two surface parking lots, all currently leased by the college. The site also contains a vacant, non-historic building that will be demolished. The college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots and the location of the demolished building.

Rationale: Two of the largest freshman classes in school history have come in the last three years and Fall 2024 could set yet another record, per the college. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking distance of campus. The leased academic space does not generate revenue and is disconnected from main campus. Through a separate project, the college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The YMCA Building, constructed in 1964 (60 years old), located at 106 Cumming Street will be demolished. The 99 St. Philip Street building is approximately 65,251 square feet and was constructed in 1985 (39 years old) and fully renovated prior to the colleges lease start date. The facilities to be renovated or constructed will be used for residential housing, parking and academics which include 1,200 students.

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve Funds (uncommitted balance \$6 million at April 9, 2024). The project is expected to result in a decrease of \$4,496,267 (years 1 thru 3), 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: \$164,800,000 (internal). Phase II will be funded by Housing Revenue Bonds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(c) Project: JBRC Item 3: College of Charleston
H15.9681: Grice Marine Lab Annex Renovation

Request: Establish Phase II Full Construction Budget to address structural issues.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 10 in FY24 (estimated at \$5,700,000)

CHE Approval: 05/02/24

Phase I Approval: June 2023 (estimated at \$5,700,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	142,500		142,500	5,557,500	5,700,000
All Sources	<u>142,500</u>		<u>142,500</u>	<u>5,557,500</u>	<u>5,700,000</u>

Summary of Work: The project will repair structurally damaged sill plates and chimneys and upgrade site drainage systems. Asbestos and lead-based paint will be abated. Historic windows and doors will be restored. Exterior siding, shingled roofs, mechanical, electrical, plumbing, and fire/life safety systems will be replaced. Restrooms and entry/exist systems will be replaced for ADA compliance. Interior reconfigurations and finish updates will also be completed. The existing asphalt shingle roof will be replaced with a shingle roof. The new roof will come with the minimum 20-year material and workmanship warranty.

Rationale: Much of the infrastructure is original to the building. Air conditioning is currently supplied through window units, leading to indoor air quality issues. Per the college, windows, doors, and lapboard siding are falling into disrepair. Sill plate replacements are crucial to the building's structural health.

Facility Characteristics: Grice Marine Lab Annex is 7,144 gross square feet and was constructed in 1932 (92 years old). The last renovation was completed in 1987 (37 years ago). The one-level historic building is on James Island. It was constructed as a federal quarantine hospital and the college secured ownership in partnership with MUSC in 1952 (72 years ago). The facility now serves as a core facility in support of approximately 400 undergraduate majors and 55 graduate students in pursuit of a

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

BS or MS degree in Marine Biology, as well as faculty and student independent research.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$14.50 million at March 1, 2024). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$6,400 (year 1), \$6,592 (year 2), and \$6,790 (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: \$5,700,000 funded by Capital Improvement Project Funds. Contract execution is expected in April 2025 and completion of construction in October 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Project: JBRC Item 4: College of Charleston
H15.9687: 176 Lockwood Exterior Repairs
- Request: Establish Phase II Full Construction 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: 05/02/24
- Phase I Approval: January 2024 (estimated at \$2,300,000) (SFAA)

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	2,242,500	2,300,000
All Sources	<u>57,500</u>		<u>57,500</u>	<u>2,242,500</u>	<u>2,300,000</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. The existing low sloped elastomeric coating roof system and the existing steep sloped standing seam metal roof system will be replaced with a thermoplastic single-ply roofing membrane system. The new roof will come with the minimum 20-year material and workmanship warranty. Only minor repairs will be complete on the interior of the building.

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.

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

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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 \$14.50 million at March 1, 2024). 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. 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 funded by Capital Improvement Project 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

- (e) Project: JBRC Item 5: Coastal Carolina University
H17.9630: Land Acquisition for Relocation of Track and Field Facility
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-26.71 acres in Horry County.
- Included in CPIP: No – The location for the track and field facility was decided after the 2023 CPIP submission process.
- CHE Approval: 04/01/24

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

- Rationale: The university desires to relocate the track and field facility here to allow for the construction of the Health and Human Performance Building and detached Parking Garage on its current site. If acquired, this parcel will join the soccer complex, tennis complex, beach volleyball courts, and future intramural sports fields to create an east campus athletics/student recreation programmatic district.
- Characteristics: This property, currently leased from the Coastal Carolina University Student Housing Foundation, is located on east campus. The track and field facility will be constructed on this parcel and will be used primarily by men’s and women’s track and field programs that include approximately 95 student athletes and coaches.
- Financial Impact: The property is being offered by Coastal Carolina University Student Housing Foundation for no more than \$1,870,000. The due diligence activities will be funded from Other, Auxiliary Reserve Funds (uncommitted balance \$4.05 million at March 7, 2024). Revenue to this fund is generated from food service, vending, and bookstore commissions. The project is expected to result in a decrease of \$53,333 (year 1), and \$80,000 (years 2 thru 3), in annual operating expenditures. If the property is acquired, a new track and field facility will be constructed as part of a separate project for an estimated cost of \$3 million and will be funded by

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Auxiliary Reserve funds. No student fees or tuition will be increased because 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: \$1,890,000 (internal) funded by Auxiliary Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (f) Project: JBRC Item 6: Coastal Carolina University
H17.9625: Land Acquisition for Future Health and Human Performance Building
- Request: Establish Final Land Acquisition to purchase an +/-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: 05/02/24
Phase I Approval: January 31, 2024 (estimated at \$2,020,000) (SFAA)

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	1,000,000	1,020,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>1,000,000</u>	<u>1,020,000</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 \$1,000,000. The acquisition will be funded from Penny Sales Tax Funds (uncommitted balance \$50.42 million at February 29, 2024). 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. An appraisal was completed in September 2023 and valued the property at \$1,870,000. A Phase I Environmental Site Assessment was completed in February

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

2024, and revealed no evidence of recognized environmental conditions in connection with the property, and therefore no further assessment is recommended at this time. A Building Condition Assessment is not required because there are no structures located on the property. Letters of support are not required because the property is owned by a nonprofit organization. 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: \$1,020,000 funded by Penny Sales Tax Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 7: University of South Carolina - Columbia
H27.6158: Campus Residential Development - Sumter Street Sites

Request: Establish Phase I Pre-Design Budget to demolish the existing buildings and construct new buildings on the site.

Included in CPIP: Yes – 2023 CPIP Priority 11 of 16 in FY24 (estimated at \$20,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Maintenance Reserve				3,000,000	3,000,000
Other, Institutional Capital Project				1,500,000	1,500,000
All Sources				<u>4,500,000</u>	<u>4,500,000</u>

Summary of Work: The project will demolish the remaining McBryde Quadrangle buildings, construct new buildings on the McBryde site that are taller to compliment the Honors College and increase the bed count on the site, and construct the third wing at the Honors College Residence Hall across Sumter Street from the McBryde site. Development will occur at other potential sites fronting Sumter Street which could include redevelopment at the Byrnes site and include other adjacent parcels. Development at the Byrnes site would be multi-purpose to provide student residences, academic space, administrative office space, and retail space at the street level. The various development components will be phased over many years. Approximately 1,150 beds could potentially be created through this project, but Phase I planning and design is needed to confirm the scope of work and associated cost.

Rationale: The McBryde Quadrangle & the Brynes Building have exceeded their service life and are the highest Housing priorities to replace with new construction, per the university.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The McBryde Building to be demolished is 68,046 gross square feet and was constructed in 1955 (69 years old). The Byrnes Building to be demolished is 90,261 gross square feet and was constructed in 1955 (69 years old). The square footage of the new construction is expected to exceed the square footage of the structures to be demolished. There is continued demand for on-campus student housing, classrooms and administrative support space as enrollment continues to increase, per the university. Approximately 1,150 residential students, and thousands additional would use academic space, administrative support space and retail space.

Financial Impact: This phase of the project will be funded from Housing Maintenance Reserve (uncommitted balance \$18.92 million at March 15, 2024), and Institutional Capital Project Funds (uncommitted balance \$81.69 million at March 15, 2024). Revenue received to the Housing Maintenance Reserve Fund is derived from the Housing operating budget, which includes housing fees and revenues generated by laundry operations, conferences, and interest. Revenue received to the Institutional Capital Projects Fund is derived from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$2,380,000 (years 1 thru 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 \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. Housing fees are charged to residential students, an average of the various rates is \$5,133 per student per semester and has increased from \$3,642 for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$300,000,000 (internal). Phase II will be funded by Housing Revenue Bonds, and State Institution Bonds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (h) Project: JBRC Item 8: University of South Carolina - Columbia
H27.6159: Thomas Cooper Library Renovation
- Request: Establish Phase I Pre-Design Budget to renovate the library.
- Included in CPIP: Yes – 2023 CPIP Priority 1 of 2 in FY27 (estimated at \$5,500,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				975,000	975,000
All Sources				<u>975,000</u>	<u>975,000</u>

Summary of Work: The project will investigate space utilization and renovation for the seven levels within the Thomas Cooper Library. The project will modernize spaces within the library by re-purposing and renovating areas to serve contemporary student needs that prioritize study space. The project will also replace aged mechanical HVAC systems that cannot maintain proper humidity and fresh air ventilation. A sprinkler system and a new fire alarm system will be installed for life safety and code compliance. Asbestos abatement will occur as ceiling and floor finishes are replaced. Lastly, the project will enhance lighting and Wi-Fi connectivity to serve the students. The project scope is not expected to trigger the need to meet LEED Silver or Two Green Globes certification standards.

Rationale: Per the university, the replacement and upgrades of mechanical HVAC equipment and ducts is essential to perpetuating the use of the facility as a place for high occupant density and library collections. The high level of occupancy mandates upgrades to life safety systems. Most of the HVAC equipment is original to the building.

Facility Characteristics: The Thomas Cooper Library is 283,595 gross square feet and was constructed in 1959 (65 years old). Approximately 37,000 students, faculty, staff, and local community use the library.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: This phase of the project will be funded from Institutional Capital Project Funds (uncommitted balance \$81.69 million at March 15, 2024). Revenue received to the Institutional Capital Projects Fund is derived from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is not expected to result in any change 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 \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. The Phase I amount is 1.9% of the estimated cost to complete the project and the additional funds will be used to procure a Construction Manager at Risk, as well as to cover the cost of extraordinary involvement from a mechanical engineer to develop an HVAC design sufficient to obtain accurate budget information for the Phase II request.

Full Project Estimate: \$50,000,000 (internal). Phase II will be funded by and State Institution Bonds and Institutional Capital Project Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(i) Project: JBRC Item 9: University of South Carolina - Aiken
H29.9562: Soccer Field and Infrastructure

Request: Establish Phase I Pre-Design Budget to construct a soccer field house facility, soccer field and other infrastructure.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 5 in FY24 (estimated at \$1,500,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				75,000	75,000
All Sources				<u>75,000</u>	<u>75,000</u>

Summary of Work: The project will construct a new NCAA-compliant competition soccer field, a soccer field house facility, and infrastructure on approximately 7.5 acres. In addition to field site work, a 5,000 gross square foot field house building, lighting, fencing, netting, bleachers, press box, parking, and an access drive are included in the scope of work. The field house will include public restrooms, men's and women's locker rooms, equipment storage, concessions, training support rooms and other support spaces. Ultimately, the scope of work will depend on available funding and may be adjusted at the time of the Phase II request.

Rationale: Aiken's competition fields are being consolidated in their athletics district of campus in accordance with the master plan. The site of the existing intramural soccer field is being developed as the location of the new SC National Guard Cyber Center/ DreamPort and Advanced Manufacturing Collaborative (AMC). Therefore, the existing soccer field must be relocated. Locating these two facilities at the core of the campus in close proximity to one another will facilitate collaborations and partnerships between the SCNG Dream Port and the AMC.

Facility Characteristics: The new soccer field house facility will be approximately 5,000 gross square feet. Approximately 2,000 students, faculty, staff, and visitors are expected to utilize the new facilities.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: Th project will be funded from Institutional Funds (uncommitted balance \$5.5 million at March 15, 2024). Revenue received is derived from operating funds. The project is expected to result in an increase of \$15,000 (year 1), and \$30,000 (years 2 thru 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 \$12 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$5,000,000 (internal) funded by Institutional Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(j) Project: JBRC Item 10: University of South Carolina – Upstate
H34.9555: Rampey Building Expansion and Renovation

Request: Establish Phase II Full Construction Budget to construct an addition to the Rampey Building to accommodate the relocation and expansion of the Health Services Facility.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 6 in FY24 (estimated at \$2,500,000)

CHE Approval: 05/02/24

Phase I Approval: June 2023 (estimated at \$2,500,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project	37,500		37,500	2,962,500	3,000,000
All Sources	<u>37,500</u>		<u>37,500</u>	<u>2,962,500</u>	<u>3,000,000</u>

Summary of Work: This project will expand the current facility with a 4,590 gross square foot addition that will include exam rooms, a waiting room, a nurse station with a lab, administrative offices, and numerous other support spaces. Minor interior modifications to the existing building will facilitate connectivity to the addition through a renovated main lobby and reception space. Lastly, the work will include sitework, a covered connecting walkway, and mechanical and electrical infrastructure for the expansion. The roof to be installed on the addition will be a 60mil single-ply TPO roof system and will come with the minimum 20-year material and workmanship warranty.

Rationale: The current Health Services Facility is in a converted house on the opposite side of campus from most student housing. The expansion will enable the department to expand services to students and be closer in proximity to a majority of the residence halls.

Facility Characteristics: The current Health Services Facility is 2,326 gross square feet and was constructed in 1995 (29 years old). The existing Rampey Building is 7,172 square feet and was constructed in 1995 (29 years old). 95% of the existing building houses Counseling Services and 5% houses Health Services. The addition will

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

house the Health Services functions being relocated from elsewhere on campus. The facility will be accessible to the entire campus community of students, faculty, and staff of over 5,000 individuals.

Financial Impact: The project will be funded from Other, Institutional Capital Project Funds (uncommitted balance \$11.91 million at March 15, 2024). Institutional Capital Project Funds are generated from the portion of tuition and fees designated for bond and renovation reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$7,250 (year 1), and \$14,500 (years 2 thru 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 \$295 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$3,000,000 funded by Institutional Capital Project Funds. Contract execution is expected in November 2024 and completion of construction in July 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (k) Project: JBRC Item 11: Winthrop University
H47.9612: Winthrop Lake Dam Renovation
- Request: Establish Phase II Full Construction Budget to renovate the Winthrop Lake Dam.
- Included in CPIP: Yes – 2023 CPIP Priority 10 of 12 in FY24 (estimated at \$4,000,000)
CHE Approval: 05/02/24
Phase I Approval: October 2023 (estimated at \$4,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B) (18), Winthrop Lake Dam Repair	110,000		110,000	890,000	1,000,000
All Sources	<u>110,000</u>		<u>110,000</u>	<u>890,000</u>	<u>1,000,000</u>

Summary of Work: The project will replace the outfall structure, emergency spillway, remove the vegetation across the face of the dam, repair roadway on top of the dam, and add safety guardrail along top of the dam, plus maintain a pump on site to control water level as required by DHEC Safe Dams.

Rationale: The existing dam outfall has partially collapsed/is clogged impacting the regulation of the water level in the lake. Winthrop is working with SC DHEC Dam Safety regarding the condition of the dam.

Facility Characteristics: The earthen dam was constructed in the early 1950's (74 years old), and it impounds the 9-acre Winthrop Lake. The lake is used for academic research on the wetlands and wildlife is stocked with fish and so is used by Winthrop and locals for fishing (DNR does regular fish surveys). It is also the backdrop for some of the Come See Me festival and the US Disc Gold championships.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$890K at March 4, 2024). The project is not

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

expected to result in any change 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 \$543 per student per semester, and has decreased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$4,000,000 funded by Appropriated State (nonrecurring) Funds. The university is requesting additional funds in the FY24-25 budget process to cover the remainder of the project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (l) Project: JBRC Item 12: Greenville Technical College
H59.6310: Center for Workforce Development
- Request: Establish Phase I Pre-Design Budget to construct a new facility to house Work Force Development programs.
- Included in CPIP: Yes – 2023 CPIP Priority 1 of 7 in FY24 (estimated at \$25,000,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B) (20) (f), Center for Workforce Development				375,000	375,000
All Sources				<u>375,000</u>	<u>375,000</u>

Summary of Work: The project will complete site development and construct a new facility on the college’s Brashier campus. The building will provide lab space, classroom space, lecture space and staff office space. The building will also include welding booths, a simulation lab, a fabrication area, testing labs, and a covered outdoor storage space. The building will be state-of-the-art with the main focus on welding education and technology. All roofing material options will be evaluated during the Phase I process. The building will be designed to meet Two Green Globes certification standards.

Rationale: The new facility will facilitate an improved learning environment for those students seeking to enter the workforce.

Facility Characteristics: The building to be constructed will be approximately 35,000 to 40,000 square feet. It will be utilized by approximately 150 to 175 students.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$15 million at February 20, 2024). The project is

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

expected to result in an increase of \$412,800 (years 1 thru 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 \$100 per student per semester, and has not changed for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$25,000,000 funded by Appropriated State (nonrecurring) Funds. Phase II will be funded by Appropriated State (nonrecurring) and College Plant Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m)Project: JBRC Item 13: Northeastern Technical College
H59.6222: Cheraw Campus Schaeffler Manufacturing Technology Academy

Request: Establish Phase II Full Construction Budget to construct an industrial building on the Cheraw Campus.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 4 in FY24 (estimated at \$6,447,500)
CHE Approval: 05/02/24
Phase I Approval: November 2022 (estimated at \$5,600,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Appropriated State, Proviso 118.16 (B)(23)(n), Instructional Building (transfer from H59-6142) (FY20 Proviso 25.12, Northeastern Tech Repurpose)	52,500		52,500	3,447,500	3,500,000
FY24 Appropriated State, Proviso 118.19 (B)(20)(i), Cheraw Campus				506,130	506,130
Other, NETC Foundation Schaeffler Donation					
All Sources	<u>52,500</u>		<u>52,500</u>	<u>6,953,630</u>	<u>7,006,130</u>

Summary of Work: The project will construct a 27,520 square foot industrial building from a prefab shell to be purchased, and will be used by the Schaeffler Group, USA for the

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

NETC Apprenticeship Program. The new building will be brick and mortar, with a metal roof. The new building will replace buildings 400, 600 and 700. Buildings 400, 600 and 700 have been demolished in a non-pip project (H59-N176-MJ), which was fully funded by Chesterfield County. The roof on the new building will be standing seam metal roof and will come with the minimum 20-year material and workmanship warranty.

Rationale: Renovation of buildings 600 and 700 would cost more than constructing a new building to bring them into compliance with current building codes, add additional bathrooms, and make major repairs, per the college. The configuration of the existing buildings to convert into a flexible space for training would have required the removal of walls and major reconstruction to get the same amount of space compared to the new building.

Facility Characteristics: Building 400 was 7,600 square feet, Building 600 was 9,220 square feet, and Building 700 was 5,225 square feet. Building 400 was constructed in 1976 (48 years old), and Buildings 600 and 700 were both constructed in the 1970's (54 years old). The new building to be constructed will be for the Schaeffler Manufacturing Technology Academy to provide a flexible space to teach multiple courses for the workforce. It is estimated that 100+ students, and 10+ staff will use the facility as the program increases.

Financial Impact: This phase of the project will be funded from FY17 Appropriated State Funds, Proviso 118.16 (nonrecurring) (uncommitted balance \$3.44 million at February 5, 2024) and redirected in FY20 Proviso 25.12, FY24 Appropriated State (nonrecurring) (uncommitted balance \$4 million at February 5, 2024), and Other, NETC Foundation Schaeffler Donation Funds (uncommitted balance \$506K at February 5, 2024). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements. The building will be designed to meet Two Green Globe certification standards with anticipated energy savings of \$506,250 over a 30-year period.

Full Project Estimate: \$7,006,130 funded by FY17 & FY24 Appropriated State (nonrecurring), and NETC Foundation Schaeffler Donation Funds. Contract execution is expected in July 2024 and completion of construction in July 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (n) Project: JBRC Item 14: Tri County Technical College
H59.6311: Anderson Campus Transportation, Logistics & Utility Center
- Request: Establish Phase I Pre-Design Budget to construct a three new buildings and expand another.
- Included in CPIP: Yes – 2023 CPIP Priority 3 of 8 in FY24 (estimated at \$25,000,000)
CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19 (B) (27) (w), Transportation, Logistics, & Utility Center				465,000	465,000
All Sources				<u>465,000</u>	<u>465,000</u>

Summary of Work: The project will construct three new buildings and expand another. The Mechatronics building to be constructed will be located adjacent to the current main campus building. The Automotive/Diesel program building to be constructed will be located on the south side of the Anderson campus. An equipment and outdoor lab building will also be constructed. The Academic building will also be expanded. The truck driver training pad will be expanded to accommodate a third section of classes. All structures will be fully accessible with energy efficient systems. All roofing material options will be evaluated during the phase I process. The new buildings will be designed to meet Two Green Globes certification standards.

Rationale: The need for the additional facilities are based on third party economic scans whose data supported the need for each of these services and programs in the Anderson area.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The Mechatronics building to be constructed will be approximately 22,000 square feet. The Automotive/Diesel program building to be constructed will be approximately 22,000 square feet. The equipment and outdoor lab building to be constructed will be approximately 4,000 square feet. The existing Academic building is 5,000 square feet and was constructed in 2013 (11 years old), will be expanded by approximately 4,000 square feet. The new buildings and expanded academic building will house the Mechatronics Program, Automotive/Diesel Program, and CDL/Heavy Equipment & Power Lineman Programs. The facilities will be utilized by approximately 1,000 students, faculty, staff, and clients.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$6 million at February 5, 2024). The project is expected to result in an increase of \$169,462 (years 1 thru 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 \$2.17 per student per semester, and has not changed for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$31,000,000 (internal) funded by Appropriated State (nonrecurring) Funds. Phase II will be funded by Appropriated State (nonrecurring) and Accumulated Maintenance Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 16: Department of Administration
D50.6153: Calhoun Building - Replace Operable Windows

Request: Establish Phase I Pre-Design Budget to replace the windows in the building.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 38 in FY24 (estimated at \$2,380,000)

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, Depreciation Reserve				50,000	50,000
All Sources				<u>50,000</u>	<u>50,000</u>

Summary of Work: The project will replace all the operable windows in the building located on Senate Street in Columbia.

Rationale: The windows are original to the building, past their useful life, and leaking in multiple areas.

Facility Characteristics: The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (98 years old). The building is utilized by approximately 190 Judicial Branch personnel and various annual visitors.

Financial Impact: The project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$7.34 million at February 21, 2024). 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. The Phase I amount requested is 2.10% of the estimated cost to complete the project and the additional amount will be used hazardous materials testing.

Full Project Estimate: \$2,380,000 (internal) funded by Depreciation Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(p) Project: JBRC Item 19: Department of Administration
D50.6129: Wade Hampton Building - Replace Fan Coil Units

Request: Establish Phase II Full Construction Budget to replace fan coil units in the building.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 38 in FY24 (estimated at \$720,000)

CHE Approval: N/A

Phase I Approval: October 2023 (estimated at \$720,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	15,800		15,800	2,330,669	2,346,469
All Sources	<u>15,800</u>		<u>15,800</u>	<u>2,330,669</u>	<u>2,346,469</u>

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

Rationale: A number of the fan coil units within the building have exceeded their life expectancy, and parts for repairs and maintenance are difficult to source.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (86 years old). On average, the fan coil units were installed in 1974 (49 years old). The building is utilized by the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor’s Office, SC State Treasurer’s Office, SC Comptroller General Office, SC Adjutant General’s Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$8.31 million at February 29, 2024). The project is expected to result in a decrease of \$661 (years 1 thru 3), in annual operating expenditures.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$2,346,469 funded by Appropriated State Funds. Contract execution is expected in December 2024 and completion of construction in February 2025. The estimated cost to complete the project has increase from the Phase I amount due to current market conditions and continuously rising construction costs. Additionally, the Phase I estimated amount was based on historical costs of the units themselves and failed to account for the related necessary electrical, piping, casework, and controls.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (q) Project: JBRC Item 21: Department of Administration
D50.6140: Dennis Building - Fan Coil Units and Water Line Replacements,
Floors 4-7
- Request: Establish Phase II Full Construction Budget to replace fan coil units on the 4th
through 7th floors.
- Included in CPIP: Yes – 2023 CPIP Priority 5 of 38 in FY24 (estimated at \$1,075,021)
CHE Approval: N/A
Phase I Approval: January 2024 (estimated at \$3,029,128) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(71)(a), Facilities Management – Maintenance Projects (transfer from D50- 6114)	45,000		45,000	100,000 1,947,691 360,000	100,000 1,992,691 360,000
Other, Depreciation Reserve				482,570	482,570
Other, Depreciation Reserve (transfer from D50- 6052)					
Other, Depreciation Reserve (transfer from 6080)					
All Sources	<u>45,000</u>		<u>45,000</u>	<u>2,890,261</u>	<u>2,935,261</u>

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) as a transfer from D50-6114 (uncommitted balance \$100K at March 28, 2024), Other Depreciation Reserve as a transfer from D50-6052 (uncommitted balance \$360K at March 28, 2024), and a transfer from D50-6080 (uncommitted balance \$483K at March 28, 2024), and Other, Depreciation Reserve Funds (uncommitted balance \$7.55 million at March 28, 2024). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in a decrease of \$559 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,935,261 funded by Appropriated State and Depreciation Reserve Funds. Contract execution is expected in November 2024 and completion of construction in November 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 22: Department of Administration
D50.6141: Dennis Building – Roof Replacement

Request: Establish Phase II Full Construction 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

Phase I Approval: January 2024 (estimated at \$1,200,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	20,000		20,000	949,655	969,655
				38,829	39,829
FY21 Appropriated State (transfer from D50-6068)				57,781	57,781
FY22 Appropriated State (transfer from D50-6079)				80,500	80,500
				368,415	368,415
FY23 Appropriated State (transfer from D50-6099)				285,635	285,635
				258,186	258,186
FY23 Appropriated State (transfer from D50-6104)					
FY23 Appropriated State					

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(transfer from D50-6108)

FY23 Appropriated State
(transfer from D50-6109)

All Sources	<u>20,000</u>	<u>20,000</u>	<u>2,040,000</u>	<u>2,060,000</u>
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Summary of Work: The existing low sloped roof systems consist of a thermoplastic (TPO) roof membrane over a layer of extruded polystyrene over an aggregate surfaced asphalt built-up roof system over fiberglass roof insulation and a concrete roof deck. The replacement roof will be a thermoplastic roof membrane system. The new roof will come with the minimum 20-year material and workmanship warranty.

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 FY24 Appropriated State (uncommitted balance \$8.31 million at February 29, 2024), FY21, FY22 and FY23 Appropriated State Funds (uncommitted balances \$1.09 million at February 29, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,060,000 funded by Appropriated State Funds. Contract execution is expected in October 2024 and completion of construction in May 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (s) Project: JBRC Item 25: Department of Administration
D50.6147: Wade Hampton Building - Subsurface Water Remediation Repairs (Annualized)
- Request: Establish Phase II Full Construction Budget for the repair/replacement of the exterior waterproofing.
- Included in CPIP: No – The project and funding were not identified until after submission of the 2023 CPIP.
- Phase I Approval: March 2024 (estimated at \$1,819,620) (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
FY24 Appropriated State	37,000		37,000	1,360,263	1,397,263
Other, Depreciation Reserve				397,737	397,737
All Sources	<u>37,000</u>		<u>37,000</u>	<u>1,758,000</u>	<u>1,795,000</u>

Summary of Work: This will be an annualized project and will be completed in two (2) annualized phases, to repair or replace the exterior waterproofing of the building basement and the underground pedestrian tunnel. Construction of the first annualized phase will address the pedestrian tunnel.

Rationale: The exterior subsurface waterproofing material for the building and pedestrian tunnel, has deteriorated, leading to water infiltration in the basement and the pedestrian tunnel. Both areas experience water infiltration in office spaces and common areas after rainfall events.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The pedestrian tunnel is approximately 12,240 square feet and was constructed in 1970 (54 years old). The pedestrian tunnel is utilized by the Calhoun and Wade Hampton Buildings. The Calhoun Building is utilized by approximately 190 Judicial Branch personnel and the Wade Hampton

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Building is utilized by approximately 275 staff and various annual visitors of the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor's Office, SC State Treasurer's Office, SC Comptroller General Office, SC Adjutant General's Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (uncommitted balance \$8.31 million at February 21, 2024), and Other, Depreciation Reserve (uncommitted balance \$7.31 million at February 21, 2024). 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: \$1,795,000 for this phase of the project to be funded by Appropriated State and Depreciation Reserve Funds. The estimated cost to complete both annualized phases is \$4,937,050, to be funded by Appropriated State and Depreciation Reserve Funds. Contract execution is expected in October 2024 and completion of construction in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(t) Project: JBRC Item 26: Department of Administration
D50.6148: Window Replacement

Request: Establish Phase II Full Construction Budget to replace the windows at the SC State Library.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 38 in FY24 (estimated at \$1,000,000)

CHE Approval: N/A

Phase I Approval: March 2024 (estimated at \$1,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	25,000		25,000	1,043,848	1,068,848
All Sources	<u>25,000</u>		<u>25,000</u>	<u>1,043,848</u>	<u>1,068,848</u>

Summary of Work: This project will replace the windows.

Rationale: The windows are original to the buildings, past their useful life, and leaking in multiple areas.

Facility Characteristics: The SC State Library Building is approximately 62,260 square feet and was constructed in 1969 (55 years old). The State Library Building is utilized by approximately 45 staff and various annual visitors.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$8.31 million at February 29 2024). The project is expected to result in a decrease of \$2,506 (year 1), and \$3,341 (years 2 and 3), in annual operating expenditures.

Full Project Estimate: \$1,068,848 funded by FY24 Appropriated State Funds. Contract execution is expected in November 2024 and completion of construction in September 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (u) Project: JBRC Item 28: Office of the Adjutant General
E24.9821: Joint Base Charleston Readiness Center
- Request: Increase Phase II Full Construction Budget to cover increased costs to construct a new National Guard Readiness Center.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.
- CHE Approval: N/A
- Phase I Approval: December 2019 (estimated at \$19,202,000) (SFAA)
- Phase II Approval: March 2021 (estimated at \$19,822,860) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (B)(18)(b), Armory Construction and Revitalizations	22,466	1,977,534	2,000,000		2,000,000
Appropriated State, Operating				48,551	48,551
Federal, National Guard Bureau	265,564	17,557,296	17,822,860	9,000,000	26,822,860
All Sources	<u>288,030</u>	<u>19,534,830</u>	<u>19,822,860</u>	<u>9,048,551</u>	<u>28,871,411</u>

Summary of Work: The new National Guard Readiness Center will be built on federal land at Joint Base Charleston (13.1 acres licensed from USAF).

Rationale: A training facility that accommodates the modernization and transformation of equipment and performance of their mission to support the Strategic Depth of the Army and unit training in the Army Modular Force configuration is required. Due to a funding shortfall, 2 units were displaced when that National Guard Bureau was unable to fund the entire lease in 2016 on a 61,500 square foot facility at a cost of \$738K per year. The units were relocated to existing readiness centers

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

nearby in Walterboro and Charleston. These facilities do not provide sufficient authorized square-footage, and do not meet Anti-terrorism/Force Protection standards. No other SCARNG facilities are suitable and available nearby to house the new units.

Facility Characteristics: The new facility will be 59,933 square feet and constructed on 13.1 acres of property. It will support the training, administrative, and logistical requirements for two SCARNG Units (1223 EN CO & I CO/237 SPT BN). It will house the 2 units consisting of 10 authorized full-time employees and 230 M-Day soldiers that currently do not have a permanent facility.

Financial Impact: This phase of the project will be funded from Appropriated State, Operating (uncommitted balance \$6.5 million at March 27, 2024), and Federal, National Guard Bureau Funds (uncommitted balance \$9.5 million at March 27, 2024). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project will be constructed to meet LEED Silver certification standards with an anticipated energy savings of \$1,981,924 over a 30-year period. The project is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3) in annual operating expenditures.

Full Project Estimate: \$28,871,411 funded by Appropriated State (nonrecurring), Appropriated State (Operating) and National Guard Bureau Funds. Contract execution is expected in August 2024 with construction completion in December 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (v) Project: JBRC Item 29: Office of the Adjutant General
E24.9835: (H29) USC Aiken - Cyber Integration Center 9835-B
- Request: Change Project Name and Increase Phase II Full Construction Budget to construct the Aiken Cyber Integration Center.
- Included in CPIP: Yes – 2023 CPIP priority 1 of 19 FY24 (estimated at \$42,945,784)
Phase I Approval: January 2022 (estimated at \$30,950,000) (SFAA)
Phase I Increase Approval: May 2023 (estimated at \$38,650,948) (SFAA)
Phase I Increase & Change Project Name Approval: August 2023 (estimated at \$38,650,948) (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
FY22 Appropriated State, Proviso 118.18 (B)(69)(a), Aiken Readiness Center	149,981	620,886	770,867		770,867
				2,178,374	2,178,374
FY24 Appropriated State, Proviso 118.19 (B)(63)(f), USC Aiken National Guard Dreamport Facility	453,944	1,862,627	2,316,571		2,316,571
		242,000	242,000	9,758,000	10,000,000
Federal, National Guard Bureau					
Other, SRS					
All Sources	<u>603,925</u>	<u>2,725,513</u>	<u>3,329,438</u>	<u>11,936,374</u>	<u>15,265,812</u>

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Summary of Work: The project was established for the design and construction of both the Aiken Readiness Center and the Cyber Integration Center. Both buildings will be constructed on property owned by Aiken County Commission for Higher Education on the campus of the University of South Carolina Aiken. The Aiken Readiness Center will support the training, administrative and logistical requirements for two SCARNG Units. The Cyber Integration Center will consist of a collaborative innovation area, classrooms, testing and training rooms. It will also include a Secure Room for cyber protection activities. The construction of these facilities will be requested at separate times due to funding availability. The Aiken Readiness Center will be designed to meet LEED Silver or Two Green Globes certification standards. The current approved Phase II budget includes funds for the final design of the Aiken Readiness Center. The design of the Aiken Readiness Center is approximately 60% complete. The current requested Phase II increase will add full construction funding for the Aiken Cyber Integration Center.

Rationale: The Aiken Readiness Center is required to provide a training facility that accommodates modernization and transformation of equipment and performance of their mission to support Strategic Depth of the Army and the unit training in the Army Modular Force configuration. The Cyber Integration Center is a cyber security facility that will allow for secure cyber protection activities to be conducted by the SC Army National Guard, USC Aiken, and other Cyber protection entities.

Facility Characteristics: The Cyber Integration Center to be constructed will be 23,530 square feet and will house the Office of the Adjutant General, University of South Carolina Aiken and other Cyber Security Agencies. An estimated 20 to 30 students and faculty will utilize the building, with an additional 9 SC Army National Guard M-Day soldiers and 75 to 100 industrial partners. The Aiken Readiness Center to be constructed will be 42,839 square feet and will house 2 units (1221 Engineer Company & 135th Cyber Protection Company), consisting of 7 authorized full-time employees and 183 M-Day Soldiers that currently do not have a facility.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$12.48 million at March 27, 2024), and Savannah River Site Litigation Settlement Funds (uncommitted balance \$9.76 at March 27, 2024). The Aiken Readiness Center is expected to result in an increase of \$36,000 (year 1), \$38,000 (year 2), and \$40,000 (year 3) in annual operating expenditures. The Cyber Integration Center is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3), in annual operating

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

expenditures. The Cyber Integration Center will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$515,718 over a 30-year period.

Full Project Estimate: \$15,265,812 for this phase of the project, funded by Appropriated State (nonrecurring), National Guard Bureau, and SRS Funds. The total estimated cost of both facilities is \$41,956,326. Phase II of the Aiken Readiness Center will be funded by \$6.67 million in Appropriated State (nonrecurring) and \$20 million in National Guard Bureau Funds. Contract execution for the Cyber Integration Center is expected in April 2025 with construction completion in January 2027.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(w)Project: JBRC Item 31: Governor’s School for the Arts and Humanities
H64.9600: Dining Hall Renovation

Request: Establish Phase II Full Construction Budget to expand the dining space.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 5 in FY24 (estimated at \$707,950)
CHE Approval: N/A
Phase I Approval: January 2023 (estimated at \$1,235,900) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(9), Dining Hall Expansion and Furniture Replacement	512,950		512,950		1,025,900
				512,950	512,950
FY24 Appropriated State, Proviso 118.19 (B)(6)(a), Dining Hall Expansion and Furniture Replacement				210,000	210,000
Other, Donation from Aramark					
All Sources	<u>512,950</u>		<u>512,950</u>	<u>722,950</u>	<u>1,235,900</u>

Summary of Work: The project will expand the dining hall by approximately 2,444 square feet to accommodate up to 140 seats by relocating offices. The work will include the demolition of several non-load bearing walls, relocation of serving lines, new

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

flooring, and all new furniture. No major renovations, or renovations to any exterior walls is required.

Rationale: The dining hall is only rated to accommodate 75 people and the current dining facilities are not readily usable by students with mobility challenges and does not meet current standards for accessibility. Having maintained the original furnishings that are over 20 years old, the dining area is outdated and institutional.

Facility Characteristics: The Dining Hall is approximately 2,037 square feet and was constructed in 1991 (31 years old). The facility is used to serve all meals for students, staff, and for special events such as parent weekends, orientation, and any other large student events. There are 238 students and 75 staff that dine their daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$512,950 at January 23, 2024), and Other, Donation from Aramark (uncommitted balance \$210K at January 23, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,235,900 funded by FY23 & FY24 Appropriated State (nonrecurring) and Aramark Donation Funds. Contract execution is expected in June 2024 with construction completion in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(x) Project: JBRC Item 32: SC Governor’s School for Science and Mathematics
H65.9528: Roof Replacement

Request: Establish Phase II Full Construction Budget to replace the roof on the main facility.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 4 in FY24 (estimated at \$940,000)

CHE Approval: N/A

Phase I Approval: December 2023 (estimated at \$940,000 (Admin))

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(7), Metal Roof Replacement	3,000		3,000	937,000	940,000
Appropriated State, FY23 Carryforward				136,752	136,752
All Sources	<u>3,000</u>		<u>3,000</u>	<u>1,073,752</u>	<u>1,076,752</u>

Summary of Work: The project will remove the existing asphalt and fiberglass architectural shingle roof down to the plywood sheathing, and removal of the existing gutter and downspouts, flashings and miscellaneous roofing components, and installation of new underlayment and a snap-together standing seam metal roof. All sheet metal gutters and downspouts, flashings and miscellaneous roofing components will also be installed. The new roof will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing roof is original to building and is beyond its service life. It is damaged and leaking in many places and flashing around dormers and through-roof structures need replacing.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The GSSM Building is 39,860 square feet and was constructed in 2003 (21 years old). The South Carolina GSSM is housed within one facility, and this project will replace the roof that covers the residence halls. Approximately 428 students, faculty, and staff will benefit from the project.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (non-recurring) (uncommitted balance \$937K at April 10, 2024), and FY23 Appropriated State, Carryforward Funds (uncommitted balance \$3.5 million at April 10, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,076,752 funded from Appropriated State (non-recurring) and Appropriated State, Carryforward Funds. Contract execution is expected in August 2024 with construction completion in March 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(y) Project: JBRC Item 36: Department of Mental Health
J12.9847: Tucker Center Campus Fire Alarm Replacement

Request: Establish Phase II Full Construction Budget to replace the fire alarm system in Tucker Center Campus buildings.

Included in CPIP: Yes – 2023 CPIP Priority 9 of 33 in FY24 (estimated at \$505,000)

CHE Approval: N/A

Phase I Approval: May 2023 (estimated at \$505,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,575		7,575	1,032,425	1,040,000
All Sources	<u>7,575</u>		<u>7,575</u>	<u>1,032,425</u>	<u>1,040,000</u>

Summary of Work: The project will replace the existing Simplex fire alarm system in Roddey Pavilion (General Care Nursing Home), and Roddey Support Building located at 2200 Faison Drive in Columbia.

Rationale: The fire alarm system is original to the buildings and is no longer supported by Simplex. Replacement parts are no longer available.

Facility Characteristics: The Roddey Pavilion and Roddey Support Building located at C.M. Tucker Nursing Care Center total 125,206 square feet and were constructed in 1983 (41 years old). The facility provides long-term nursing care to male and female SC residents who are not US military veterans. There are 170 patients and 200 staff occupy this facility.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

and maintenance. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,040,000 funded by Capital Improvement & Maintenance Funds. The Phase II amount requested has increased from the Phase I amount and the 2023 CPIP submission because of higher equipment and construction costs due to inflation. Contract execution is expected in February 2025 with construction completion in October 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(z) Project: JBRC Item 38: Department of Mental Health
J12.9860: Greenville MHC Roof Replacement

Request: Establish Phase II Full Construction 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
Phase I Approval: January 2024 (estimated at \$1,550,400) (SFAA)

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	1,527,144	1,550,400
All Sources	<u>23,256</u>		<u>23,256</u>	<u>1,527,144</u>	<u>1,550,400</u>

Summary of Work: The project will replace the existing prefinished galvanized standing seam metal roof with a 24-gauge prefinished galvalume standing steam (T-profile) structural metal roof panels over new high-temperature underlayment, insulation to meet R-20, self-adhering temporary roof membrane over the existing plywood deck. The new roof will come with the required minimum 20-year material and workmanship warranty.

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.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The Greenville Mental Health Center is 42,495 square feet and was constructed in 2003 (21 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 Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in November 2024 with construction completion in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (aa) Project: JBRC Item 39: Department of Mental Health
J12.9798: Roddey Pavilion HVAC and Domestic Water Piping and Flooring Replacement (Ward 136)
- Request: Increase Phase II Full Construction Budget to cover higher than anticipated costs and to add a 20% contingency, to replace the domestic and HVAC overhead water lines and the existing sheet vinyl flooring in a Ward at Roddey Pavilion.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.
- CHE Approval: N/A
- Phase I Approval: March 2021 (estimated at \$490,000) (JBRC)
- Phase II Approval: October 2021 (estimated at \$1,100,000) (SFAA)
- Phase II Increase, Revise Scope & Change Project Name Approval: May 2023 (estimated at \$1,300,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,350	1,292,650	1,300,000	1,091,868	2,391,868
All Sources	<u>7,350</u>	<u>1,292,650</u>	<u>1,300,000</u>	<u>1,091,868</u>	<u>2,391,868</u>

Summary of Work: The project was established to be completed in Ward 134 and was previously changed to be completed in Ward 136 instead. The project includes replacing and relocating the HVAC controls in the patient rooms for the fan coils. The HVAC controls will be relocated to the hall so that servicing the units will be less intrusive to the residents that occupy the rooms. This project will also incorporate the recommendations from a recent legionella study for resident and staff safety. Since the Ward will be vacant for the pipe replacement, they will also replace the existing sheet vinyl floor in the Ward.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: Due to water damage in October 2022 in Ward 136, it is necessary to complete that Ward first. Each Ward is very similar, requiring minimal modifications to the existing plan. The copper pipes are original to the building and leaking causing mold issues and stains on the ceiling. The average life cycle of a copper water line is 20-50 years. DHEC continues to cite the nursing home for the flooring throughout the facility during inspections.

Facility Characteristics: Roddey Pavilion, located on the C.M. Tucker Campus in Columbia, is 111,534 square feet and was constructed in 1983 (41 years old). The Ward included in this project to be renovated is 13,000 square feet. The pipes are original to the building and the flooring is 15-20 years old. The facility is utilized by over 200 staff and approximately 170 inpatient clients who occupy the building on a 24/7 basis.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 \$2,000 (year 1), and \$5,000 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$2,391,868 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2024 with construction completion in March 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (bb) Project: JBRC Item 40: Department of Mental Health
J12.9811: Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm and Roof Replacement
- Request: Increase Phase II Full Construction Budget due to higher than anticipated bid costs to replace 25 HVAC units, HVAC controls, sprinkler, fire alarm and roof.
- Included in CPIP: Yes – 2022 CPIP 6 of 48 in FY23 (estimated at \$1,920,000)
CHE Approval: N/A
Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
Phase II Approval: June 2023 (estimated at \$2,621,384) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000	2,597,384	2,621,384	935,116	3,556,500
All Sources	<u>24,000</u>	<u>2,597,384</u>	<u>2,621,384</u>	<u>935,116</u>	<u>3,556,500</u>

Summary of Work: The project includes replacing the outside air and return dampers, ductwork, refrigerant lines, AHU's, condensers and HVAC controls. The gypsum board ceiling will be removed to allow access for fire sprinkler and HVAC replacement and installing new acoustical ceiling for better maintenance access. Additionally, the fire sprinkler system and fire alarm systems will also be replaced. The existing ceiling mounted fluorescent and incandescent light fixtures will be replaced with LED fixtures. The existing steep sloped shingle roof will be replaced with an architectural asphalt shingle roof system that will come with a minimum 20-year material and workmanship warranty. Due to the magnitude of the project, flooring replacement and wall refinishing will be included as an alternate option

Rationale: The mechanical equipment is original to the building, has outlived its lifespan, and is now becoming more and more costly to maintain. The shingle roof is also original to the building and has experienced multiple water intrusions and needs to be replaced. The sprinkler system has several leaks in the system and needs to be replaced.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The Waccamaw Area Center for Mental Health is 33,326 square feet and was constructed in 1993 (31 years old). The center provides emergency services, case management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Georgetown, Horry, and Williamsburg Counties. The facility has 145 staff and sees 6,000 patients a year.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 \$2,500 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$3,556,500 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in March 2024 and completion of construction in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(cc) Project: JBRC Item 49: Department of Natural Resources
P24.6105: Georgetown - Yawkey Center-Rockfish Bridge Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing bridge over Rockfish canal that provides access to the Tom Yawkey Wildlife Center.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 16 in FY25 (estimated at \$900,000)

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, Yawkey Wildlife Operating				42,000	42,000
All Sources				<u>42,000</u>	<u>42,000</u>

Summary of Work: The project will replace the existing timber bridge with a concrete superstructure.

Rationale: A recent inspection by a structural engineer identified several deficiencies with the bridge and recommended replacement. The lack of a bridge at this location would eliminate vehicular and equipment access to nearly 10,000 acres of Heritage Preserve and 12 state owned buildings.

Facility Characteristics: The existing bridge was constructed in 1965 (59 years old). Approximately 10,000 persons use the bridge annually.

Financial Impact: This phase of the project will be funded from Other, Yawkey Wildlife Operating Fund (uncommitted balance \$145K at February 29, 2024). The project is not expected to result in any change in annual operating expenditures. The Phase I amount is 3.0% of the estimated cost to complete the project and the additional funds will be used to additional specialized professional disciplines needed to provide an accurate opinion of cost.

Full Project Estimate: \$1,400,000 (internal). Phase II will be funded by Tom Yawkey Wildlife Center Trust Funds. The Phase I estimate is 3.00% of the estimated cost to complete the project and the additional amount will be used to cover various specialized

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

professional needed such as geotechnical, surveying, critical line determination, hydrology analysis and structural schematic design.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (dd) Project: JBRC Item 56: Department of Parks, Recreation & Tourism
P28.9846: Kings Mountain CCC Bathhouse Renovation
- Request: Establish Phase I Pre-Design Budget to renovate the Civilian Conservation Corps (CCC) Bathhouse at Kings Mountain.
- Included in CPIP: Yes – 2023 CPIP Priority 3 of 5 in FY26 (estimated at \$3,000,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (77), Kings Mountain State Park Upgrades				45,000	45,000
All Sources				<u>45,000</u>	<u>45,000</u>

Summary of Work: The renovated facility will include meeting facilities, offices, retail, visitor and interpretive services, and trail information. All of the utilities that service the structure will need to be reviewed and will likely need to be replaced which will include water and sewer services, electrical, etc. The interior/exterior repairs and renovations to the structure will be made while keeping the historic significant of the structure in mind, while adapting it for future usage. The roof will not be replaced as part of this project.

Rationale: The bathhouse is an iconic landmark within the park. Its ornate stonework is an excellent example of CCC construction and craftsmanship, per the agency. The bathhouse has not been used for many years and is need of repair.

Facility Characteristics: The existing bathhouse is 3,780 square feet and was constructed in 1935 (89 years old). Approximately 20,000 campers are anticipated to utilize the renovated facility.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) Funds (uncommitted balance \$250K at April 17, 2024). The

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

project is expected to result in an increase of \$10,000 (year 1), \$15,000 (year 2), and \$1,000 (year 3), in annual operating expenditures.

Full Project Estimate: \$3,000,000 (internal). Phase II will be funded by FY22 Appropriated State (nonrecurring), Federal Grant Funds, and additional funds to be requested in the FY24-25 budget process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(ee) Project: JBRC Item 57: Department of Parks, Recreation & Tourism
P28.9848: The Venues of Arsenal Hill – The Pavilion

Request: Establish Phase I Pre-Design Budget for a multi-functional pavilion.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 29 in FY24 (estimated at \$11,375,000)
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, Private Donation				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The architect and engineers will work to establish the appropriate square footage needs, seating capacity, functionality, and specifically, with sensitivity to the historic requirements of this site. Regarding historic sensitivity, it is expected that the architectural and engineering firms selected to develop The Pavilion will exhibit a mastery of historic architectural concepts/designs – such as Palladian Style from the concepts of Andrea Palladio, as was common at the time in which the Lace, Caldwell-Boyleston, and Governor’s Mansion structures were constructed.

Rationale: The project will be a multi-functional, larger internal, space at the Arsenal Hill complex that will be large enough to accommodate weddings, receptions, conventions, and other gatherings that demand a larger footprint and that are not subject to weather related concerns.

Facility Characteristics: The size of the Pavilion to be constructed has not yet been determined but is roughly estimated at 15,000 square feet. The Pavilion will be utilized by visitors to the grounds, as well as visitors to, and renters of the facilities on the grounds, which is approximately 100,000 visitors per year.

Financial Impact: The project will be funded from Other, Private Donation from the SC Governor’s Mansion Commission (commitment of \$150K at April 17, 2024). The project is

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

expected to result in an increase of \$25,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$10,000,000 (internal) funded by Private Donation from the SC Governor's Mansion Commission.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(ff) Project: JBRC Item 59: Department of Parks, Recreation & Tourism
P28.9754: Hunting Island State Park Beach Restoration

Request: Increase Phase II Full Construction Budget to cover the cost of post-restoration monitoring required by Ocean & Coastal Resource management (OCRM).

Included in CPIP: Yes – 2023 CPIP Priority 26 of 29 in FY24 (estimated at \$17,700,000)
CHE Approval: N/A
Phase I Approval: April 2015 (estimated at \$7,000,000) (SFAA)
Phase II Approval: June 2017 (estimated at \$12,055,904) (SFAA)
Phase II Increase & Change Source of Funds Approval: October 2019 (estimated at \$14,000,000) (SFAA)
Phase II Increase Approval: December 2019 (estimated at \$17,600,000) (Admin)
Phase II Increase Approval: August 2023 (estimated at \$17,700,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve (2), Beach Renourishment		6,896,514	6,896,514		6,896,514
FY17 Appropriated State, Proviso 118.16 (B)(39)(b), Statewide Coastal Beach Renourishment		10,703,486	10,703,486		10,703,486
Federal, FEMA 2015 Flood	105,000	(105,000)	100,000		100,000
Federal, FEMA				151,193	151,193

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Hurricane Matthew					
Other, Park Revenue				245,269	245,269
Other, FEMA Match, 2015 Flood					
Other, FEMA Match, Hurricane Matthew					
All Sources	<u>105,000</u>	<u>17,495,000</u>	<u>17,700,000</u>	<u>1,585,847</u>	<u>19,285,847</u>

Summary of Work: The project was established for the nourishment of the beach and construction of two additional groins at Hunting Island State Park. Prior to this project, the beach was last nourished in 2007 and six groins were constructed in 2008. The project has performed as designed and slowed erosion significantly.

Rationale: Additional groins and nourishment are needed to maintain a safe high tide beach for park visitors.

Facility Characteristics: Hunting Island Beach is approximately 2 miles. The park receives over one million visitors a year and is used for recreational public beach access.

Financial Impact: This phase of the project will be funded from Federal, FEMA (uncommitted balance \$1.18 million at March 11, 2024), and Other, FEMA Match Funds (uncommitted balance \$396K at March 11, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$19,285,847 funded by Capital Reserve, Appropriated State (nonrecurring), FEMA, Park Revenue, and FEMA Match Funds. Project construction has been completed.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(gg) Project: JBRC Item 60: Department of Parks, Recreation & Tourism
P28.9773: Hunting Island Road Repairs

Request: Increase Phase II Full Construction Budget to add FEMA funds received to repair roads at the park due to hurricane damages.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Phase I Approval: January 2019 (estimated at \$1,000,000) (Admin)

Phase II Approval: February 2020 (estimated at \$2,755,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve (8), State Park Maintenance Needs	15,000	985,000	15,000		1,000,000
		800,000	800,000		800,000
FY20 Capital Reserve (2), State Parks Deferred Maintenance		400,000	400,000		400,000
FY17 Appropriated State, Proviso 118.16 (B)(39)(g) Medal of Honor Museum (FY20 Appropriated State, Proviso 49.18, State Parks Maintenance)				1,572,926	1,572,926
		555,000	555,000	(555,000)	
Federal, FEMA				524,308	524,309

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Other, Park Revenue

Other, FEMA State
Match

All Sources	<u>15,000</u>	<u>2,740,000</u>	<u>2,755,000</u>	<u>1,542,234</u>	<u>4,297,235</u>
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Summary of Work: The project was established to make repairs and pave approximately 8 miles of roads at Hunting Island State Park. The additional funds being added will be used to make additional road and parking repairs and upgrades. This will include road and parking grading and stabilization.

Rationale: A FEMA reimbursement has been received for repairs made to storm damaged roads and parking areas.

Facility Characteristics: Hunting Island State Park is one of the most visited and receives approximately 800,000 visitors per year.

Financial Impact: The increase will be funded from Federal, FEMA (uncommitted balance \$1,572 million at May 1, 2024), and Other, FEMA State Match Funds (uncommitted balance \$524K at May 8, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,297,235 (internal) funded by FEMA and FEMA Match Funds. Contract execution is expected in June 2024 with construction completion in July 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(hh) Project: JBRC Item 62: Department of Parks, Recreation & Tourism
P28.9844: Property Acquisition - Waites Merrill

Request: Establish Final Land Acquisition to purchase +/-107 acres in Horry County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$4,020,000)

CHE Approval: N/A

Phase I Approval: March 2024 (estimated at \$4,020,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a), Additional Park Property Acquisitions	20,000		20,000	37,000	57,000
Federal, CZM Grant				4,000,000	4,000,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>4,037,000</u>	<u>4,057,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property. Waites Island is the most significant undeveloped coastal fringe habitat in the 22 miles from Mrytle Beach to the North Carolina border. It is one of the last remaining undeveloped and unprotected barrier islands of this size in the southeastern United States.

Characteristics: The property includes 43 acres of mainland property with a residence and guest house on Little River Neck, 22 acres of beachfront on Waites Island, and 40 acres of marsh island.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for \$4,000,000. The acquisition will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$890K at February 14, 2024) and Federal, CZM Grant Funds (commitment of \$4 million at April 22, 2024). Revenue derived from the

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

CZM grant comes from a Coastal Zone Management Habitat Protection and Restoration Infrastructure Investment and Jobs Act Competition grant for the purpose of enhancing coastal resilience. The project is not expected to result in any change in annual operating expenditures. The property was purchased by Open Space Institute Land Trust, Inc. in December 2023 for \$8,000,000. The purchase was funded by SC Office of Resilience and SC Conservation Bank funds. This request includes an additional \$37,000 to reimburse Open Space Institute for survey work, Phase I Environmental Site Assessment, attorney fees, title and recording, as well as taxes. An appraisal was completed in April 2023 and valued the property at \$13,100,000. 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 November 2023 and found \$17,500 in immediate costs to rectify deficiencies. These repairs will be made by park staff. Letters of support have been received from Horry County and Horry County Schools authorizing the removal of the property from the tax rolls.

Full Project Estimate: \$4,057,000 funded by FY24 Appropriated State (non-recurring) and Federal, CZM Grant Funds.

Other: The South Carolina Department of Parks, Recreation & Tourism 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.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (ii) **Project:** JBRC Item 66: Department of Transportation
U12.9757: Headquarters Building Garage Repairs
- Request:** Establish Phase II Full Construction Budget to repair the parking garage located at 955 Park Street in Columbia.
- Included in CPIP:** Yes – 2023 CPIP Priority 10 of 10 in FY24 (estimated at \$600,000)
- CHE Approval:** N/A
- Phase I Approval:** December 2022 (estimated at \$600,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	9,000		9,000	1,226,000	1,235,000
All Sources	<u>9,000</u>		<u>9,000</u>	<u>1,226,000</u>	<u>1,235,000</u>

Summary of Work: The project will address the concrete spalling, exposed rebar, steel corrosion, cracks in decking, failed caulk joints, and other general conditions required to keep the garage in general working order and minimize additional deterioration of the structure.

Rationale: The parking garage needs maintenance repairs to extend the life of the facility as long as possible.

Facility Characteristics: The parking garage is 3 levels and is approximately 225,000 square feet. The garage includes 603 spaces that are all occupied by SCDOT employees.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$3.14 million at December 31, 2023). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$1,235,000 funded by State Highway Funds. Contract execution is expected in October 2024 and completion of construction in May 2025. The estimated cost to complete the project has increased from the Phase I and CPIP submission because the initial estimate did not anticipate the total number of required structural repairs identified by the A&E during the Phase I process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - June 18, 2024

SFAA Items - June 18, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	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	H15	College of Charleston	9688	St. Philip Housing Innovation District Land Acquisition	Preliminary Land Acquisition	Yes	-	20,000	20,000	68,220,000	FY23 Capital Reserve (4)
(b)	2	H15	College of Charleston	9689	St. Philip Housing Innovation District	Establish Phase I	Yes	-	1,980,000	1,980,000	164,800,000	FY22 Capital Reserve (4)
(c)	3	H15	College of Charleston	9681	Grice Marine Lab Annex Renovation	Establish Phase II	Yes	142,500	5,557,500	142,500	5,700,000	Other - Capital Improvement Project
(d)	4	H15	College of Charleston	9687	176 Lockwood Exterior Repairs	Establish Phase II	No	57,500	2,242,500	57,500	2,300,000	Other - Capital Improvement Project
(e)	5	H17	Coastal Carolina University	9630	Land Acquisition for Relocation of Track and Field Facility	Preliminary Land Acquisition	No	-	20,000	20,000	1,890,000	Other - Auxiliary Reserves
(f)	6	H17	Coastal Carolina University	9625	Land Acquisition for Future Health and Human Performance Building	Final Land Acquisition	No	20,000	1,000,000	20,000	1,020,000	Other - Penny Sales Tax
(g)	7	H27	University of South Carolina - Columbia	6158	Campus Residential Development - Sumter Street Sites	Establish Phase I	Yes	-	4,500,000	4,500,000	300,000,000	Other - Housing Maintenance Reserve / Other - Institutional Capital Project
(h)	8	H27	University of South Carolina - Columbia	6159	Thomas Cooper Library Renovation	Establish Phase I	Yes	-	975,000	975,000	50,000,000	Other - Institutional Capital Project
(i)	9	H29	University of South Carolina - Aiken	9562	Soccer Field and Infrastructure	Establish Phase I	Yes	-	75,000	75,000	5,000,000	Other - Institutional
(j)	10	H34	University of South Carolina - Upstate	9555	Rampey Building Expansion and Renovation	Establish Phase II	Yes	37,500	2,962,500	37,500	3,000,000	Other - Institutional Capital Project
(k)	11	H47	Winthrop University	9612	Winthrop Lake Dam Renovation	Establish Phase II	Yes	110,000	890,000	110,000	4,000,000	FY24 Appropriated State - Proviso 118.19 (B)(18)
(l)	12	H59	Greenville Technical College	6310	Center for Workforce Development	Establish Phase I	Yes	-	375,000	375,000	25,000,000	FY24 Appropriated State - Proviso 118.19 (B)(20)(f)
(m)	13	H59	Northeastern Technical College	6222	Cheraw Campus Schaeffler Manufacturing Technology Academy	Establish Phase II	Yes	52,500	6,953,630	52,500	7,006,130	FY17 Appropriated State - Proviso 118.16 (B)(23)(n) / FY24 Appropriated State - Proviso 118.19 (B)(20)(i) / Other NETC Foundation Donation
(n)	14	H59	Tri County Technical College	6311	Anderson Campus Transportation, Logistics & Utility Center	Establish Phase I	Yes	-	465,000	465,000	31,000,000	FY23 Appropriated State - Proviso 118.19 (B)(27)(w)
(o)	16	D50	Department of Administration	6153	Calhoun Building - Replace Operable Windows	Establish Phase I	Yes	-	50,000	50,000	2,380,000	Other - Depreciation Reserve
(p)	19	D50	Department of Administration	6129	Wade Hampton Building - Replace Fan Coil Units	Establish Phase II	Yes	15,800	2,330,669	15,800	2,346,469	FY24 Appropriated State
(q)	21	D50	Department of Administration	6140	Dennis Building - Fan Coil Units and Water Line Replacements, Floors 4-7	Establish Phase II	Yes	45,000	2,890,261	45,000	2,935,261	FY23 Appropriated State / Other - Depreciation Reserve
(r)	22	D50	Department of Administration	6141	Dennis Building - Roof Replacement	Establish Phase II	Yes	20,000	2,040,000	20,000	2,060,000	FY21, FY22, FY23 & FY24 Appropriated State
(s)	25	D50	Department of Administration	6147	Wade Hampton Building - Subsurface Water Remediation Repairs (Annualized)	Establish Phase II	No	37,000	1,758,000	37,000	1,795,000	FY24 Appropriated State / Other - Depreciation Reserve
(t)	26	D50	Department of Administration	6148	Window Replacement	Establish Phase II	Yes	25,000	1,043,848	25,000	1,068,848	FY24 Appropriated State
(u)	28	E24	Office of the Adjutant General	9821	Joint Base Charleston Readiness Center	Phase II Increase	No	19,822,860	9,048,551	288,030	28,871,411	Appropriated State - FY20 Proviso, 118.16 (B)(18)(b) / Appropriated State - Operating / Federal - National Guard Bureau
(v)	29	E24	Office of the Adjutant General	9835	(H29) USC Aiken - Cyber Integration Center 9835-B	Phase II Increase & Change Project Name	Yes	3,329,438	11,936,374	3,329,438	42,945,784	Appropriated State - FY22 Proviso, 118.18 (B)(69)(a) / Appropriated State - FY24 Proviso, 118.19 (B)(63)(f) / Federal - National Guard Bureau / Other - SRS
(w)	31	H64	Governor's School for the Arts and Humanities	9600	Dining Hall Renovation	Establish Phase II	Yes	512,950	722,950	512,950	1,235,900	Appropriated State - FY23 Proviso, 118.19 (B)(9) / Appropriated State - FY24 Proviso, 118.19 (B)(6)(a) / Other - Aramark Donation
(x)	32	H65	Governor's School for Science and Mathematics	9528	Roof Replacement	Establish Phase II	Yes	3,000	1,073,752	3,000	1,076,752	Appropriated State - FY24 Proviso 118.19 (B)(7) / FY23 Appropriated State - Carryforward
(y)	36	J12	Department of Mental Health	9847	Tucker Center Campus Fire Alarm Replacement	Establish Phase II	Yes	7,575	1,032,425	7,575	1,040,000	Other - Capital Improvement & Maintenance
(z)	38	J12	Department of Mental Health	9860	Greenville MHC Roof Replacement	Establish Phase II	Yes	23,256	1,527,144	23,256	1,550,400	Other - Capital Improvement & Maintenance
(aa)	39	J12	Department of Mental Health	9798	Roddey Pavilion HVAC and Domestic Water Piping and Flooring Replacement (Ward 136)	Phase II Increase	No	1,300,000	1,091,868	7,350	2,391,868	Other - Capital Improvement & Maintenance
(bb)	40	J12	Department of Mental Health	9811	Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm and Roof Replacement	Phase II Increase	No	2,621,384	935,116	24,000	3,556,500	Other - Capital Improvement & Maintenance
(cc)	49	P24	Department of Natural Resources	6105	Georgetown - Yawkey Center-Rockfish Bridge Replacement	Establish Phase I	Yes	-	42,000	42,000	1,400,000	Other - Yawkey Wildlife Operating
(dd)	56	P28	Department of Parks, Recreation & Tourism	9846	Kings Mountain CCC Bathhouse Renovation	Establish Phase I	Yes	-	45,000	45,000	3,000,000	Appropriated State - FY22 Proviso, 118.18 (B)(77)
(ee)	57	P28	Department of Parks, Recreation & Tourism	9848	The Venues of Arsenal Hill - The Pavilion	Establish Phase I	Yes	-	150,000	150,000	10,000,000	Other - Donation
(ff)	59	P28	Department of Parks, Recreation & Tourism	9754	Hunting Island State Park Beach Restoration	Phase II Increase	Yes	17,700,000	1,585,847	105,000	19,285,847	FY19 Capital Reserve (2) / Appropriated State - FY17 Proviso, 118.16 (B)(38)(b) / Federal - FEMA / Other - FEMA Match
(gg)	60	P28	Department of Parks, Recreation & Tourism	9773	Hunting Island Road Repairs	Phase II Increase	No	2,755,000	1,542,234	15,000	4,297,235	FY19 Capital Reserve (8) / FY20 Capital Reserve (2) / FY17 Appropriated State - Proviso 118.16 (B)(39)(g) / Federal - FEMA / Other - Park Revenue / Other - FEMA State Match
(hh)	62	P28	Department of Parks, Recreation & Tourism	9844	Property Acquisition - Waites Merrill	Final Land Acquisition	Yes	20,000	4,037,000	20,000	4,057,000	Appropriated State - FY24 Proviso, 118.19 (B)(38)(a) / Federal - CZM Grant
(ii)	66	U12	Department of Transportation	9757	Headquarters Building Garage Repairs	Establish Phase II	Yes	9,000	1,226,000	9,000	1,235,000	Other - State Highway

Project List: SFAA Items - June 18, 2024

SFAA Items - June 18, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	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)
Sep.	51	P24	Department of Natural Resources	6065	Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)	Preliminary Land Acquisition	Yes	-	20,000	20,000	1,520,000	Other - Heritage Land Trust
Sep.	Sep.	P28	Department of Parks, Recreation & Tourism	9845	Tyger Oak Property	Final Land Acquisition	Yes	20,000	25,000,000	20,000	25,010,000	Appropriated State - FY24 Proviso, 118.19 (B)(38)(a) / Other - SC Office of Resilience / Other - SC Conservation Bank / Other - Spartanburg County

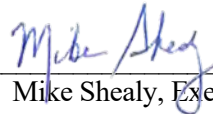
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted By:

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



 Mike Shealy, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

- (a) Project: JBRC Item 1: College of Charleston
H15.9688: St. Philip Housing Innovation District Land Acquisition
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-2.08 acres in Charleston County.
- Included in CPIP: Yes – 2023 CPIP Priority 8 of 9 in FY25 (estimated at \$11,000,000)
- CHE Approval: 04/24/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Capital Reserve (4), Maintenance, Renovation, Replacement & Expansion				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Two of the largest freshman classes in school history have come in the last three years and Fall 2024 could set yet another record, per the college. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking distance of campus. Through a separate project, the college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots.

Characteristics: There are two contiguous properties that total +/-2.08 acres adjacent to the main campus. The first parcel is +/-1.09 acres at 99 St. Philip Street, and contains a 250-bed apartment building, a courtyard, and a parking lot, all currently leased by the college. The second parcel is +/-0.9 acres at 106 Coming Street and contains a parking lot leased by the college and a vacant, non-historic building, to be demolished.

Financial Impact: The property is being offered by 106 Coming Street, LLC and 99 St. Philip Street, LLC for the proposed purchase price of \$68,200,000. The due diligence activities will be funded from FY23 Capital Reserve Funds (uncommitted balance \$10 million at April 9, 2024). The project is expected to result in an increase of \$2,120,000 (year 1), \$2,184,000 (year 2), and \$2,250,000 (year 3), in annual operating expenditures. If acquired, the property will be redeveloped as part of a separate project for an estimated cost of \$162,820,000 that will be funded from Housing Revenue Bonds. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester and has not changed from 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: \$68,220,000 (internal). The acquisition will be funded by \$9,980,000 in FY23 Capital Reserve, \$9,000,000 in FY24 Capital Reserve. \$12,500,000 in FY23 Appropriated State (nonrecurring), \$520,000 in FY24 Appropriated State (nonrecurring), and \$36,200,000 in Revenue Bonds.

(b) Project: JBRC Item 2: College of Charleston
H15.9689: St. Philip Housing Innovation District

Request: Establish Phase I Pre-Design Budget to redevelop 106 Cumming Street and 99 St. Phillips Street which is a total of +/-2.08 acres adjacent to the downtown campus.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 9 in FY25 (estimated at \$11,000,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B)(11), Maintenance, Renovation, Replacement, & Expansion				1,980,000	1,980,000
All Sources				<u>1,980,000</u>	<u>1,980,000</u>

Summary of Work: The site currently contains a 250-bed apartment building, courtyard, and two surface parking lots, all currently leased by the college. The site also contains a vacant, non-historic building that will be demolished. The college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots and the location of the demolished building.

Rationale: Two of the largest freshman classes in school history have come in the last three years and Fall 2024 could set yet another record, per the college. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking distance of campus. The leased academic space does not generate revenue and is disconnected from main campus. Through a separate project, the college intends to redevelop the site by constructing additions to the east and west sides of the existing apartment building and constructing student housing on the parking lots.

Facility Characteristics: The YMCA Building, constructed in 1964 (60 years old), located at 106 Cumming Street will be demolished. The 99 St. Philip Street building is approximately 65,251 square feet and was constructed in 1985 (39 years old) and fully renovated prior to the colleges lease start date. The facilities to be renovated or constructed will be used for residential housing, parking and academics which include 1,200 students.

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve Funds (uncommitted balance \$6 million at April 9, 2024). The project is expected to result in a decrease of \$4,496,267 (years 1 thru 3), 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: \$164,800,000 (internal). Phase II will be funded by Housing Revenue Bonds.

(c) Project: JBRC Item 3: College of Charleston
H15.9681: Grice Marine Lab Annex Renovation

Request: Establish Phase II Full Construction Budget to address structural issues.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 10 in FY24 (estimated at \$5,700,000)

CHE Approval: 05/02/24

Phase I Approval: June 2023 (estimated at \$5,700,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	142,500		142,500	5,557,500	5,700,000
All Sources	<u>142,500</u>		<u>142,500</u>	<u>5,557,500</u>	<u>5,700,000</u>

Summary of Work: The project will repair structurally damaged sill plates and chimneys and upgrade site drainage systems. Asbestos and lead-based paint will be abated. Historic windows and doors will be restored. Exterior siding, shingled roofs, mechanical, electrical, plumbing, and fire/life safety systems will be replaced. Restrooms and entry/exist systems will be replaced for ADA compliance. Interior reconfigurations and finish updates will also be completed. The existing asphalt shingle roof will be replaced with a shingle roof. The new roof will come with the minimum 20-year material and workmanship warranty.

Rationale: Much of the infrastructure is original to the building. Air conditioning is currently supplied through window units, leading to indoor air quality issues. Per the college, windows, doors, and lapboard siding are falling into disrepair. Sill plate replacements are crucial to the building's structural health.

Facility Characteristics: Grice Marine Lab Annex is 7,144 gross square feet and was constructed in 1932 (92 years old). The last renovation was completed in 1987 (37 years ago). The one-level historic building is on James Island. It was constructed as a federal quarantine hospital and the college secured ownership in partnership with MUSC in 1952 (72 years ago). The facility now serves as a core facility in support of approximately 400 undergraduate majors and 55 graduate students in pursuit of a BS or MS degree in Marine Biology, as well as faculty and student independent research.

Financial Impact: This project will be funded from Other, Capital Improvement Project Funds (uncommitted balance \$14.50 million at March 1, 2024). Revenue to this fund is generated by the Capital Improvement Fee that exceeds current annual debt service related to bonds. The project is expected to result in a decrease of \$6,400 (year 1), \$6,592 (year 2), and \$6,790 (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: \$5,700,000 funded by Capital Improvement Project Funds. Contract execution is expected in April 2025 and completion of construction in October 2026.

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

Request: Establish Phase II Full Construction 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: 05/02/24

Phase I Approval: January 2024 (estimated at \$2,300,000) (SFAA)

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	2,242,500	2,300,000
All Sources	<u>57,500</u>		<u>57,500</u>	<u>2,242,500</u>	<u>2,300,000</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. The existing low sloped elastomeric coating roof system and the existing steep sloped standing seam metal roof system will be replaced with a thermoplastic single-ply roofing membrane system. The new roof will come with the minimum 20-year material and workmanship warranty. Only minor repairs will be complete on the interior of the building.

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.

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 \$14.50 million at March 1, 2024). 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. 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 funded by Capital Improvement Project Funds. Contract execution is expected in September 2024 and completion of construction in September 2025.

(e) Project: JBRC Item 5: Coastal Carolina University
H17.9630: Land Acquisition for Relocation of Track and Field Facility

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-26.71 acres in Horry County.

Included in CPIP: No – The location for the track and field facility was decided after the 2023 CPIP submission process.

CHE Approval: 04/01/24

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

Rationale: The university desires to relocate the track and field facility here to allow for the construction of the Health and Human Performance Building and detached Parking Garage on its current site. If acquired, this parcel will join the soccer complex, tennis complex, beach volleyball courts, and future intramural sports fields to create an east campus athletics/student recreation programmatic district.

Characteristics: This property, currently leased from the Coastal Carolina University Student Housing Foundation, is located on east campus. The track and field facility will be constructed on this parcel and will be used primarily by men’s and women’s track and field programs that include approximately 95 student athletes and coaches.

Financial Impact: The property is being offered by Coastal Carolina University Student Housing Foundation for no more than \$1,870,000. The due diligence activities will be funded from Other, Auxiliary Reserve Funds (uncommitted balance \$4.05 million at March 7, 2024). Revenue to this fund is generated from food service, vending, and bookstore commissions. The project is expected to result in a decrease of \$53,333 (year 1), and \$80,000 (years 2 thru 3), in annual operating expenditures. If the property is acquired, a new track and field facility will be constructed as part of a separate project for an estimated cost of \$3 million and will be funded by Auxiliary Reserve funds. No student fees or tuition will be increased because 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: \$1,890,000 (internal) funded by Auxiliary Reserve Funds.

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

Request: Establish Final Land Acquisition to purchase an +/-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: 05/02/24

Phase I Approval: January 31, 2024 (estimated at \$2,020,000) (SFAA)

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	1,000,000	1,020,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>1,000,000</u>	<u>1,020,000</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 \$1,000,000. The acquisition will be funded from Penny Sales Tax Funds (uncommitted balance \$50.42 million at February 29, 2024). 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. An appraisal was completed in September 2023 and valued the property at \$1,870,000. A Phase I Environmental Site Assessment was completed in February 2024, and revealed no evidence of recognized environmental conditions in connection with the property, and therefore no further assessment is recommended at this time. A Building Condition Assessment is not required because there are no structures located on the property. Letters of support are not required because the property is owned by a nonprofit organization. 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: \$1,020,000 funded by Penny Sales Tax Funds.

(g) Project: JBRC Item 7: University of South Carolina - Columbia
H27.6158: Campus Residential Development - Sumter Street Sites

Request: Establish Phase I Pre-Design Budget to demolish the existing buildings and construct new buildings on the site.

Included in CPIP: Yes – 2023 CPIP Priority 11 of 16 in FY24 (estimated at \$20,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Maintenance Reserve				3,000,000	3,000,000
Other, Institutional Capital Project				1,500,000	1,500,000
All Sources				<u>4,500,000</u>	<u>4,500,000</u>

Summary of Work: The project will demolish the remaining McBryde Quadrangle buildings, construct new buildings on the McBryde site that are taller to compliment the Honors College and increase the bed count on the site, and construct the third wing at the Honors College Residence Hall across Sumter Street from the McBryde site. Development will occur at other potential sites fronting Sumter Street which could include redevelopment at the Byrnes site and include other adjacent parcels. Development at the Byrnes site would be multi-purpose to provide student residences, academic space, administrative office space, and retail space at the street level. The various development components will be phased over many years. Approximately 1,150 beds could potentially be created through this project, but Phase I planning and design is needed to confirm the scope of work and associated cost.

Rationale: The McBryde Quadrangle & the Brynes Building have exceeded their service life and are the highest Housing priorities to replace with new construction, per the university.

Facility Characteristics: The McBryde Building to be demolished is 68,046 gross square feet and was constructed in 1955 (69 years old). The Byrnes Building to be demolished is 90,261 gross square feet and was constructed in 1955 (69 years old). The square footage of the new construction is expected to exceed the square footage of the structures to be demolished. There is continued demand for on-campus student housing, classrooms and administrative support space as enrollment continues to increase, per the university. Approximately 1,150 residential students, and thousands additional would use academic space, administrative support space and retail space.

Financial Impact: This phase of the project will be funded from Housing Maintenance Reserve (uncommitted balance \$18.92 million at March 15, 2024), and Institutional Capital Project Funds (uncommitted balance \$81.69 million at March 15, 2024). Revenue received to the Housing Maintenance Reserve Fund is derived from the Housing operating budget, which includes housing fees and revenues generated by laundry operations, conferences, and interest. Revenue received to the Institutional Capital Projects Fund is derived from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$2,380,000 (years 1 thru 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 \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. Housing fees are charged to residential students, an average of the various rates is \$5,133 per student per semester and has increased from \$3,642 for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$300,000,000 (internal). Phase II will be funded by Housing Revenue Bonds, and State Institution Bonds.

(h) Project: JBRC Item 8: University of South Carolina - Columbia
H27.6159: Thomas Cooper Library Renovation

Request: Establish Phase I Pre-Design Budget to renovate the library.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 2 in FY27 (estimated at \$5,500,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				975,000	975,000
All Sources				<u>975,000</u>	<u>975,000</u>

Summary of Work: The project will investigate space utilization and renovation for the seven levels within the Thomas Cooper Library. The project will modernize spaces within the library by repurposing and renovating areas to serve contemporary student needs that prioritize study space. The project will also replace aged mechanical HVAC systems that cannot maintain proper humidity and fresh air ventilation. A sprinkler system and a new fire alarm system will be installed for life safety and code compliance. Asbestos abatement will occur as ceiling and floor finishes are replaced. Lastly, the project will enhance lighting and Wi-Fi connectivity to serve the students. The project scope is not expected to trigger the need to meet LEED Silver or Two Green Globes certification standards.

Rationale: Per the university, the replacement and upgrades of mechanical HVAC equipment and ducts is essential to perpetuating the use of the facility as a place for high occupant density and library collections. The high level of occupancy mandates upgrades to life safety systems. Most of the HVAC equipment is original to the building.

Facility Characteristics: The Thomas Cooper Library is 283,595 gross square feet and was constructed in 1959 (65 years old). Approximately 37,000 students, faculty, staff, and local community use the library.

Financial Impact: This phase of the project will be funded from Institutional Capital Project Funds (uncommitted balance \$81.69 million at March 15, 2024). Revenue received to the Institutional Capital Projects Fund is derived from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is not expected to result in any change 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 \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. The Phase I amount is 1.9% of the estimated cost to complete the project and the additional funds will be used to procure a Construction Manager at Risk, as well as to cover the cost of extraordinary involvement from a mechanical engineer to develop an HVAC design sufficient to obtain accurate budget information for the Phase II request.

Full Project Estimate: \$50,000,000 (internal). Phase II will be funded by and State Institution Bonds and Institutional Capital Project Funds.

(i) Project: JBRC Item 9: University of South Carolina - Aiken
H29.9562: Soccer Field and Infrastructure

Request: Establish Phase I Pre-Design Budget to construct a soccer field house facility, soccer field and other infrastructure.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 5 in FY24 (estimated at \$1,500,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				75,000	75,000
All Sources				<u>75,000</u>	<u>75,000</u>

Summary of Work: The project will construct a new NCAA-compliant competition soccer field, a soccer field house facility, and infrastructure on approximately 7.5 acres. In addition to field site work, a 5,000 gross square foot field house building, lighting, fencing, netting, bleachers, press box, parking, and an access drive are included in the scope of work. The field house will include public restrooms, men's and women's locker rooms, equipment storage, concessions, training support rooms and other support spaces. Ultimately, the scope of work will depend on available funding and may be adjusted at the time of the Phase II request.

Rationale: Aiken's competition fields are being consolidated in their athletics district of campus in accordance with the master plan. The site of the existing intramural soccer field is being developed as the location of the new SC National Guard Cyber Center/ DreamPort and Advanced Manufacturing Collaborative (AMC). Therefore, the existing soccer field must be relocated. Locating these two facilities at the core of the campus in close proximity to one another will facilitate collaborations and partnerships between the SCNG Dream Port and the AMC.

Facility Characteristics: The new soccer field house facility will be approximately 5,000 gross square feet. Approximately 2,000 students, faculty, staff, and visitors are expected to utilize the new facilities.

Financial Impact: Th project will be funded from Institutional Funds (uncommitted balance \$5.5 million at March 15, 2024). Revenue received is derived from operating funds. The project is expected to result in an increase of \$15,000 (year 1), and \$30,000 (years 2 thru 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 \$12 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$5,000,000 (internal) funded by Institutional Funds.

(j) Project: JBRC Item 10: University of South Carolina – Upstate
H34.9555: Rampey Building Expansion and Renovation

Request: Establish Phase II Full Construction Budget to construct an addition to the Rampey Building to accommodate the relocation and expansion of the Health Services Facility.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 6 in FY24 (estimated at \$2,500,000)

CHE Approval: 05/02/24

Phase I Approval: June 2023 (estimated at \$2,500,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project	37,500		37,500	2,962,500	3,000,000
All Sources	<u>37,500</u>		<u>37,500</u>	<u>2,962,500</u>	<u>3,000,000</u>

Summary of Work: This project will expand the current facility with a 4,590 gross square foot addition that will include exam rooms, a waiting room, a nurse station with a lab, administrative offices, and numerous other support spaces. Minor interior modifications to the existing building will facilitate connectivity to the addition through a renovated main lobby and reception space. Lastly, the work will include sitework, a covered connecting walkway, and mechanical and electrical infrastructure for the expansion. The roof to be installed on the addition will be a 60mil single-ply TPO roof system and will come with the minimum 20-year material and workmanship warranty.

Rationale: The current Health Services Facility is in a converted house on the opposite side of campus from most student housing. The expansion will enable the department to expand services to students and be closer in proximity to a majority of the residence halls.

Facility Characteristics: The current Health Services Facility is 2,326 gross square feet and was constructed in 1995 (29 years old). The existing Rampey Building is 7,172 square feet and was constructed in 1995 (29 years old). 95% of the existing building houses Counseling Services and 5% houses Health Services. The addition will house the Health Services functions being relocated from elsewhere on campus. The facility will be accessible to the entire campus community of students, faculty, and staff of over 5,000 individuals.

Financial Impact: The project will be funded from Other, Institutional Capital Project Funds (uncommitted balance \$11.91 million at March 15, 2024). Institutional Capital Project Funds are generated from the portion of tuition and fees designated for bond and renovation reserve. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of \$7,250 (year 1), and \$14,500 (years 2 thru 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 \$295 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$3,000,000 funded by Institutional Capital Project Funds. Contract execution is expected in November 2024 and completion of construction in July 2025.

(k) Project: JBRC Item 11: Winthrop University
H47.9612: Winthrop Lake Dam Renovation

Request: Establish Phase II Full Construction Budget to renovate the Winthrop Lake Dam.

Included in CPIP: Yes – 2023 CPIP Priority 10 of 12 in FY24 (estimated at \$4,000,000)

CHE Approval: 05/02/24

Phase I Approval: October 2023 (estimated at \$4,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B) (18), Winthrop Lake Dam Repair	110,000		110,000	890,000	1,000,000
All Sources	<u>110,000</u>		<u>110,000</u>	<u>890,000</u>	<u>1,000,000</u>

Summary of Work: The project will replace the outfall structure, emergency spillway, remove the vegetation across the face of the dam, repair roadway on top of the dam, and add safety guardrail along top of the dam, plus maintain a pump on site to control water level as required by DHEC Safe Dams.

Rationale: The existing dam outfall has partially collapsed/is clogged impacting the regulation of the water level in the lake. Winthrop is working with SC DHEC Dam Safety regarding the condition of the dam.

Facility Characteristics: The earthen dam was constructed in the early 1950's (74 years old), and it impounds the 9-acre Winthrop Lake. The lake is used for academic research on the wetlands and wildlife is stocked with fish and so is used by Winthrop and locals for fishing (DNR does regular fish surveys). It is also the backdrop for some of the Come See Me festival and the US Disc Gold championships.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$890K at March 4, 2024). The project is not expected to result in any change 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 \$543 per student per semester, and has decreased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$4,000,000 funded by Appropriated State (nonrecurring) Funds. The university is requesting additional funds in the FY24-25 budget process to cover the remainder of the project.

(l) Project: JBRC Item 12: Greenville Technical College
H59.6310: Center for Workforce Development

Request: Establish Phase I Pre-Design Budget to construct a new facility to house Work Force Development programs.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 7 in FY24 (estimated at \$25,000,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B) (20) (f), Center for Workforce Development				375,000	375,000
All Sources				<u>375,000</u>	<u>375,000</u>

Summary of Work: The project will complete site development and construct a new facility on the college's Brashier campus. The building will provide lab space, classroom space, lecture space and staff office space. The building will also include welding booths, a simulation lab, a fabrication area, testing labs, and a covered outdoor storage space. The building will be state-of-the-art with the main focus on welding education and technology. All roofing material options will be evaluated during the Phase I process. The building will be designed to meet Two Green Globes certification standards.

Rationale: The new facility will facilitate an improved learning environment for those students seeking to enter the workforce.

Facility Characteristics: The building to be constructed will be approximately 35,000 to 40,000 square feet. It will be utilized by approximately 150 to 175 students.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$15 million at February 20, 2024). The project is expected to result in an increase of \$412,800 (years 1 thru 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 \$100 per student per semester, and has not changed for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$25,000,000 funded by Appropriated State (nonrecurring) Funds. Phase II will be funded by Appropriated State (nonrecurring) and College Plant Funds.

(m) Project: JBRC Item 13: Northeastern Technical College
H59.6222: Cheraw Campus Schaeffler Manufacturing Technology Academy

Request: Establish Phase II Full Construction Budget to construct an industrial building on the Cheraw Campus.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 4 in FY24 (estimated at \$6,447,500)

CHE Approval: 05/02/24

Phase I Approval: November 2022 (estimated at \$5,600,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Appropriated State, Proviso 118.16 (B)(23)(n), Instructional Building (transfer from H59-6142) (FY20 Proviso 25.12, Northeastern Tech Repurpose)	52,500		52,500	3,447,500	3,500,000
FY24 Appropriated State, Proviso 118.19 (B)(20)(i), Cheraw Campus				3,000,000	3,000,000
Other, NETC Foundation Schaeffler Donation				506,130	506,130
All Sources	<u>52,500</u>		<u>52,500</u>	<u>6,953,630</u>	<u>7,006,130</u>

Summary of Work: The project will construct a 27,520 square foot industrial building from a prefab shell to be purchased, and will be used by the Schaeffler Group, USA for the NETC Apprenticeship Program. The new building will be brick and mortar, with a metal roof. The new building will replace buildings 400, 600 and 700. Buildings 400, 600 and 700 have been demolished in a non-pip project (H59-N176-MJ), which was fully funded by Chesterfield County. The roof on the new building will be standing seam metal roof and will come with the minimum 20-year material and workmanship warranty.

Rationale: Renovation of buildings 600 and 700 would cost more than constructing a new building to bring them into compliance with current building codes, add additional bathrooms, and make major repairs, per the college. The configuration of the existing buildings to convert into a flexible space for training would have required the removal of walls and major reconstruction to get the same amount of space compared to the new building.

Facility Characteristics: Building 400 was 7,600 square feet, Building 600 was 9,220 square feet, and Building 700 was 5,225 square feet. Building 400 was constructed in 1976 (48 years old), and Buildings 600 and 700 were both constructed in the 1970's (54 years old). The new building to be constructed will be for the Schaeffler Manufacturing Technology Academy to provide a flexible space to teach multiple courses for the workforce. It is estimated that 100+ students, and 10+ staff will use the facility as the program increases.

Financial Impact: This phase of the project will be funded from FY17 Appropriated State Funds, Proviso 118.16 (nonrecurring) (uncommitted balance \$3.44 million at February 5, 2024) and redirected in FY20 Proviso 25.12, FY24 Appropriated State (nonrecurring) (uncommitted balance \$4 million at February 5, 2024), and Other, NETC Foundation Schaeffler Donation Funds (uncommitted balance \$506K at February 5, 2024). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements. The building will be designed to meet Two Green Globe certification standards with anticipated energy savings of \$506,250 over a 30-year period.

Full Project Estimate: \$7,006,130 funded by FY17 & FY24 Appropriated State (nonrecurring), and NETC Foundation Schaeffler Donation Funds. Contract execution is expected in July 2024 and completion of construction in July 2026.

(n) Project: JBRC Item 14: Tri County Technical College
H59.6311: Anderson Campus Transportation, Logistics & Utility Center

Request: Establish Phase I Pre-Design Budget to construct a three new buildings and expand another.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 8 in FY24 (estimated at \$25,000,000)

CHE Approval: 05/02/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19 (B) (27) (w), Transportation, Logistics, & Utility Center				465,000	465,000
All Sources				<u>465,000</u>	<u>465,000</u>

Summary of Work: The project will construct three new buildings and expand another. The Mechatronics building to be constructed will be located adjacent to the current main campus building. The Automotive/Diesel program building to be constructed will be located on the south side of the Anderson campus. An equipment and outdoor lab building will also be constructed. The Academic building will also be expanded. The truck driver training pad will be expanded to accommodate a third section of classes. All structures will be fully accessible with energy efficient systems. All roofing material options will be evaluated during the phase I process. The new buildings will be designed to meet Two Green Globes certification standards.

Rationale: The need for the additional facilities are based on third party economic scans whose data supported the need for each of these services and programs in the Anderson area.

Facility Characteristics: The Mechatronics building to be constructed will be approximately 22,000 square feet. The Automotive/Diesel program building to be constructed will be approximately 22,000 square feet. The equipment and outdoor lab building to be constructed will be approximately 4,000 square feet. The existing Academic building is 5,000 square feet and was constructed in 2013 (11 years old), will be expanded by approximately 4,000 square feet. The new buildings and expanded academic building will house the Mechatronics Program, Automotive/Diesel Program, and CDL/Heavy Equipment & Power Lineman Programs. The facilities will be utilized by approximately 1,000 students, faculty, staff, and clients.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$6 million at February 5, 2024). The project is expected to result in an increase of \$169,462 (years 1 thru 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 \$2.17 per student per semester, and has not changed for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$31,000,000 (internal) funded by Appropriated State (nonrecurring) Funds. Phase II will be funded by Appropriated State (nonrecurring) and Accumulated Maintenance Funds.

(o) Project: JBRC Item 16: Department of Administration
D50.6153: Calhoun Building - Replace Operable Windows

Request: Establish Phase I Pre-Design Budget to replace the windows in the building.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 38 in FY24 (estimated at \$2,380,000)

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, Depreciation Reserve				50,000	50,000
All Sources				<u>50,000</u>	<u>50,000</u>

Summary of Work: The project will replace all the operable windows in the building located on Senate Street in Columbia.

Rationale: The windows are original to the building, past their useful life, and leaking in multiple areas.

Facility Characteristics: The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (98 years old). The building is utilized by approximately 190 Judicial Branch personnel and various annual visitors.

Financial Impact: The project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$7.34 million at February 21, 2024). 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. The Phase I amount requested is 2.10% of the estimated cost to complete the project and the additional amount will be used hazardous materials testing.

Full Project Estimate: \$2,380,000 (internal) funded by Depreciation Reserve Funds.

(p) Project: JBRC Item 19: Department of Administration
D50.6129: Wade Hampton Building - Replace Fan Coil Units

Request: Establish Phase II Full Construction Budget to replace fan coil units in the building.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 38 in FY24 (estimated at \$720,000)

CHE Approval: N/A

Phase I Approval: October 2023 (estimated at \$720,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	15,800		15,800	2,330,669	2,346,469
All Sources	<u>15,800</u>		<u>15,800</u>	<u>2,330,669</u>	<u>2,346,469</u>

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

Rationale: A number of the fan coil units within the building have exceeded their life expectancy, and parts for repairs and maintenance are difficult to source.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (86 years old). On average, the fan coil units were installed in 1974 (49 years old). The building is utilized by the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor’s Office, SC State Treasurer’s Office, SC Comptroller General Office, SC Adjutant General’s Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$8.31 million at February 29, 2024). The project is expected to result in a decrease of \$661 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,346,469 funded by Appropriated State Funds. Contract execution is expected in December 2024 and completion of construction in February 2025. The estimated cost to complete the project has increase from the Phase I amount due to current market conditions and continuously rising construction costs. Additionally, the Phase I estimated amount was based on historical costs of the units themselves and failed to account for the related necessary electrical, piping, casework, and controls.

(q) Project: JBRC Item 21: Department of Administration
D50.6140: Dennis Building - Fan Coil Units and Water Line Replacements, Floors 4-7

Request: Establish Phase II Full Construction Budget to replace fan coil units on the 4th through 7th floors.

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

CHE Approval: N/A

Phase I Approval: January 2024 (estimated at \$3,029,128) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(71)(a), Facilities Management – Maintenance Projects (transfer from D50-6114)				100,000	100,000
Other, Depreciation Reserve	45,000		45,000	1,947,691	1,992,691
Other, Depreciation Reserve (transfer from D50-6052)				360,000	360,000
Other, Depreciation Reserve (transfer from 6080)				482,570	482,570
All Sources	<u>45,000</u>		<u>45,000</u>	<u>2,890,261</u>	<u>2,935,261</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: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) as a transfer from D50-6114 (uncommitted balance \$100K at March 28, 2024), Other Depreciation Reserve as a transfer from D50-6052 (uncommitted balance \$360K at March 28, 2024), and a transfer from D50-6080 (uncommitted balance \$483K at March 28, 2024), and Other, Depreciation Reserve Funds (uncommitted balance \$7.55 million at March 28, 2024). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in a decrease of \$559 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,935,261 funded by Appropriated State and Depreciation Reserve Funds. Contract execution is expected in November 2024 and completion of construction in November 2025.

(r) Project: JBRC Item 22: Department of Administration
D50.6141: Dennis Building – Roof Replacement

Request: Establish Phase II Full Construction 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

Phase I Approval: January 2024 (estimated at \$1,200,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	20,000		20,000	949,655	969,655
FY21 Appropriated State (transfer from D50-6068)				38,829	39,829
FY22 Appropriated State (transfer from D50-6079)				57,781	57,781
FY23 Appropriated State (transfer from D50-6099)				80,500	80,500
FY23 Appropriated State (transfer from D50-6104)				368,415	368,415
FY23 Appropriated State (transfer from D50-6108)				285,635	285,635
FY23 Appropriated State (transfer from D50-6109)				258,186	258,186
All Sources	<u>20,000</u>		<u>20,000</u>	<u>2,040,000</u>	<u>2,060,000</u>

Summary of Work: The existing low sloped roof systems consist of a thermoplastic (TPO) roof membrane over a layer of extruded polystyrene over an aggregate surfaced asphalt built-up roof system over fiberglass roof insulation and a concrete roof deck. The replacement roof will be a thermoplastic roof membrane system. The new roof will come with the minimum 20-year material and workmanship warranty.

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 FY24 Appropriated State (uncommitted balance \$8.31 million at February 29, 2024), FY21, FY22 and FY23 Appropriated State Funds (uncommitted balances \$1.09 million at February 29, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,060,000 funded by Appropriated State Funds. Contract execution is expected in October 2024 and completion of construction in May 2025.

(s) Project: JBRC Item 25: Department of Administration
D50.6147: Wade Hampton Building - Subsurface Water Remediation Repairs
(Annualized)

Request: Establish Phase II Full Construction Budget for the repair/replacement of the exterior waterproofing.

Included in CPIP: No – The project and funding were not identified until after submission of the 2023 CPIP.
Phase I Approval: March 2024 (estimated at \$1,819,620) (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
FY24 Appropriated State	37,000		37,000	1,360,263	1,397,263
Other, Depreciation Reserve				397,737	397,737
All Sources	<u>37,000</u>		<u>37,000</u>	<u>1,758,000</u>	<u>1,795,000</u>

Summary of Work: This will be an annualized project and will be completed in two (2) annualized phases, to repair or replace the exterior waterproofing of the building basement and the underground pedestrian tunnel. Construction of the first annualized phase will address the pedestrian tunnel.

Rationale: The exterior subsurface waterproofing material for the building and pedestrian tunnel, has deteriorated, leading to water infiltration in the basement and the pedestrian tunnel. Both areas experience water infiltration in office spaces and common areas after rainfall events.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The pedestrian tunnel is approximately 12,240 square feet and was constructed in 1970 (54 years old). The pedestrian tunnel is utilized by the Calhoun and Wade Hampton Buildings. The Calhoun Building is utilized by approximately 190 Judicial Branch personnel and the Wade Hampton Building is utilized by approximately 275 staff and various annual visitors of the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor’s Office, SC State Treasurer’s Office, SC Comptroller General Office, SC Adjutant General’s Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (uncommitted balance \$8.31 million at February 21, 2024), and Other, Depreciation Reserve (uncommitted balance \$7.31 million at February 21, 2024). 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: \$1,795,000 for this phase of the project to be funded by Appropriated State and Depreciation Reserve Funds. The estimated cost to complete both annualized phases is \$4,937,050, to be funded by Appropriated State and Depreciation Reserve Funds. Contract execution is expected in October 2024 and completion of construction in August 2025.

(t) Project: JBRC Item 26: Department of Administration
D50.6148: Window Replacement

Request: Establish Phase II Full Construction Budget to replace the windows at the SC State Library.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 38 in FY24 (estimated at \$1,000,000)

CHE Approval: N/A

Phase I Approval: March 2024 (estimated at \$1,000,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	25,000		25,000	1,043,848	1,068,848
All Sources	<u>25,000</u>		<u>25,000</u>	<u>1,043,848</u>	<u>1,068,848</u>

Summary of Work: This project will replace the windows.

Rationale: The windows are original to the buildings, past their useful life, and leaking in multiple areas.

Facility Characteristics: The SC State Library Building is approximately 62,260 square feet and was constructed in 1969 (55 years old). The State Library Building is utilized by approximately 45 staff and various annual visitors.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$8.31 million at February 29 2024). The project is expected to result in a decrease of \$2,506 (year 1), and \$3,341 (years 2 and 3), in annual operating expenditures.

Full Project Estimate: \$1,068,848 funded by FY24 Appropriated State Funds. Contract execution is expected in November 2024 and completion of construction in September 2025.

(u) Project: JBRC Item 28: Office of the Adjutant General
E24.9821: Joint Base Charleston Readiness Center

Request: Increase Phase II Full Construction Budget to cover increased costs to construct a new National Guard Readiness Center.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Phase I Approval: December 2019 (estimated at \$19,202,000) (SFAA)

Phase II Approval: March 2021 (estimated at \$19,822,860) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (B)(18)(b), Armory Construction and Revitalizations	22,466	1,977,534	2,000,000		2,000,000
Appropriated State, Operating				48,551	48,551
Federal, National Guard Bureau	265,564	17,557,296	17,822,860	9,000,000	26,822,860
All Sources	<u>288,030</u>	<u>19,534,830</u>	<u>19,822,860</u>	<u>9,048,551</u>	<u>28,871,411</u>

Summary of Work: The new National Guard Readiness Center will be built on federal land at Joint Base Charleston (13.1 acres licensed from USAF).

Rationale: A training facility that accommodates the modernization and transformation of equipment and performance of their mission to support the Strategic Depth of the Army and unit training in the Army Modular Force configuration is required. Due to a funding shortfall, 2 units were displaced when that National Guard Bureau was unable to fund the entire lease in 2016 on a 61,500 square foot facility at a cost of \$738K per year. The units were relocated to existing readiness centers nearby in Walterboro and Charleston. These facilities do not provide sufficient authorized square-footage, and do not meet Anti-terrorism/Force Protection standards. No other SCARNG facilities are suitable and available nearby to house the new units.

Facility Characteristics: The new facility will be 59,933 square feet and constructed on 13.1 acres of property. It will support the training, administrative, and logistical requirements for two SCARNG Units (1223 EN CO & I CO/237 SPT BN). It will house the 2 units consisting of 10 authorized full-time employees and 230 M-Day soldiers that currently do not have a permanent facility.

Financial Impact: This phase of the project will be funded from Appropriated State, Operating (uncommitted balance \$6.5 million at March 27, 2024), and Federal, National Guard Bureau Funds (uncommitted balance \$9.5 million at March 27, 2024). Revenue to this fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project will be constructed to meet LEED Silver certification standards with an anticipated energy savings of \$1,981,924 over a 30-year period. The project is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3) in annual operating expenditures.

Full Project Estimate: \$28,871,411 funded by Appropriated State (nonrecurring), Appropriated State (Operating) and National Guard Bureau Funds. Contract execution is expected in August 2024 with construction completion in December 2026.

(v) Project: JBRC Item 29: Office of the Adjutant General
E24.9835: (H29) USC Aiken - Cyber Integration Center 9835-B

Request: Change Project Name and Increase Phase II Full Construction Budget to construct the Aiken Cyber Integration Center.

Included in CPIP: Yes – 2023 CPIP priority 1 of 19 FY24 (estimated at \$42,945,784)

Phase I Approval: January 2022 (estimated at \$30,950,000) (SFAA)

Phase I Increase

Approval: May 2023 (estimated at \$38,650,948) (SFAA)

Phase I Increase &

Change Project Name

Approval: August 2023 (estimated at \$38,650,948) (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
FY22 Appropriated State, Proviso 118.18 (B)(69)(a), Aiken Readiness Center	149,981	620,886	770,867		770,867
FY24 Appropriated State, Proviso 118.19 (B)(63)(f), USC Aiken National Guard Dreamport Facility				2,178,374	2,178,374
Federal, National Guard Bureau	453,944	1,862,627	2,316,571		2,316,571
Other, SRS		242,000	242,000	9,758,000	10,000,000
All Sources	<u>603,925</u>	<u>2,725,513</u>	<u>3,329,438</u>	<u>11,936,374</u>	<u>15,265,812</u>

Summary of Work: The project was established for the design and construction of both the Aiken Readiness Center and the Cyber Integration Center. Both buildings will be constructed on property owned by Aiken County Commission for Higher Education on the campus of the University of South Carolina Aiken. The Aiken Readiness Center will support the training, administrative and logistical requirements for two SCARNG Units. The Cyber Integration Center will consist of a collaborative innovation area, classrooms, testing and training rooms. It will also include a Secure Room for cyber protection activities. The construction of these facilities will be requested at separate times due to funding availability. The Aiken Readiness Center will be designed to meet LEED Silver or Two Green Globes certification standards. The current approved Phase II budget includes funds for the final design of the Aiken Readiness Center. The design of the Aiken Readiness Center is approximately 60% complete. The current requested Phase II increase will add full construction funding for the Aiken Cyber Integration Center.

Rationale: The Aiken Readiness Center is required to provide a training facility that accommodates modernization and transformation of equipment and performance of their mission to support Strategic Depth of the Army and the unit training in the Army Modular Force configuration. The Cyber Integration Center is a cyber security facility that will allow for secure cyber protection activities to be conducted by the SC Army National Guard, USC Aiken, and other Cyber protection entities.

Facility Characteristics: The Cyber Integration Center to be constructed will be 23,530 square feet and will house the Office of the Adjutant General, University of South Carolina Aiken and other Cyber Security Agencies. An estimated 20 to 30 students and faculty will utilize the building, with an additional 9 SC Army National Guard M-Day soldiers and 75 to 100 industrial partners. The Aiken Readiness Center to be constructed will be 42,839 square feet and will

house 2 units (1221 Engineer Company & 135th Cyber Protection Company), consisting of 7 authorized full-time employees and 183 M-Day Soldiers that currently do not have a facility.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$12.48 million at March 27, 2024), and Savannah River Site Litigation Settlement Funds (uncommitted balance \$9.76 at March 27, 2024). The Aiken Readiness Center is expected to result in an increase of \$36,000 (year 1), \$38,000 (year 2), and \$40,000 (year 3) in annual operating expenditures. The Cyber Integration Center is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3), in annual operating expenditures. The Cyber Integration Center will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$515,718 over a 30-year period.

Full Project Estimate: \$15,265,812 for this phase of the project, funded by Appropriated State (nonrecurring), National Guard Bureau, and SRS Funds. The total estimated cost of both facilities is \$41,956,326. Phase II of the Aiken Readiness Center will be funded by \$6.67 million in Appropriated State (nonrecurring) and \$20 million in National Guard Bureau Funds. Contract execution for the Cyber Integration Center is expected in April 2025 with construction completion in January 2027.

(w) Project: JBRC Item 31: Governor’s School for the Arts and Humanities
H64.9600: Dining Hall Renovation

Request: Establish Phase II Full Construction Budget to expand the dining space.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 5 in FY24 (estimated at \$707,950)

CHE Approval: N/A

Phase I Approval: January 2023 (estimated at \$1,235,900) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(9), Dining Hall Expansion and Furniture Replacement	512,950		512,950		1,025,900
FY24 Appropriated State, Proviso 118.19 (B)(6)(a), Dining Hall Expansion and Furniture Replacement				512,950	512,950
Other, Donation from Aramark				210,000	210,000
All Sources	<u>512,950</u>		<u>512,950</u>	<u>722,950</u>	<u>1,235,900</u>

Summary of Work: The project will expand the dining hall by approximately 2,444 square feet to accommodate up to 140 seats by relocating offices. The work will include the demolition of several non-load bearing walls, relocation of serving lines, new flooring, and all new furniture. No major renovations, or renovations to any exterior walls is required.

Rationale: The dining hall is only rated to accommodate 75 people and the current dining facilities are not readily usable by students with mobility challenges and does not meet current standards for accessibility. Having maintained the original furnishings that are over 20 years old, the dining area is outdated and institutional.

Facility Characteristics: The Dining Hall is approximately 2,037 square feet and was constructed in 1991 (31 years old). The facility is used to serve all meals for students, staff, and for special events such as parent weekends, orientation, and any other large student events. There are 238 students and 75 staff that dine their daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$512,950 at January 23, 2024), and Other, Donation from Aramark (uncommitted balance \$210K at January 23, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,235,900 funded by FY23 & FY24 Appropriated State (nonrecurring) and Aramark Donation Funds. Contract execution is expected in June 2024 with construction completion in December 2024.

(x) Project: JBRC Item 32: SC Governor’s School for Science and Mathematics
H65.9528: Roof Replacement

Request: Establish Phase II Full Construction Budget to replace the roof on the main facility.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 4 in FY24 (estimated at \$940,000)

CHE Approval: N/A

Phase I Approval: December 2023 (estimated at \$940,000 (Admin))

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(7), Metal Roof Replacement	3,000		3,000	937,000	940,000
Appropriated State, FY23 Carryforward				136,752	136,752
All Sources	<u>3,000</u>		<u>3,000</u>	<u>1,073,752</u>	<u>1,076,752</u>

Summary of Work: The project will remove the existing asphalt and fiberglass architectural shingle roof down to the plywood sheathing, and removal of the existing gutter and downspouts, flashings and miscellaneous roofing components, and installation of new underlayment and a snap-together standing seam metal roof. All sheet metal gutters and downspouts, flashings and miscellaneous roofing components will also be installed. The new roof will come with the minimum 20-year material and workmanship warranty.

Rationale: The existing roof is original to building and is beyond its service life. It is damaged and leaking in many places and flashing around dormers and through-roof structures need replacing.

Facility Characteristics: The GSSM Building is 39,860 square feet and was constructed in 2003 (21 years old). The South Carolina GSSM is housed within one facility, and this project will replace the roof that covers the residence halls. Approximately 428 students, faculty, and staff will benefit from the project.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (non-recurring) (uncommitted balance \$937K at April 10, 2024), and FY23 Appropriated State, Carryforward Funds (uncommitted balance \$3.5 million at April 10, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,076,752 funded form Appropriated State (non-recurring) and Appropriated State, Carryforward Funds. Contract execution is expected in August 2024 with construction completion in March 2025.

(y) Project: JBRC Item 36: Department of Mental Health
 J12.9847: Tucker Center Campus Fire Alarm Replacement

Request: Establish Phase II Full Construction Budget to replace the fire alarm system in Tucker Center Campus buildings.

Included in CPIP: Yes – 2023 CPIP Priority 9 of 33 in FY24 (estimated at \$505,000)

CHE Approval: N/A

Phase I Approval: May 2023 (estimated at \$505,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,575		7,575	1,032,425	1,040,000
All Sources	<u>7,575</u>		<u>7,575</u>	<u>1,032,425</u>	<u>1,040,000</u>

Summary of Work: The project will replace the existing Simplex fire alarm system in Roddey Pavilion (General Care Nursing Home), and Roddey Support Building located at 2200 Faison Drive in Columbia.

Rationale: The fire alarm system is original to the buildings and is no longer supported by Simplex. Replacement parts are no longer available.

Facility Characteristics: The Roddey Pavilion and Roddey Support Building located at C.M. Tucker Nursing Care Center total 125,206 square feet and were constructed in 1983 (41 years old). The facility provides long-term nursing care to male and female SC residents who are not US military veterans. There are 170 patients and 200 staff occupy this facility.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,040,000 funded by Capital Improvement & Maintenance Funds. The Phase II amount requested has increased from the Phase I amount and the 2023 CPIP submission because of higher equipment and construction costs due to inflation. Contract execution is expected in February 2025 with construction completion in October 2025.

(z) Project: JBRC Item 38: Department of Mental Health
 J12.9860: Greenville MHC Roof Replacement

Request: Establish Phase II Full Construction 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

Phase I Approval: January 2024 (estimated at \$1,550,400) (SFAA)

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	1,527,144	1,550,400
All Sources	<u>23,256</u>		<u>23,256</u>	<u>1,527,144</u>	<u>1,550,400</u>

Summary of Work: The project will replace the existing prefinished galvanized standing seam metal roof with a 24-gauge prefinished galvalume standing seam (T-profile) structural metal roof panels over new high-temperature underlayment, insulation to meet R-20, self-adhering temporary roof membrane over the existing plywood deck. The new roof will come with the required minimum 20-year material and workmanship warranty.

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 (21 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 Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in November 2024 with construction completion in August 2025.

(aa) Project: JBRC Item 39: Department of Mental Health
 J12.9798: Roddey Pavilion HVAC and Domestic Water Piping and Flooring Replacement (Ward 136)

Request: Increase Phase II Full Construction Budget to cover higher than anticipated costs and to add a 20% contingency, to replace the domestic and HVAC overhead water lines and the existing sheet vinyl flooring in a Ward at Roddey Pavilion.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Phase I Approval: March 2021 (estimated at \$490,000) (JBRC)

Phase II Approval: October 2021 (estimated at \$1,100,000) (SFAA)

Phase II Increase, Revise Scope & Change Project Name Approval: May 2023 (estimated at \$1,300,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,350	1,292,650	1,300,000	1,091,868	2,391,868
All Sources	<u>7,350</u>	<u>1,292,650</u>	<u>1,300,000</u>	<u>1,091,868</u>	<u>2,391,868</u>

Summary of Work: The project was established to be completed in Ward 134 and was previously changed to be completed in Ward 136 instead. The project includes replacing and relocating the HVAC controls in the patient rooms for the fan coils. The HVAC controls will be relocated to the hall so that servicing the units will be less intrusive to the residents that occupy the rooms. This project will also incorporate the recommendations from a recent legionella study for resident and staff safety. Since the Ward will be vacant for the pipe replacement, they will also replace the existing sheet vinyl floor in the Ward.

Rationale: Due to water damage in October 2022 in Ward 136, it is necessary to complete that Ward first. Each Ward is very similar, requiring minimal modifications to the existing plan. The copper pipes are original to the building and leaking causing mold issues and stains on the ceiling. The average life cycle of a copper water line is 20-50 years. DHEC continues to cite the nursing home for the flooring throughout the facility during inspections.

Facility Characteristics: Roddey Pavilion, located on the C.M. Tucker Campus in Columbia, is 111,534 square feet and was constructed in 1983 (41 years old). The Ward included in this project to be renovated is 13,000 square feet. The pipes are original to the building and the flooring is 15-20 years old. The facility is utilized by over 200 staff and approximately 170 inpatient clients who occupy the building on a 24/7 basis.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 \$2,000 (year 1), and \$5,000 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$2,391,868 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2024 with construction completion in March 2025.

(bb) Project: JBRC Item 40: Department of Mental Health
 J12.9811: Waccamaw Center for Mental Health HVAC, Sprinkler, Fire Alarm and Roof Replacement

Request: Increase Phase II Full Construction Budget due to higher than anticipated bid costs to replace 25 HVAC units, HVAC controls, sprinkler, fire alarm and roof.

Included in CPIP: Yes – 2022 CPIP 6 of 48 in FY23 (estimated at \$1,920,000)
 CHE Approval: N/A
 Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
 Phase II Approval: June 2023 (estimated at \$2,621,384) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000	2,597,384	2,621,384	935,116	3,556,500
All Sources	<u>24,000</u>	<u>2,597,384</u>	<u>2,621,384</u>	<u>935,116</u>	<u>3,556,500</u>

Summary of Work: The project includes replacing the outside air and return dampers, ductwork, refrigerant lines, AHU's, condensers and HVAC controls. The gypsum board ceiling will be removed to allow access for fire sprinkler and HVAC replacement and installing new acoustical ceiling for better maintenance access. Additionally, the fire sprinkler system and fire alarm systems will also be replaced. The existing ceiling mounted fluorescent and incandescent light fixtures will be replaced with LED fixtures. The existing steep sloped shingle roof will be replaced with an architectural asphalt shingle roof system that will come with a minimum 20-year material and workmanship warranty. Due to the magnitude of the project, flooring replacement and wall refinishing will be included as an alternate option

Rationale: The mechanical equipment is original to the building, has outlived its lifespan, and is now becoming more and more costly to maintain. The shingle roof is also original to the building and has experienced multiple water intrusions and needs to be replaced. The sprinkler system has several leaks in the system and needs to be replaced.

Facility Characteristics: The Waccamaw Area Center for Mental Health is 33,326 square feet and was constructed in 1993 (31 years old). The center provides emergency services, case management, outpatient counseling and psychiatric treatment for children, adolescents, adults, and families in Georgetown, Horry, and Williamsburg Counties. The facility has 145 staff and sees 6,000 patients a year.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). 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 \$2,500 (years 2 and 3) in annual operating expenditures.

Full Project Estimate: \$3,556,500 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in March 2024 and completion of construction in August 2025.

(cc) Project: JBRC Item 49: Department of Natural Resources
P24.6105: Georgetown - Yawkey Center-Rockfish Bridge Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing bridge over Rockfish canal that provides access to the Tom Yawkey Wildlife Center.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 16 in FY25 (estimated at \$900,000)
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, Yawkey Wildlife Operating				42,000	42,000
All Sources				<u>42,000</u>	<u>42,000</u>

Summary of Work: The project will replace the existing timber bridge with a concrete superstructure.

Rationale: A recent inspection by a structural engineer identified several deficiencies with the bridge and recommended replacement. The lack of a bridge at this location would eliminate vehicular and equipment access to nearly 10,000 acres of Heritage Preserve and 12 state owned buildings.

Facility Characteristics: The existing bridge was constructed in 1965 (59 years old). Approximately 10,000 persons use the bridge annually.

Financial Impact: This phase of the project will be funded from Other, Yawkey Wildlife Operating Fund (uncommitted balance \$145K at February 29, 2024). The project is not expected to result in any change in annual operating expenditures. The Phase I amount is 3.0% of the estimated cost to complete the project and the additional funds will be used to additional specialized professional disciplines needed to provide an accurate opinion of cost.

Full Project Estimate: \$1,400,000 (internal). Phase II will be funded by Tom Yawkey Wildlife Center Trust Funds. The Phase I estimate is 3.00% of the estimated cost to complete the project and the additional amount will be used to cover various specialized professional needed such as geotechnical, surveying, critical line determination, hydrology analysis and structural schematic design.

(dd) Project: JBRC Item 56: Department of Parks, Recreation & Tourism
P28.9846: Kings Mountain CCC Bathhouse Renovation

Request: Establish Phase I Pre-Design Budget to renovate the Civilian Conservation Corps (CCC) Bathhouse at Kings Mountain.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 5 in FY26 (estimated at \$3,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (77), Kings Mountain State Park Upgrades				45,000	45,000
All Sources				<u>45,000</u>	<u>45,000</u>

Summary of Work: The renovated facility will include meeting facilities, offices, retail, visitor and interpretive services, and trail information. All of the utilities that service the structure will need to be reviewed and will likely need to be replaced which will include water and sewer services, electrical, etc. The interior/exterior repairs and renovations to the structure will be made while keeping the historic significant of the structure in mind, while adapting it for future usage. The roof will not be replaced as part of this project.

Rationale: The bathhouse is an iconic landmark within the park. Its ornate stonework is an excellent example of CCC construction and craftsmanship, per the agency. The bathhouse has not been used for many years and is need of repair.

Facility Characteristics: The existing bathhouse is 3,780 square feet and was constructed in 1935 (89 years old). Approximately 20,000 campers are anticipated to utilize the renovated facility.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) Funds (uncommitted balance \$250K at April 17, 2024). The project is expected to result in an increase of \$10,000 (year 1), \$15,000 (year 2), and \$1,000 (year 3), in annual operating expenditures.

Full Project Estimate: \$3,000,000 (internal). Phase II will be funded by FY22 Appropriated State (nonrecurring), Federal Grant Funds, and additional funds to be requested in the FY24-25 budget process.

(ee) Project: JBRC Item 57: Department of Parks, Recreation & Tourism
 P28.9848: The Venues of Arsenal Hill – The Pavilion

Request: Establish Phase I Pre-Design Budget for a multi-functional pavilion.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 29 in FY24 (estimated at \$11,375,000)

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, Private Donation				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The architect and engineers will work to establish the appropriate square footage needs, seating capacity, functionality, and specifically, with sensitivity to the historic requirements of this site. Regarding historic sensitivity, it is expected that the architectural and engineering firms selected to develop The Pavilion will exhibit a mastery of historic architectural concepts/designs – such as Palladian Style from the concepts of Andrea Palladio, as was common at the time in which the Lace, Caldwell-Boyleston, and Governor’s Mansion structures were constructed.

Rationale: The project will be a multi-functional, larger internal, space at the Arsenal Hill complex that will be large enough to accommodate weddings, receptions, conventions, and other gatherings that demand a larger footprint and that are not subject to weather related concerns.

Facility Characteristics: The size of the Pavilion to be constructed has not yet been determined but is roughly estimated at 15,000 square feet. The Pavilion will be utilized by visitors to the grounds, as well as visitors to, and renters of the facilities on the grounds, which is approximately 100,000 visitors per year.

Financial Impact: The project will be funded from Other, Private Donation from the SC Governor’s Mansion Commission (commitment of \$150K at April 17, 2024). The project is expected to result in an increase of \$25,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$10,000,000 (internal) funded by Private Donation from the SC Governor’s Mansion Commission.

(ff) Project: JBRC Item 59: Department of Parks, Recreation & Tourism
P28.9754: Hunting Island State Park Beach Restoration

Request: Increase Phase II Full Construction Budget to cover the cost of post-restoration monitoring required by Ocean & Coastal Resource management (OCRM).

Included in CPIP: Yes – 2023 CPIP Priority 26 of 29 in FY24 (estimated at \$17,700,000)

CHE Approval: N/A

Phase I Approval: April 2015 (estimated at \$7,000,000) (SFAA)

Phase II Approval: June 2017 (estimated at \$12,055,904) (SFAA)

Phase II Increase & Change Source of Funds Approval: October 2019 (estimated at \$14,000,000) (SFAA)

Phase II Increase Approval: December 2019 (estimated at \$17,600,000) (Admin)

Phase II Increase Approval: August 2023 (estimated at \$17,700,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve (2), Beach Renourishment		6,896,514	6,896,514		6,896,514
FY17 Appropriated State, Proviso 118.16 (B)(39)(b), Statewide Coastal Beach Renourishment		10,703,486	10,703,486		10,703,486
Federal, FEMA 2015 Flood				453,580	453,580
Federal, FEMA Hurricane Matthew				735,807	735,806
Other, Park Revenue	105,000	(105,000)	100,000		100,000
Other, FEMA Match, 2015 Flood				151,193	151,193
Other, FEMA Match, Hurricane Matthew				245,269	245,269
All Sources	<u>105,000</u>	<u>17,495,000</u>	<u>17,700,000</u>	<u>1,585,847</u>	<u>19,285,847</u>

Summary of Work: The project was established for the nourishment of the beach and construction of two additional groins at Hunting Island State Park. Prior to this project, the beach was last nourished in 2007 and six groins were constructed in 2008. The project has performed as designed and slowed erosion significantly.

Rationale: Additional groins and nourishment are needed to maintain a safe high tide beach for park visitors.

Facility Characteristics: Hunting Island Beach is approximately 2 miles. The park receives over one million visitors a year and is used for recreational public beach access.

Financial Impact: This phase of the project will be funded from Federal, FEMA (uncommitted balance \$1.18 million at March 11, 2024), and Other, FEMA Match Funds (uncommitted balance \$396K at March 11, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$19,285,847 funded by Capital Reserve, Appropriated State (nonrecurring), FEMA, Park Revenue, and FEMA Match Funds. Project construction has been completed.

(gg) Project: JBRC Item 60: Department of Parks, Recreation & Tourism
P28.9773: Hunting Island Road Repairs

Request: Increase Phase II Full Construction Budget to add FEMA funds received to repair roads at the park due to hurricane damages.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Phase I Approval: January 2019 (estimated at \$1,000,000) (Admin)

Phase II Approval: February 2020 (estimated at \$2,755,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve (8), State Park Maintenance Needs	15,000	985,000	15,000		1,000,000
FY20 Capital Reserve (2), State Parks Deferred Maintenance		800,000	800,000		800,000
FY17 Appropriated State, Proviso 118.16 (B)(39)(g) Medal of Honor Museum (FY20 Appropriated State, Proviso 49.18, State Parks Maintenance)		400,000	400,000		400,000
Federal, FEMA				1,572,926	1,572,926
Other, Park Revenue		555,000	555,000	(555,000)	
Other, FEMA State Match				524,308	524,309
All Sources	<u>15,000</u>	<u>2,740,000</u>	<u>2,755,000</u>	<u>1,542,234</u>	<u>4,297,235</u>

Summary of Work: The project was established to make repairs and pave approximately 8 miles of roads at Hunting Island State Park. The additional funds being added will be used to make additional road and parking repairs and upgrades. This will include road and parking grading and stabilization.

Rationale: A FEMA reimbursement has been received for repairs made to storm damaged roads and parking areas.

Facility Characteristics: Hunting Island State Park is one of the most visited and receives approximately 800,000 visitors per year.

Financial Impact: The increase will be funded from Federal, FEMA (uncommitted balance \$1,572 million at May 1, 2024), and Other, FEMA State Match Funds (uncommitted balance \$524K at May 8, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,297,235 (internal) funded by FEMA and FEMA Match Funds. Contract execution is expected in June 2024 with construction completion in July 2025.

(hh) Project: JBRC Item 62: Department of Parks, Recreation & Tourism
P28.9844: Property Acquisition - Waites Merrill

Request: Establish Final Land Acquisition to purchase +/-107 acres in Horry County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$4,020,000)

CHE Approval: N/A

Phase I Approval: March 2024 (estimated at \$4,020,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a), Additional Park Property Acquisitions	20,000		20,000	37,000	57,000
Federal, CZM Grant				4,000,000	4,000,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>4,037,000</u>	<u>4,057,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property. Waites Island is the most significant undeveloped coastal fringe habitat in the 22 miles from Myrtle Beach to the North Carolina border. It is one of the last remaining undeveloped and unprotected barrier islands of this size in the southeastern United States.

Characteristics: The property includes 43 acres of mainland property with a residence and guest house on Little River Neck, 22 acres of beachfront on Waites Island, and 40 acres of marsh island.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for \$4,000,000. The acquisition will be funded from FY24 Appropriated State (non-recurring) (uncommitted balance \$890K at February 14, 2024) and Federal, CZM Grant Funds (commitment of \$4 million at April 22, 2024). Revenue derived from the CZM grant comes from a Coastal Zone Management Habitat Protection and Restoration Infrastructure Investment and Jobs Act Competition grant for the purpose of enhancing coastal resilience. The project is not expected to result in any change in annual operating expenditures. The property was purchased by Open Space Institute Land Trust, Inc. in December 2023 for \$8,000,000. The purchase was funded by SC Office of Resilience and SC Conservation Bank funds. This request includes an additional \$37,000 to reimburse Open Space Institute for survey work, Phase I Environmental Site Assessment, attorney fees, title and recording, as well as taxes. An appraisal was completed in April 2023 and valued the property at \$13,100,000. 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 November 2023 and found \$17,500 in immediate costs to rectify deficiencies. These repairs will be made by park staff. Letters of support have been received from Horry County and Horry County Schools authorizing the removal of the property from the tax rolls.

Full Project Estimate: \$4,057,000 funded by FY24 Appropriated State (non-recurring) and Federal, CZM Grant Funds.

Other: The South Carolina Department of Parks, Recreation & Tourism 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.

(ii) Project: JBRC Item 66: Department of Transportation
U12.9757: Headquarters Building Garage Repairs

Request: Establish Phase II Full Construction Budget to repair the parking garage located at 955 Park Street in Columbia.

Included in CPIP: Yes – 2023 CPIP Priority 10 of 10 in FY24 (estimated at \$600,000)

CHE Approval: N/A

Phase I Approval: December 2022 (estimated at \$600,000) (JBRC)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	9,000		9,000	1,226,000	1,235,000
All Sources	<u>9,000</u>		<u>9,000</u>	<u>1,226,000</u>	<u>1,235,000</u>

Summary of Work: The project will address the concrete spalling, exposed rebar, steel corrosion, cracks in decking, failed caulk joints, and other general conditions required to keep the garage in general working order and minimize additional deterioration of the structure.

Rationale: The parking garage needs maintenance repairs to extend the life of the facility as long as possible.

Facility Characteristics: The parking garage is 3 levels and is approximately 225,000 square feet. The garage includes 603 spaces that are all occupied by SCDOT employees.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$3.14 million at December 31, 2023). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$1,235,000 funded by State Highway Funds. Contract execution is expected in October 2024 and completion of construction in May 2025. The estimated cost to complete the project has increased from the Phase I and CPIP submission because the initial estimate did not anticipate the total number of required structural repairs identified by the A&E during the Phase I process.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources - Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

The Authority is asked to approve the following permanent improvement project establishment request and budget revision as requested by the Department of Administration, Executive Budget Office as noted herein. This item was reviewed favorably by the Joint Bond Review Committee (JBRC).

(a) Project: JBRC Item 51: Department of Natural Resources
P24.6065: Greenville-Cedar Mountain HP/WMA Land Acquisition
(Bramlett-NLT)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-435 acres and a building in Greenville County.

Included in CPIP: Yes – 2023 CPIP Priority 36 of 47 in FY24 (estimated at \$420,000)

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, Heritage Land Trust				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property would protect the second tallest peak overlooking the North Saluda River Valley. This property would create a new Heritage Preserve for the public to engage in outdoor recreational activities.

Characteristics: The property is located approximately six miles northeast of the Town of Cleveland in Greenville County. It is located on the north and south sides of Old Highway 25 and harbors a peak of 1,765 feet. The property is characterized by a cove and oak hickory forest, geologic formations and a tributary of the North Saluda River that provides habitat for rare plant and animal species.

Financial Impact: The property is offered by Naturaland Trust of Greenville, SC for the proposed purchase price of \$1,500,000. The due diligence activities will

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources - Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

be funded from Heritage Land Trust Funds (uncommitted balance \$31.35 million at February 29, 2024). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$3,000 (year 1), \$1,500 (year 2), and \$1,000 (year 3), in annual operating expenditures. There are two approximately 1,250 square foot abandoned and uninhabitable houses that are located on the property. If the property is acquired the houses will be demolished as part of a separate project.

Full Project Estimate: \$1,520,000 (internal) funded by Heritage Land Trust 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.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Natural Resources - Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

AUTHORITY ACTION REQUESTED:

As requested by the Department of Natural Resources (DNR) through the Department of Administration, Executive Budget Office, approve the Permanent Improvement Project for the Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT); and as requested by DNR approve an expenditure of \$20,000 from the Heritage Land Trust Fund pursuant to Section 51-17-115 toward the acquisition of land described in Permanent Improvement Project 6065.

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

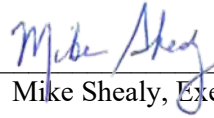
Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:



Mike Shealy, Executive Budget Office

2. Subject:

Department of Natural Resources - Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

3. Summary Background Information:

Project: JBRC Item 51: Department of Natural Resources
P24.6065: Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-435 acres and a building in Greenville County.

Included in CPIP: Yes – 2023 CPIP Priority 36 of 47 in FY24 (estimated at \$420,000)

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, Heritage Land Trust				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property would protect the second tallest peak overlooking the North Saluda River Valley. This property would create a new Heritage Preserve for the public to engage in outdoor recreational activities.

Characteristics: The property is located approximately six miles northeast of the Town of Cleveland in Greenville County. It is located on the north and south sides of Old Highway 25 and harbors a peak of 1,765 feet. The property is characterized by a cove and oak hickory forest, geologic formations and a tributary of the North Saluda River that provides habitat for rare plant and animal species.

Financial Impact: The property is offered by Naturaland Trust of Greenville, SC for the proposed purchase price of \$1,500,000. The due diligence activities will be funded from Heritage Land Trust Funds (uncommitted balance \$31.35 million at February 29, 2024). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$3,000 (year 1), \$1,500 (year 2), and \$1,000 (year 3), in annual operating expenditures. There are two approximately 1,250 square foot abandoned and uninhabitable houses that are located on the property. If the property is acquired the houses will be demolished as part of a separate project.

Full Project Estimate: \$1,520,000 (internal) funded by Heritage Land Trust 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.

4. What is SFAA asked to do?

Consider approval of the Preliminary Land Acquisition.

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

The item is complete and ready for SFAA review.

6. List of Supporting Documents:

1. Permanent Improvement Project Greenville-Cedar Mountain HP/WMA Land Acquisition (Bramlett-NLT)

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

- (a) County Location: Charleston
From: Department of Administration
To: Dominion Energy South Carolina, Inc. (#1110)
Consideration: \$723.80 Administrative fee
\$336.86
Description/Purpose: To grant a 0.227± acre non-exclusive easement for the construction, installation, operation and maintenance of a underground gas distribution pipeline across Burden Creek on Johns Island. The easement is needed to extend natural gas service down River Road and provide service for planned developments. 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 \$723.80 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Horry
From: Department of Administration
To: Dominion Energy South Carolina, Inc. (#1215)
Consideration: \$723.80 Administrative fee
\$1,379.90
Description/Purpose: To grant a 0.311± acre easement for the construction, installation, operation, replacement, repairs and maintenance of an 8” steel natural gas main beneath the Intracoastal Waterway near Highway 544 in Myrtle Beach. The easement is needed to serve customers in the new Arcadia housing development off of Forestbrook Road as well as commercial customers and will provide critical infrastructure for the Myrtle Beach area. 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 easement will be subject to an assignment to an affiliate or another entity related to the sale or transfer of substantially all of the gas assets of Dominion Energy. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.

- (c) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Juvenile Justice (DJJ)
To: Central Midlands Regional Transit Authority/COMET
(#1075)
Consideration: \$723.80 Administrative fee
\$1
Description/Purpose: To grant a 0.01± acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. 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. The easement is being granted for nominal consideration as it is for the benefit of the agency. DJJ 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.
Additional Information: COMET was previously approved to erect the bus shelter at the Department of Juvenile Justice's Broad River Road Complex near the intersection of Broad River Road and Shivers Road per SFAA approval granted March 30, 2021. However, COMET has indicated that the actual location of the bus shelter was moved without the required approvals due to an unanticipated utility conflict with a 24" gas transmission line. Construction of the bus shelter was completed around February 2023. SFAA is asked to approve the new location of the easement.

- (d) County Location: Richland
From: Midlands Technical College

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

To: Central Midlands Regional Transit Authority/COMET
(#1214)

Consideration: \$723.80 Administrative fee
\$1

Description/Purpose: To grant a 0.01± acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a concrete pad, concrete connection path to the existing entrance sidewalk, bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. COMET will construct an ADA accessible bus stop providing access to the Midlands Technical College's Northeast Campus. 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. The easement will primarily benefit Midlands Technical College, and as such, the College has requested that the easement be granted for nominal consideration. The College 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.

(e) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Health & Environmental Control

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

To: Dominion Energy South Carolina, Inc. (#1208)
Consideration: \$723.80 Administrative fee
\$1
Description/Purpose: To grant a 2.57± acre non-exclusive easement for the installation, operation and maintenance of electric lines and poles and other accessory apparatus and equipment on property of the State Park Health Campus. Dominion Energy will take over the electric infrastructure. 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. The easement is being sought by the Department of Health & Environmental Control to provide electric services to the Public Health and Environmental Lab being constructed along with the remaining State Park Health Campus, and as such, DHEC has requested that the easement be granted for nominal consideration. There are no exceptions requested with regard to the 2022 easement policy.

(f) County Location: Horry
From: Department of Administration on behalf of South Carolina Department of Mental Health (DMH)
To: South Carolina Public Service Authority (#1206)
Consideration: \$723.80 Administrative fee
\$5500.00
Description/Purpose: To grant a .059± acre non-exclusive easement for the right of ingress and egress on property of DMH's Wacammaw Center for Mental Health for the limited purpose to construct, extend, inspect, operate, replace, relocate, allocate, repair and maintain electric lines and facilities to provide electrical service to the Home2 Suites Hotel currently under construction. 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. There are no exceptions requested with regard to the 2022 easement policy.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

- (a) SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100 and 10-1-130
- (b) Exhibits (plats, maps, etc.)
 - a. Dominion Energy South Carolina, Inc. (Burden Creek)
 - b. Dominion Energy South Carolina, Inc. (ICW)
 - c. Central Midlands Regional Transit Authority (DJJ)
 - d. Central Midlands Regional Transit Authority (MTC)
 - e. Dominion Energy South Carolina, Inc. (DHEC)
 - f. South Carolina Public Service Authority (DMH)

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Easements

3. Summary and Background Information:

- (a) County Location: Charleston
From: Department of Administration
To: Dominion Energy South Carolina, Inc. (#1110)
Consideration: \$723.80 Administrative fee
\$336.86
Description/Purpose: To grant a 0.227± acre non-exclusive easement for the construction, installation, operation and maintenance of a underground gas distribution pipeline across Burden Creek on Johns Island. The easement is needed to extend natural gas service down River Road and provide service for planned developments. 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 \$723.80 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Horry
From: Department of Administration
To: Dominion Energy South Carolina, Inc. (#1215)
Consideration: \$723.80 Administrative fee
\$1,379.90
Description/Purpose: To grant a 0.311± acre easement for the construction, installation, operation, replacement, repairs and maintenance of an 8" steel natural gas main beneath the Intracoastal Waterway near Highway 544 in Myrtle Beach. The easement is needed to serve customers in the new Arcadia housing development off of Forestbrook Road as well as commercial customers and will provide critical infrastructure for the Myrtle Beach area. 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 easement will be subject to an assignment to an affiliate or another entity related to the sale or transfer of substantially all of the gas assets of Dominion Energy. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and

submerged lands. There are no exceptions requested with regard to the 2022 easement policy.

- (c) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Juvenile Justice (DJJ)
To: Central Midlands Regional Transit Authority/COMET (#1075)
Consideration: \$723.80 Administrative fee
\$1
Description/Purpose: To grant a 0.01± acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. 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. The easement is being granted for nominal consideration as it is for the benefit of the agency. DJJ 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.
- Additional Information: COMET was previously approved to erect the bus shelter at the Department of Juvenile Justice's Broad River Road Complex near the intersection of Broad River Road and Shivers Road per SFAA approval granted March 30, 2021. However, COMET has indicated that the actual location of the bus shelter was moved without the required approvals due to an unanticipated utility conflict with a 24" gas transmission line. Construction of the bus shelter was completed around February 2023. SFAA is asked to approve the new location of the easement.

- (d) County Location: Richland
From: Midlands Technical College
To: Central Midlands Regional Transit Authority/COMET (#1214)
Consideration: \$723.80 Administrative fee
\$1
Description/Purpose: To grant a 0.01± acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a concrete pad, concrete connection path to the existing entrance sidewalk, bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. COMET will construct an ADA accessible bus stop providing access to the Midlands Technical College's Northeast Campus. 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. The easement will primarily benefit Midlands Technical College, and as such, the College has requested that the easement be granted for nominal consideration. The College 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.

(e) County Location: Richland
From: Department of Administration on behalf of South Carolina
Department of Health & Environmental Control
To: Dominion Energy South Carolina, Inc. (#1208)
Consideration: \$723.80 Administrative fee
\$1
Description/Purpose: To grant a 2.57± acre non-exclusive easement for the installation, operation and maintenance of electric lines and poles and other accessory apparatus and equipment on property of the State Park Health Campus. Dominion Energy will take over the electric infrastructure. 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. The easement is being sought by the Department of Health & Environmental Control to provide electric services to the Public Health and Environmental Lab being constructed along with the remaining State Park Health Campus, and as such, DHEC has requested that the easement be granted for nominal consideration. There are no exceptions requested with regard to the 2022 easement policy.

(f) County Location: Horry
From: Department of Administration on behalf of South Carolina
Department of Mental Health (DMH)
To: South Carolina Public Service Authority (#1206)
Consideration: \$723.80 Administrative fee
\$5500.00
Description/Purpose: To grant a .059± acre non-exclusive easement for the right of ingress and egress on property of DMH's Wacammaw Center for Mental Health for the limited purpose to construct, extend, inspect, operate, replace, relocate, allocate, repair and maintain electric lines and facilities to provide electrical service to the Home2 Suites Hotel currently under construction. 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. There are no exceptions requested with regard to the 2022 easement policy.

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

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

6. Private Participant Disclosure – Check one:

No private participants will be known at the time the Authority considers this agenda item.

A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100 and 10-1-130
- (b) Exhibits (plats, maps, etc.)
 - a. Dominion Energy South Carolina, Inc. (Burden Creek)
 - b. Dominion Energy South Carolina, Inc. (ICW)
 - c. Central Midlands Regional Transit Authority (DJJ)
 - d. Central Midlands Regional Transit Authority (MTC)
 - e. Dominion Energy South Carolina, Inc. (DHEC)
 - f. South Carolina Public Service Authority (DMH)

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-70. Lands subject to Department's control.

All vacant lands and lands purchased by the former land commissioners of the State are subject to the directions of the Department of Administration.

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

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

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

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority, and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority.

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.

April 23, 2024

SCDOA – Real Property Services
1200 Senate Street. Sixth Floor
Columbia, SC 29201

Attn: Brittni Geny
Division of Facilities Management and Property Services

Re: Dominion Energy – Written Justification Explaining what Alternatives to an Easement were Considered for the River Road Gas Main Extension

Dear Ms. Geny,

Dominion Energy is seeking a South Carolina Department of Administration Easement for the project titled “Dominion Energy – River Road Feeder Main”, which involves the extension of an 8” HDPE natural gas main parallel to River Road on Johns Island near Charleston, SC. The easement is required because the proposed gas main crosses Burden Creek (and its associated critical area) enroute to the end destination. The intent of the gas main is to serve residents along the River Road corridor, along with planned developments with frontage on River Road that will use River Road primarily for ingress/egress. The gas main will likely also serve the Charleston Executive Airport as well as future industrial development around the airport. The proposed project path (parallel to River Road) is the most direct route from the existing gas main inside of River Road right-of-way to the end point of the project. This is the most logical and least impactful route for the project area. As a result, the proposed gas distribution main will need to cross Burden Creek, parallel to River Road, resulting in the need for a state easement.

We are requesting a 50-year easement for this project. As justification for the duration of the easement, the life expectancy of the natural gas pipeline is 100 years and it is necessary to have the longest term possible for the operation and maintenance of the pipeline. This facility will be a part of the critical infrastructure for the area and will supply energy for normal uses as well as for emergency power generation during power outages. Residents in this area will rely on the gas main for the foreseeable future as their only source of natural gas.

Thank you for your time, and please do not hesitate to contact me with any questions.

Sincerely,



Bob Horner, PE
HornerR@wseinc.com

HOWELL GEOSPATIAL SURVEYING

191 LARISSA DRIVE
CHARLESTON, SC 29414
OFFICE (843) 647-5563
CELL (843) 819-7496
FAX (843-647-5563
HG-SURVEYING@COMCAST.NET



**EASEMENT PLAT OF
FOR RIVER ROAD (S-10-91), BEING AREA BELOW THE HIGHWATER LINE OVER AND ADJACENT TO
BURDEN CREEK, LOCATED ON JOHNS ISLAND NEAR THE CITY OF CHARLESTON, CHARLESTON COUNTY,
SOUTH CAROLINA**

SURVEY REQUESTED BY DOMINION ENERGY

CITY: NEAR CHARLESTON TOWNSHIP/PARISH: COUNTY: CHARLESTON STATE: SOUTH CAROLINA

SURVEY DATE:
MARCH-APRIL 2019

MAP DATE:
9/2/2022

FIELD BK: 11

DRAWN BY: FLH

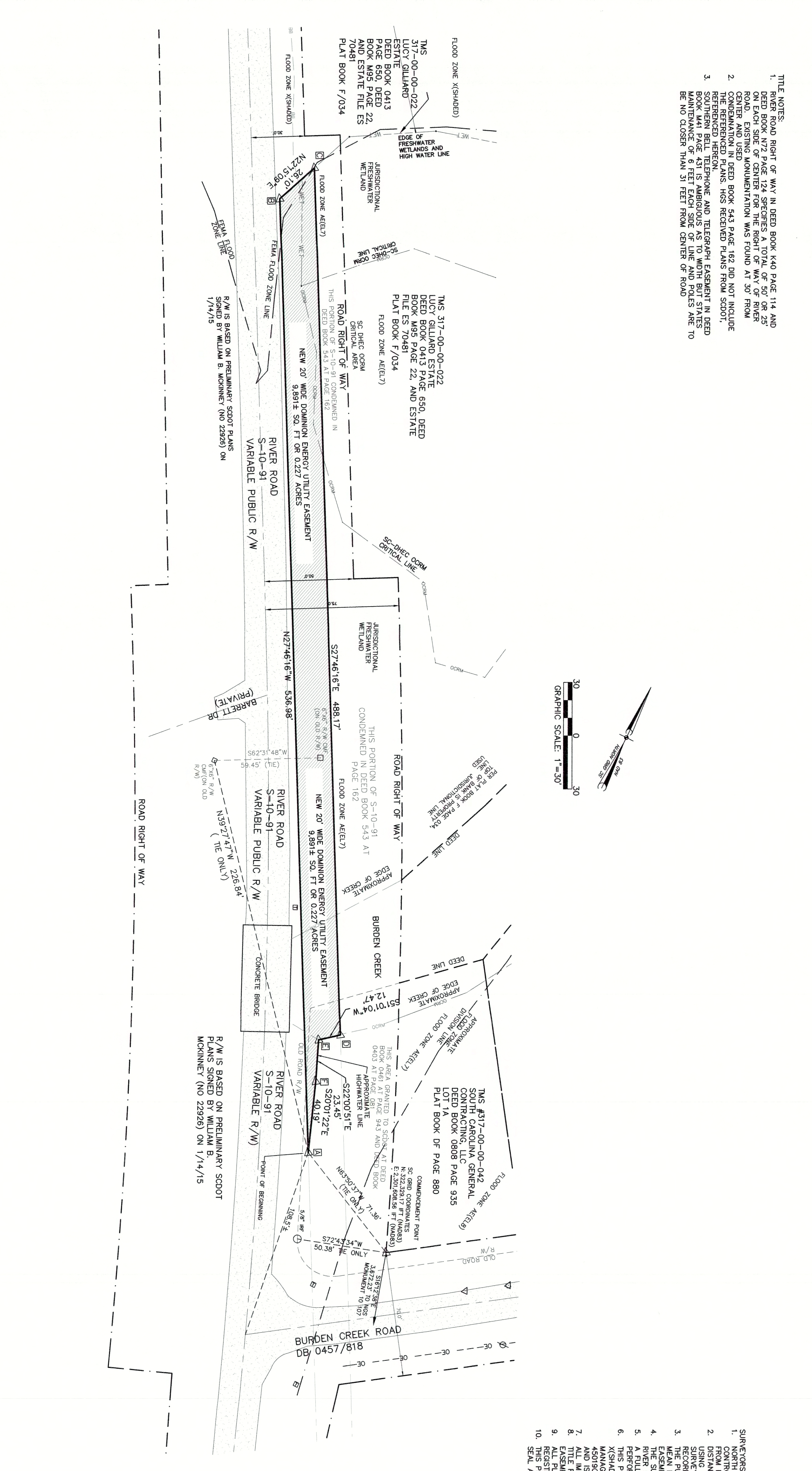
SCALE: 1" = 30'

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA AND THE REQUIREMENTS FOR EASEMENT SURVEYS AS SPECIFIED THEREIN.

Signature
DATE: 9/19/2022

PROJECT \ CLIENT NO.
6671-1

SHEET
1 OF 1



PARCEL OWNERSHIP INFORMATION

SCDOT
TAX PARCEL NUMBER NOT ASSIGNED
DEED BOOKS AS SHOWN
AREA OF NEW 20' WIDE DOMINION ENERGY EASEMENT IS
9.892± SQ. FT OR 0.227 ACRES

TITLE NOTES:

- RIVER ROAD RIGHT OF WAY IN DEED BOOK K40 PAGE 114 AND DEED BOOK N72 PAGE 124 SPECIFIES A TOTAL OF 50' OR 25' ON EACH SIDE OF CENTER FOR THE RIGHT OF WAY OF ROAD. NO CONCRETE MONUMENTATION WAS FOUND AT 50' FROM CENTER AND USED.
- CONDENMATION IN DEED BOOK 543 PAGE 182 DID NOT INCLUDE THE REFERENCED HEREON.
- SOUTHERN BELL TELEPHONE AND TELEGRAPH EASEMENT IN DEED BOOK M41 PAGE 43 IS AMBIGUOUS AS TO WHICH BOTT STATES ARE INTENDED TO BE 15 FEET FROM CENTER OF ROAD AND BE NO CLOSER THAN 51 FEET FROM CENTER OF ROAD.

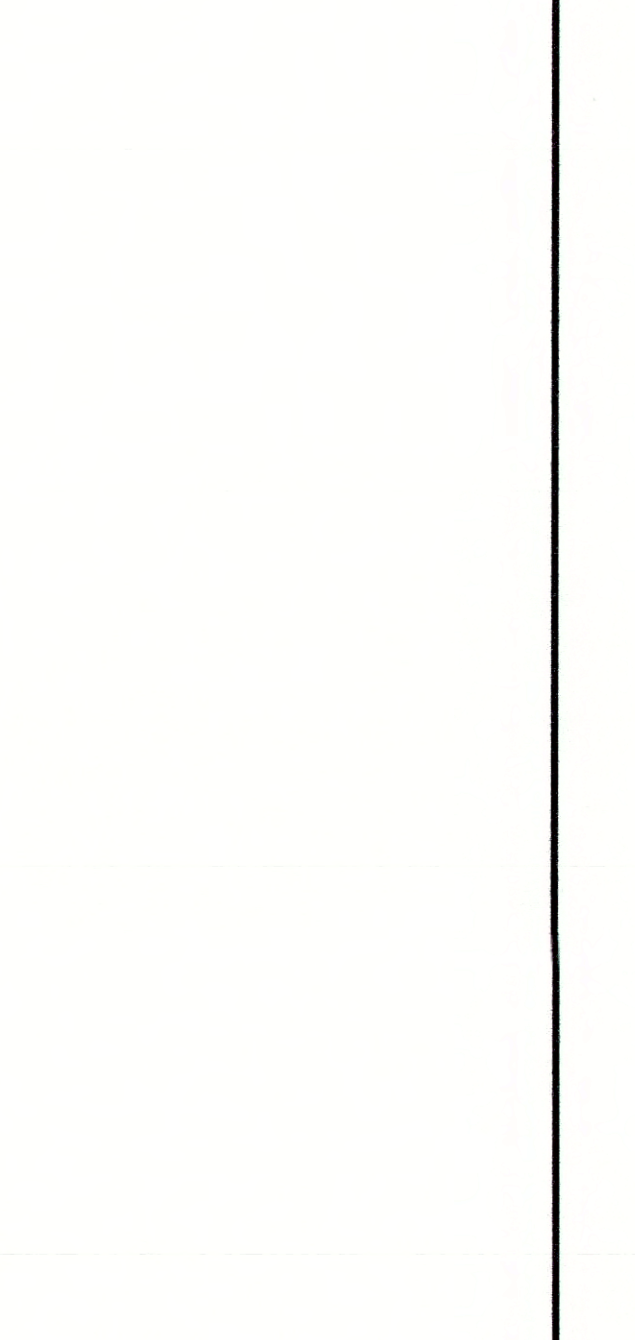
LEGEND

COMPUTED POINT
FIRE HYDRANT
CASINE MARKER
IRON ROD FOUND
IRON PIPE FOUND

POINT LABEL FOR NEW
EASEMENT POINTS
IRON ROD OR PIPE FOUND OR SET
P/F PK (MAG) NAIL FOUND
R/W RIGHT OF WAY
CONCRETE MONUMENT FOUND

NEW EASEMENT LINES
BOUNDARY OR R/W LINE
ADJACENT PROPERTY LINE
SC-DHEC OCRM LINE
PAVEMENT LINE

UTILITY EASEMENT
PAVEMENT



NO.	DATE	REVISION	BY
1	9/7/2022	ENGINEERS COMMENTS	FLH
2	9/9/2022	ENGINEERS COMMENTS	FLH

NEARBY NOTES:

- NORTH ORIENTATION BASED ON SCORS REDUCTION OF SITE CONTROL USING CELLULAR PHONE AND SURVEY GRADE RECEIVERS DISTANCE BEHIND HEREON TO BE HORIZONTAL GROUND DISTANCES USING INTERNATIONAL FEET (FT). ONLY CORNERS SHOWN WERE SURVEYED. OTHER DISTANCES AND BEARINGS TAKEN FROM RECORD DATA.
- THE PURPOSE OF THIS PLAT IS TO SHOW THE LANDS BELOW THE MEAN HIGH WATER MARK OF BURDEN CREEK WITHIN THE EASEMENT AREA.
- A FULL BOUNDARY SURVEY OF THIS PARCEL WAS NOT PERFORMED FOR THIS EASEMENT PLAT.
- THIS PARCEL LIES IN FLOOD ZONE (AE(L)), (AE(L)), AND (X)SHADOWED AS DEPICTED ON FEMA (FEDERAL EMERGENCY MANAGEMENT AGENCY) FIRM (FLOOD INSURANCE RATE MAP) 45019C 558 K WITH A REVISION DATE OF JANUARY 29, 2021, AND IS SHOWN THEREFROM.
- ALL EASEMENTS AND RESTRICTIONS OF RECORD, REGISTERED DEEDS AND DEED REFERENCES ARE TO BE SHOWN.
- TITLE REPORT AND SUPPLIED THIS PARCEL SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.
- ALL PLAY AND DEED REFERENCES ARE TO BE SHOWN.
- THIS PLAT IS INVALID UNLESS IT BEARS THE ORIGINAL RAISED SEAL AND SIGNATURE OF THE SURVEYOR.

Dominion Energy
Gas Distribution
601 Old Taylor Road, Cayce, SC 29033
DominionEnergySC.com



May 7, 2024

SCDOA – Real Property Services
1200 Senate Street, Sixth Floor
Columbia, SC 29201

Attn: Brittni Geny Division of Facilities Management and Property Services

Re: Dominion Energy – Written Justification Explaining what Alternatives to an Easement were Considered for the Collins Tract Growth Feeder under Intracoastal Waterway

Dear Ms. Geny,

Dominion Energy is seeking a South Carolina Department of Administration Easement for the project titled "Dominion Energy – River Road Feeder Main", which involves the extension of an 8" Steel natural gas main parallel to Hwy 544 in Socastee, SC. The easement is required because the proposed gas main crosses the Intracoastal Waterway (ICW) enroute to the end destination. The intent of the gas main is to serve residents along approximately 450 customers in the new Arcadia housing development off Forestbrook Road and all commercial customers along proposed route. In addition to this natural gas main fulfilling these immediate needs, it will be designed for high pressure use in the future that will provide critical infrastructure for the Myrtle Beach area. The proposed project path (parallel to Hwy 544) is the most direct route from the existing gas main located on Hwy 707 to the end point of the project (Forestbrook Drive). This is the most logical and least impactful route for the project area. As a result, the proposed gas distribution main will need to cross Intracoastal Waterway, parallel to Hwy 544 resulting in the need for a state easement.

We are requesting a 50-year easement for this project. As justification for the duration of the easement, the life expectancy of the natural gas pipeline is 100 years and it is necessary to have the longest term possible for the operation and maintenance of the pipeline. Dominion believes this duration to be necessary in the event the gas line is still serving residential and commercial customers so that it will not need to be removed and will give parties an opportunity to renew or otherwise acquire a new easement. This facility will be a part of the critical infrastructure for the area and will supply energy for normal uses as well as for emergency power generation during power outages. Residents in this area will rely on the gas main for the foreseeable future as their only source of natural gas.

Thank you for your time, and please do not hesitate to contact me with any questions.

Sincerely,

Patrick Gibbons

A handwritten signature in black ink, appearing to read "Patrick Gibbons", written over a light blue horizontal line.

AREAS:

0.311 AC. ±
13,531 SQ FT ±

AREA OF HIGH PRESSURE
NATURAL GAS EASEMENT

USGS MONUMENT FOUND
N: 680743.20
E: 2606568.64
SOCASTEE RM 3
PID: DD1620

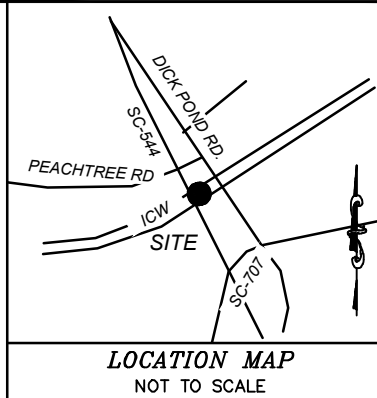
N/F
THE COUNTY OF HORRY
A BODY POLITIC
PIN: 44007040025
DB 2415 PG 435

N/F
HORRY COUNTY BOARD
OF COMMISSIONERS
PIN: 44007040024
DB PG

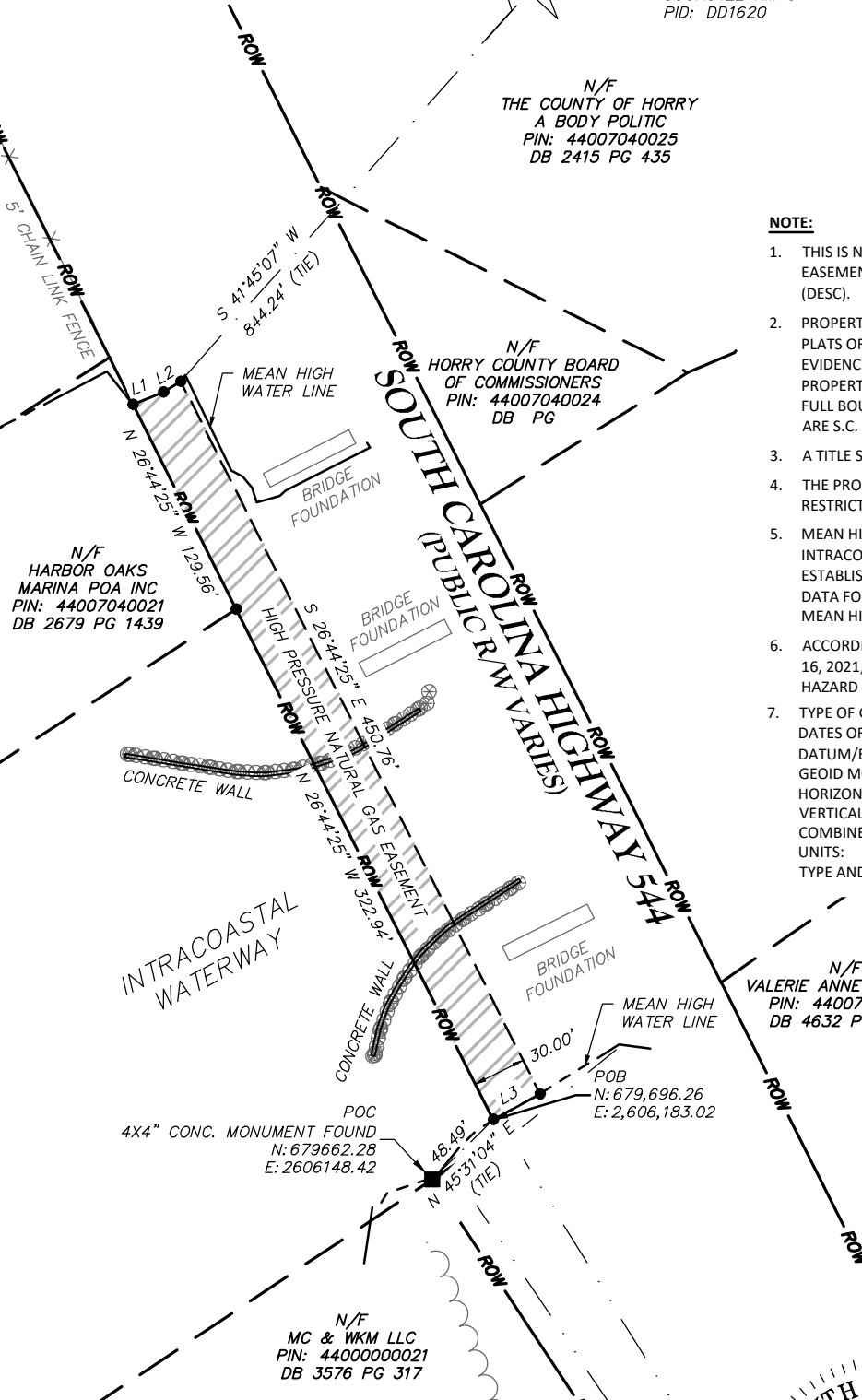
N/F
HARBOR OAKS
MARINA POA INC
PIN: 44007040021
DB 2679 PG 1439

NOTE:

1. THIS IS NOT A SUBDIVISION. THIS 30 FOOT HIGH PRESSURE NATURAL GAS EASEMENT IS BEING CONVEYED TO DOMINION ENERGY SOUTH CAROLINA (DESC).
2. PROPERTY LINES DEPICTED ON THIS EXHIBIT DERIVED FROM DEEDS AND PLATS OF RECORD WITH TIES TO AVAILABLE PROPERTY CORNERS AND OTHER EVIDENCE OF POSSESSION BY FIELD SURVEY. THIS EXHIBIT IS NOT A PROPERTY BOUNDARY SURVEY. ALL PROPERTY LINE LOCATIONS SUBJECT TO FULL BOUNDARY SURVEY OF THE DEPICTED PARCEL. ALL DISTANCES SHOWN ARE S.C. STATE GRID SCALE.
3. A TITLE SEARCH WAS NOT PERFORMED BY CED AT THE TIME OF THIS SURVEY.
4. THE PROPERTY PLATTED HEREON IS SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD
5. MEAN HIGH WATER ESTABLISHED FROM USGS STREAM GAUGE 02110725 INTRACOASTAL WATERWAY NEAR SOCASTEE, SOUTH CAROLINA. ELEVATION ESTABLISHED USING A MEAN AVERAGE OF HIGH WATER, GAUGE HEIGHT DATA FOR THE PERIOD BETWEEN 1999 AND 2024. COMPUTED AVERAGE MEAN HIGH WATER LEVEL EQUALS 1.37' NAVD88.
6. ACCORDING TO F.I.R.M. MAP NO. 45051C PANEL 0695K, DATED DECEMBER 16, 2021, THE PROPERTY SHOWN ON THIS PLAT IS LOCATED IN A FLOOD HAZARD ZONE. ENTIRE SITE INCLUDED. ZONE: AE
7. TYPE OF GPS FIELD PROCEDURE: OPUS STATIC/REAL TIME KINEMATIC
DATES OF SURVEY: 2/28/24
DATUM/EPOCH: NAD83
GEOID MODEL: GEOID18
HORIZONTAL REFERENCE: NAD83/NSRS(2011)
VERTICAL REFERENCE: NAVD88
COMBINED FACTOR UNITS: 0.99979370
UNITS: INTERNATIONAL FOOT
TYPE AND MODEL OF GPS RECEIVER USED: TRIMBLE R12



SC STATE GRID
(NAD83 2011)



INTRACOASTAL
WATERWAY

SOUTH CAROLINA HIGHWAY 544
(PUBLIC ROW VARIES)

POB
N: 679,696.26
E: 2,606,183.02

POC
N: 679662.28
E: 2606148.42

N/F
MC & WKM LLC
PIN: 44000000021
DB 3576 PG 317

N/F
VALERIE ANNE BAGGOTT
PIN: 44007040022
DB 4632 PG 2035

LEGEND

POB = POINT OF BEGINNING
POC = POINT OF COMMENCEMENT
DB = DEED BOOK
PG = PAGE

- COMPUTED POINT
- [Hatched Box] HIGH PRESSURE NATURAL GAS EASEMENT
- ⊗ BOLLARD
- SUBJECT BOUNDARY LINE
- ADJOINER BOUNDARY LINE
- RIGHT OF WAY (R/W)
- ROW
- FENCE
- EDGE OF ASPHALT
- EDGE OF CONCRETE
- HIGH PRESSURE NATURAL GAS EASEMENT
- EDGE OF WATER
- MEAN HIGH WATER LINE
- TREE LINE

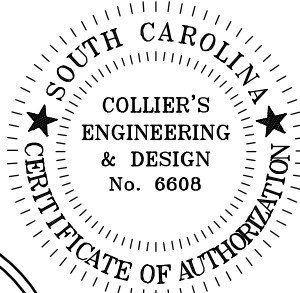
LINE DATA

SEGMENT	DIRECTION	LENGTH
L1	N 68° 12' 04" E	18.63'
L2	N 58° 00' 40" E	11.49'
L3	S 60° 59' 56" W	30.02'

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, 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 THEREIN.

Steve M. Hardy
STEVEN M. HARDY

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR
LICENSE NO. 16810



GEODETTIC AND SC STATE GRID POINT DATA

HORIZONTAL DATUM: NAD 83 (2011)
POINT OF BEGINNING
SC GRID COORDINATES
NORTH: 679,696.26'
EAST: 2,606,183.02'
GEODETTIC COORDINATES
LATITUDE: 33.688283
LONGITUDE: 79.005500



1-800-251-7234
dominionenergy.com

LAST REVISED ---- 3/21/2024 ---- REV1



02121001622A Survey\Exhibits\21001622A - Exhibit - Intracoastal Waterway.dwg, Sheet 1 By: SADAMS



Engineering & Design,
Architecture,
Landscape
Architecture,
Surveying CT, P.C.

www.colliersengineering.com



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HIGH PRESSURE NATURAL GAS EASEMENT EXHIBIT FOR
DOMINION ENERGY SOUTH CAROLINA, INC.
STATE EASEMENT CROSSING THE INTRACOASTAL WATERWAY SOCASTEE BOULEVARD CITY OF MYRTLE BEACH HORRY COUNTY SOUTH CAROLINA

811
PROTECT YOURSELF
ALL STATES REQUIRE NOTIFICATION OF EXCAVATORS, DESIGNERS, OR ANY PERSON PREPARING TO DISTURB THE EARTH'S SURFACE ANYWHERE IN ANY STATE
Know what's below. Call before you dig.
888-721-7877
FOR STATE SPECIFIC DIRECT PHONE NUMBERS VISIT: WWW.CALL811.COM

Colliers
Engineering & Design,
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Landscape
Architecture,
Surveying CT, P.C.
WILMINGTON
301 Government Center Drive
Suite 201
Wilmington, NC 28403
Phone: 910.444.3517
COLLIERS ENGINEERING & DESIGN,
ARCHITECTURE, LANDSCAPE
ARCHITECTURE, SURVEYING CT, P.C.
DOING BUSINESS AS MASER CONSULTING

HIGH PRESSURE NATURAL GAS EASEMENT EXHIBIT

SCALE: 1" = 100'	DATE: 3/8/24	DRAWN BY: SA	CHECKED BY: CH
PROJECT NUMBER: 21001622A	DRAWING NAME: 21001622A - EXHIBIT - INTRACOASTAL WATERWAY		
SHEET TITLE: DEED BOOK: PAGE:		HIGH PRESSURE NATURAL GAS EASEMENT EXHIBIT	
SHEET NUMBER: 1 of 1			



L. Eden Hendrick
Executive Director

P.O. Box 21069
Columbia, SC 29221-1069
djj.sc.gov

Henry McMaster
Governor



April 15, 2024

Brittni Geny
South Carolina Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Ms. Geny:

The South Carolina Department of Juvenile Justice requests approval for an easement agreement with CMRTA (COMET) for an ADA accessible bus stop on Broad River Road near the intersection of Shivers Road and is a portion of TMS Number R07503-01-01 fronting Broad River Road (US 176). This easement would serve to primarily benefit the parents who visit our youth, staff, and the local community. The requested easement for a bus shelter would be an improvement to the existing bus stop in terms of seating, walkways, ADA accessibility, and overall shelter for our visitors, staff, and local community. Additionally, as a result of the partnership our visitors and staff will benefit in the following ways:

- Cost savings on gas, parking, and other car-related expenses.
- Opportunity to visit youth more frequently and at an affordable cost, especially for those that do not have private transportation.
- Increase safety by minimizing the potential for accidents to and from our location.

We look forward to a long and mutually advantageous relations through this easement request and thank you in advance for your consideration in its approval.

Sincerely,

L. Eden Hendrick
Executive Director

c: Michele Mahon, Procurement Director
file



April 11, 2024

The COMET, officially the Central Midlands Regional Transit Authority (CMRTA), is a regional transportation authority formed by Richland County, City of Columbia, and Lexington County on April 24, 2000, by the Central Midlands Council of Governments. The COMET consists of an intergovernmental agreement signed by Richland County, City of Columbia, City of Forest Acres and Lexington County to fund, operate and maintain public transit services in the Central Midlands area.

The COMET currently runs an existing bus route along Broad River Road (The 801) and services an existing bus stop (#1654) at the intersection of Broad River Road and Shivers Road. After a review of ridership trends at bus stops throughout the COMET system it was determined that stop #1654 at Broad River Road and Shivers Road met the requirements to install a bus shelter. The property owner behind the sidewalk in this area is the South Carolina Department of Juvenile Justice. This was discussed with staff of the Department of Juvenile Justice and a decision was made to pursue adding a shelter at this stop with COMET taking the lead in terms of funding, design, and permitting. This will benefit the Department of Juvenile Justice by providing an ADA accessible bus stop adjacent to their career readiness center for those staff or patrons who utilize public transportation.

The COMET is therefore officially requesting an easement on the Department of Juvenile Justice property for an ADA accessible bus stop which includes a shelter, bench, trashcan, and bus stop sign with a duration of 50 years. The 50 year duration is requested due to the upfront cost of installing infrastructure within the easement area.

Jackie E. Bowers
Director of Operations

803.255.7132 - O | 803.255.7113 - F

Central Midlands Regional Transit Authority
3613 Lucius Road
Columbia, SC 29201

www.catchthecometsc.org
MPearl@thecometsc.gov



Central Midlands Regional Transit Authority
3613 Lucius Road
Columbia, SC 29201

803.255.7133 - p
803.255.7113 - f
info@TheCOMETSC.gov

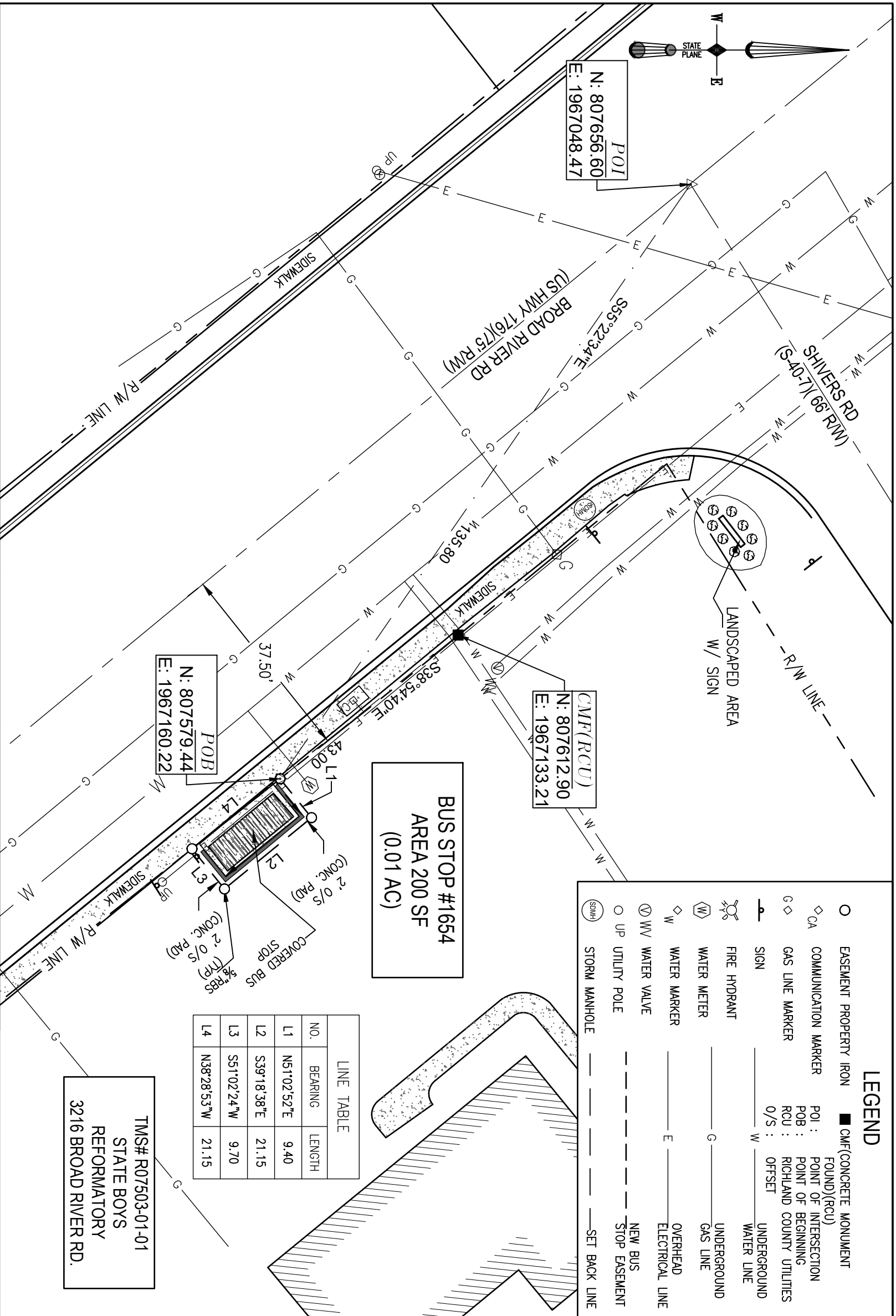
CatchTheCOMETSC.gov

Maurice Pearl, Executive Director/CEO
Allison Terracio, Chair
John V. Furgess, Sr., Vice Chair
Christopher Lawson, Secretary
Dr. Robert Morris, Treasurer

Board Members:

Will Brennan, Stephen Cain, Carolyn Gleaton, Mike Green, Tina Herbert, Leon Howar Jenkins, Al Koon, Lill Mood, Geraldine Robinson, Andy Smith, Debbie Summers, Wil [B.J.] Unthank, Overture Walker

~NEW EASEMENT LOCATION~



LEGEND

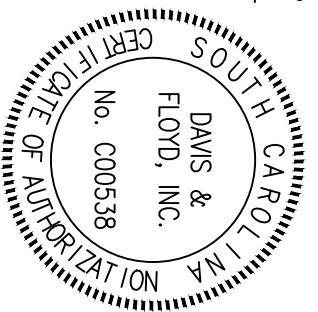
- EASEMENT PROPERTY IRON
- CMF(Concrete Monument Found)(RCU)
- ◇ CA COMMUNICATION MARKER
- ◇ GAS LINE MARKER
- SIGN
- ⊙ FIRE HYDRANT
- ⊙ WATER METER
- ⊙ WATER MARKER
- ⊙ WV WATER VALVE
- UP UTILITY POLE
- ⊙ STORM MANHOLE
- POINT OF INTERSECTION
- POB : POINT OF BEGINNING
- RCU : RICHLAND COUNTY UTILITIES
- O/S : OFFSET
- UNDERGROUND WATER LINE
- UNDERGROUND GAS LINE
- OVERHEAD ELECTRICAL LINE
- NEW BUS STOP EASEMENT
- SET BACK LINE

LINE TABLE

NO.	BEARING	LENGTH
L1	N51°02'52"E	9.40
L2	S39°18'38"E	21.15
L3	S51°02'24"W	9.70
L4	N38°28'53"W	21.15

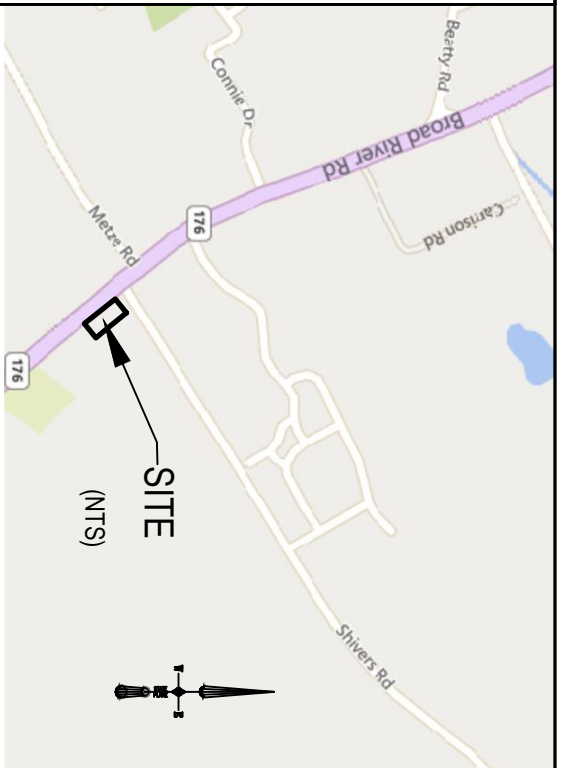
TMS# R07503-01-01
STATE BOYS REFORMATORY
3216 BROAD RIVER RD.

SURVEYOR	CHECKED	JOB NO.	
A. ANDERSON	J. POOLE	13827-00(0014)	
DRAWN	APPROVED	DATE	
M.L. MONTGOMERY	J. POOLE	12/12/2023	
NO.	REVISED	CHK.	DATE



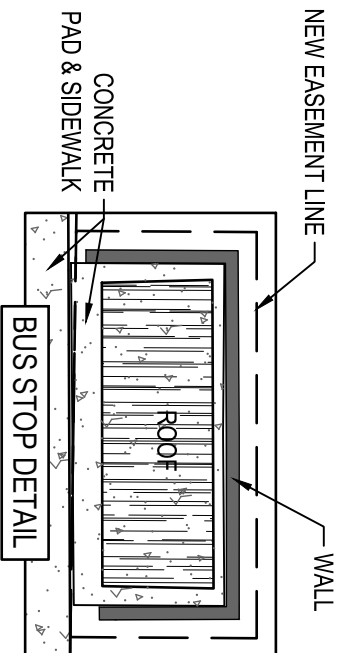
I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

JEFFREY W. POOLE
PLS# 18267 864-229-5211
4-16-24



NOTES:

1. ACCORDING TO FEMA FIRM MAP PANEL NUMBER 45079C0236 L LAST REVISED DECEMBER 21, 2017, THIS PROPERTY LIES TOTALLY OUTSIDE THE 100-YEAR FLOOD ZONE IN ZONE AE.
2. DISTANCES SHOWN ARE BASED ON GRID DISTANCES AND BEARINGS AS SHOWN ARE REFERENCED TO SC GRID NORTH (NAD 83/2011).



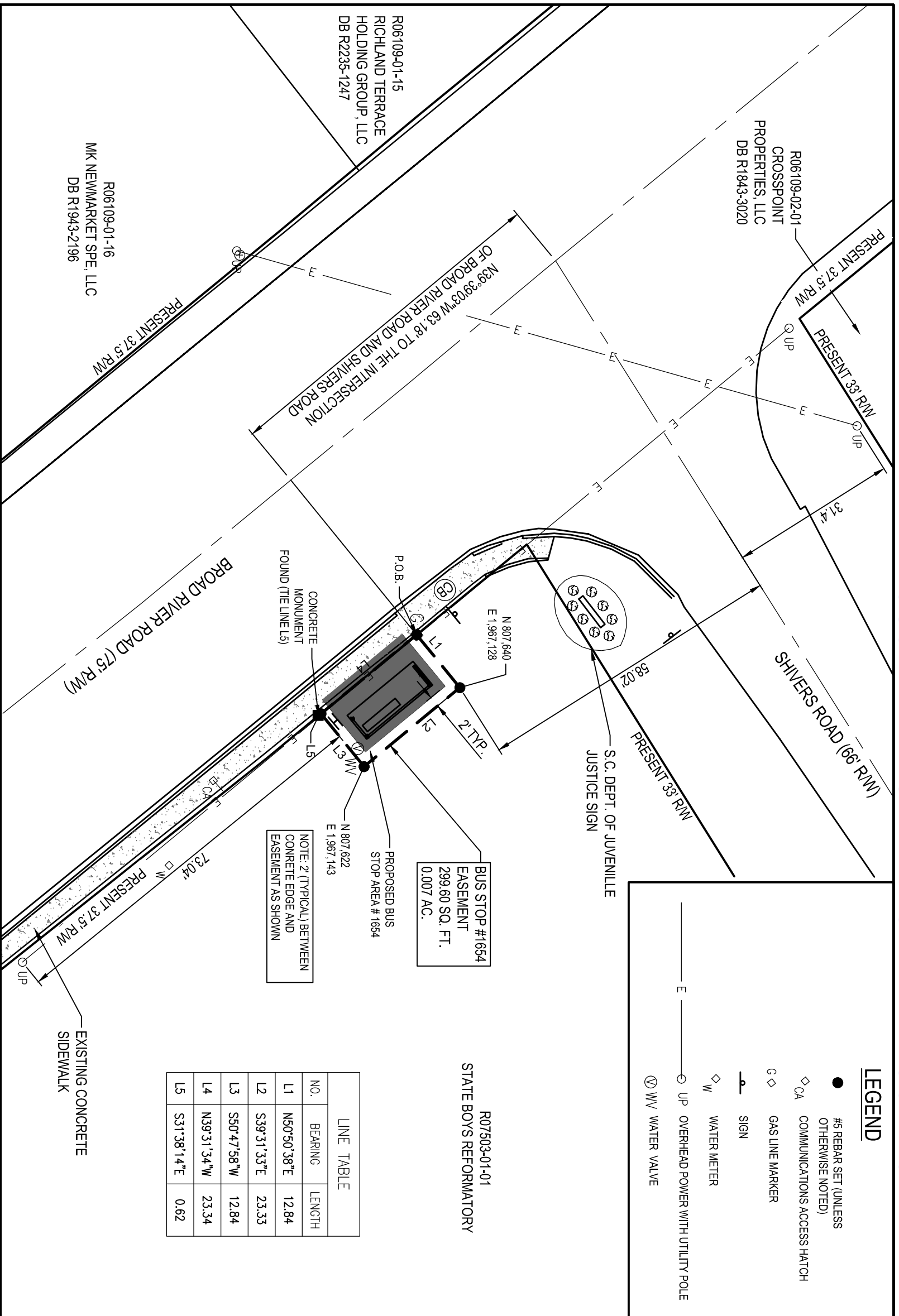
**BUS STOP #1654
EASEMENT PLAT**
FOR A PORTION OF TAX MAP NUMBER
R07503-01-01
PREPARED FOR
COMET
LOCATED IN
RICHLAND COUNTY, SOUTH CAROLINA
BY
DAVIS & FLOYD
SINCE 1954

1319 HIGHWAY 72-221 EAST
GREENWOOD, SOUTH CAROLINA 29649



SCALE: 1" = 20'

~PREVIOUSLY APPROVED EASEMENT LOCATION~



LEGEND

- #5 REBAR SET (UNLESS OTHERWISE NOTED)
- ◇ CA COMMUNICATIONS ACCESS HATCH
- ◇ GAS LINE MARKER
- SIGN
- WATER METER
- OVERHEAD POWER WITH UTILITY POLE
- ⊕ WY WATER VALVE

BUS STOP #1654
EASEMENT
299.60 SQ. FT.
0.007 AC.

NOTE: 2' (TYPICAL) BETWEEN
CONCRETE EDGE AND
EASEMENT AS SHOWN

NO.	BEARING	LENGTH
L1	N50°50'38"E	12.84
L2	S39°31'33"E	23.33
L3	S50°47'58"W	12.84
L4	N39°31'34"W	23.34
L5	S31°38'14"E	0.62

R07503-01-01
STATE BOYS REFORMATORY

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

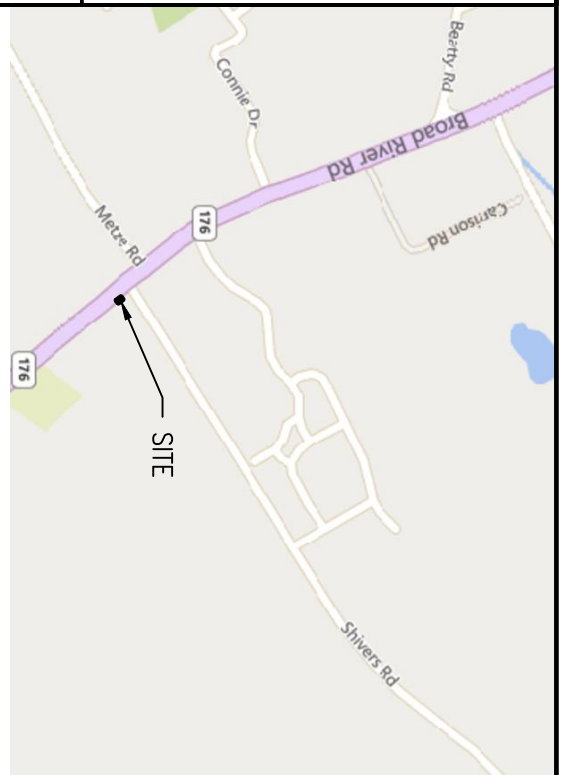
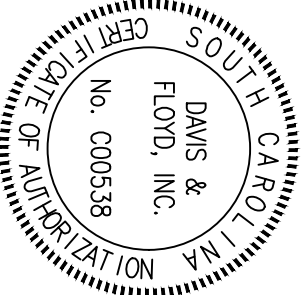
JEFFREY W. POOLE PLS# 18267 864-229-5211

ACAD DWG - J:\JOBS\000\13827-00\PRODUCTION\SURVEY\BUS STOP SITE 1654_SIVERS\13827-00.COMET EASEMENT PLAT_SIVERS ROAD 1654.DWG, PLOTTED BY: USA BUCHANAN, PLOTTED: 12 JANUARY 2021 - 18:19:22

SURVEYOR	CHECKED	JOB NO.
A. ANDERSON	J. POOLE	13827-00

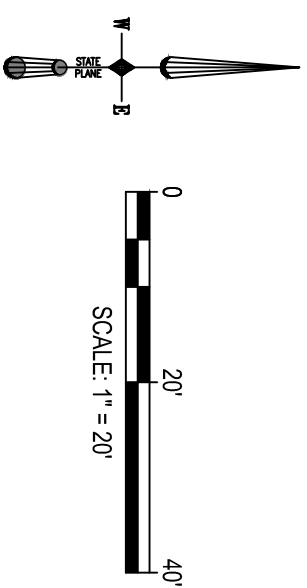
DRAWN	APPROVED	DATE
L. BUCHANAN	J. POOLE	12/17/2020
	REVISED	

NO. CHK. DATE



LOCATION MAP 1" = 800'

- NOTES:**
1. ACCORDING TO FEMA FIRM MAP PANEL NUMBER 45079C0236 L LAST REVISED DECEMBER 21, 2017, THIS PROPERTY LIES TOTALLY OUTSIDE THE 100-YEAR FLOOD ZONE IN ZONE AE.
 2. DISTANCES SHOWN ARE BASED ON GROUND DISTANCES AND BEARINGS AS SHOWN ARE REFERENCED TO SC GRID NORTH (NAD 83/2011).



THE PURPOSE OF THIS PLAT IS TO GRANT AN EASEMENT FOR BUS STOP AREA #1654 FROM THE STATE BOYS REFORMATORY TO COMET, AS SHOWN.

**BUS STOP #1654
EASEMENT PLAT**
FOR A PORTION OF TAX MAP NUMBER
R07503-01-01
PREPARED FOR
COMET
LOCATED IN
RICHLAND COUNTY, SOUTH CAROLINA
BY
DAVIS & FLOYD
SINCE 1954

1319 HIGHWAY 72-221 EAST
GREENWOOD, SOUTH CAROLINA 29649



February 26, 2024

Brittini Geny
South Carolina Department of Administration
1200 Senate Street
Columbia, SC 29201

Dear Ms. Geny:

Midlands Technical College requests approval for an easement agreement with CMRTA (COMET) for an ADA-accessible bus stop on our Northeast Campus. This easement would serve to primarily benefit the College and our students. The requested easement for a bus shelter would be an improvement to the existing bus stop in terms of seating, walkways, ADA accessibility, and overall shelter for our students, faculty, and staff. Additionally, as a result of this partnership, our students, faculty, and staff will benefit in the following ways:

- Cost savings on gas, parking, and other car-related expenses
- Opportunity to study or complete assignments/grading during the commute
- Increase student, faculty, and staff safety by minimizing the potential for accidents to and from school

We look forward to a long and mutually advantageous relationship through this easement request and thank you in advance for your consideration in its approval.

Sincerely,

A handwritten signature in blue ink that reads 'Debbie M. Walker'.

Debbie M. Walker, MBA, CGFO
Midlands Technical College
Vice President for Business Affairs

Cc: Peter B. Hemans



The COMET, officially the Central Midlands Regional Transit Authority (CMRTA), is a regional transportation authority formed by Richland County, City of Columbia, and Lexington County on April 24, 2000, by the Central Midlands Council of Governments. The COMET consists of an intergovernmental agreement signed by Richland County, City of Columbia, City of Forest Acres and Lexington County to fund, operate and maintain public transit services in the Central Midlands area.

The COMET has an existing agreement with Midlands Technical College to provide reduced fare rides to students and faculty of the college. After a review of ridership trends at bus stops throughout the COMET system it was determined that stop #3203 at Midlands Technical College met the requirements to install a bus shelter. This was discussed with staff of Midlands Technical College and a joint decision was made to pursue adding a shelter at this stop with COMET taking the lead in terms of funding, design, and permitting. This will benefit Midlands Technical College by providing an ADA accessible bus stop for students and faculty of the college who utilize public transportation.

The COMET is therefore officially requesting an easement on the Midlands Technical College Campus to construct an ADA accessible bus stop to include a shelter, bench, trashcan and bus stop sign with a duration of 50 years. The 50 year duration is requested due to the upfront cost of installing infrastructure within the easement area.

Sincerely,

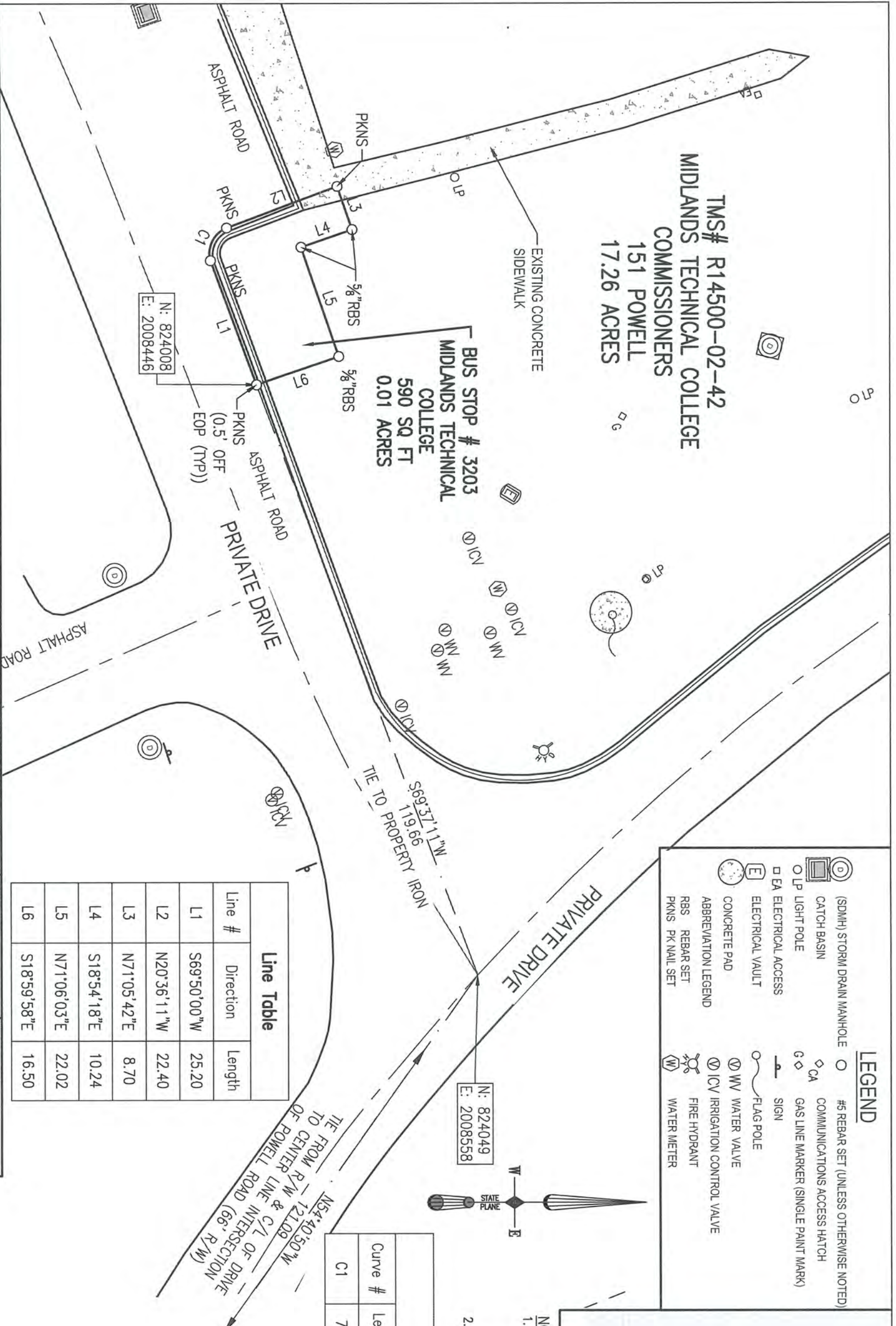
A handwritten signature in black ink that reads "Jackie E. Bowers". The signature is written in a cursive style with a large initial "J".

Jackie E. Bowers
The COMET
Director of Operations
jbowers@thecometsc.gov

Board Members:

TMS# R14500-02-42
 MIDLANDS TECHNICAL COLLEGE
 COMMISSIONERS
 151 POWELL
 17.26 ACRES

BUS STOP # 3203
 MIDLANDS TECHNICAL COLLEGE
 590 SQ FT
 0.01 ACRES



LEGEND

- (SDMH) STORM DRAIN MANHOLE
- #5 REBAR SET (UNLESS OTHERWISE NOTED)
- CATCH BASIN
- ◇ CA COMMUNICATIONS ACCESS HATCH
- LP LIGHT POLE
- ◇ GAS LINE MARKER (SINGLE PAINT MARK)
- EA ELECTRICAL ACCESS
- SIGN
- FLAG POLE
- E ELECTRICAL VAULT
- WW WATER VALVE
- CONCRETE PAD
- ICV IRRIGATION CONTROL VALVE
- ABBREVIATION LEGEND
- RBS REBAR SET
- FIRE HYDRANT
- PMS PK NAIL SET
- WATER METER

Line Table

Line #	Direction	Length
L1	S69°50'00"W	25.20
L2	N20°36'11"W	22.40
L3	N71°05'42"E	8.70
L4	S18°54'18"E	10.24
L5	N71°06'03"E	22.02
L6	S18°59'58"E	16.50

Curve Table

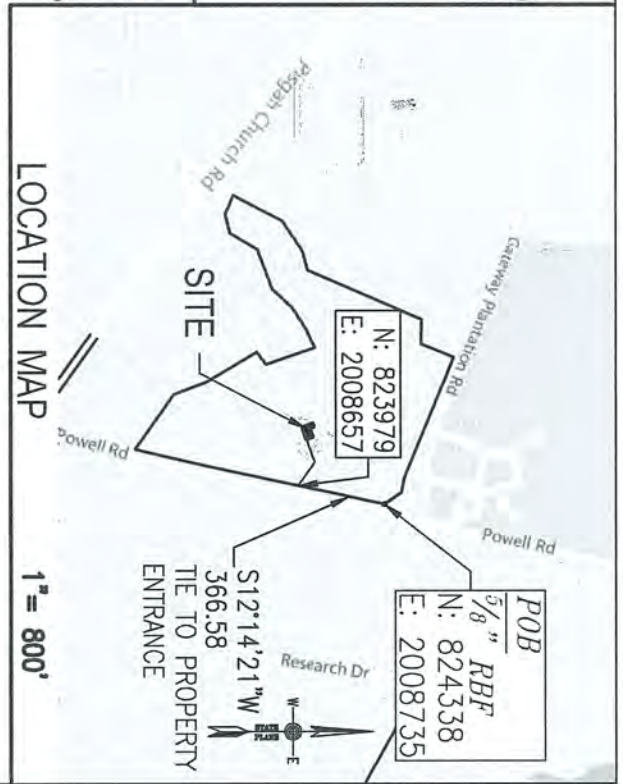
Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C1	7.58	5.20	83°25'34"	N63°48'37"W	6.92

THE PURPOSE OF THIS PLAT IS TO GRANT AN EASEMENT FOR BUS STOP AREA #3203 FROM THE MIDLANDS TECHNICAL COLLEGE TO COMET, AS SHOWN.

BUS STOP #3203
 EASEMENT PLAT
 FOR A PORTION OF TAX MAP NUMBER
 R14500-02-42
 PREPARED FOR
 COMET
 LOCATED IN
 RICHLAND COUNTY, SOUTH CAROLINA

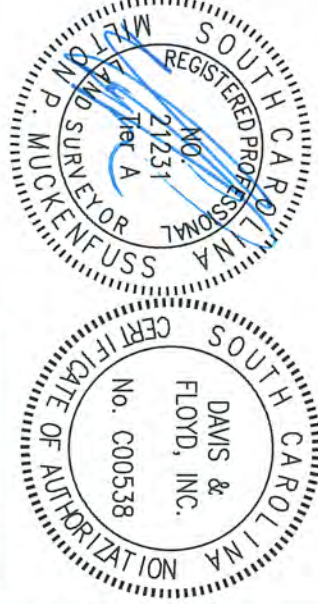
DAVIS & FLOYD
 SINCE 1954

SURVEYOR	CHECKED	JOB NO.
A. ANDERSON	J. POOLE	13827-00
DRAWN	APPROVED	DATE
M. MONTGOMERY	J. POOLE	10/03/2023
NO	REVISED	CHK. DATE



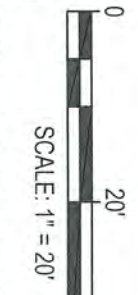
- NOTES:**
1. ACCORDING TO FEMA FIRM MAP PANEL NUMBER 45079C0251L LAST REVISED DECEMBER 21, 2017, THIS PROPERTY LIES TOTALLY OUTSIDE THE 100-YEAR FLOOD ZONE IN ZONE X (AREAS OF MINIMAL FLOOD HAZARD). COMMUNITY PANEL # 450172
 2. DISTANCES SHOWN ARE BASED ON GROUND DISTANCES AND BEARINGS AS SHOWN ARE REFERENCED TO SC GRID NORTH (NAD 83/2011).

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.



MILTON P MUCKENFUSS
 REG. LAND SURVEYOR
 NO. 21231
 CLASS "A"

DAVIS & FLOYD, INC.
 CERTIFICATE OF AUTHORIZATION
 NO. C000538



1319 HIGHWAY 72-221 EAST
 GREENWOOD, SOUTH CAROLINA 29649



05/01/2024

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Easement for Dominion Energy at State Park Health Campus

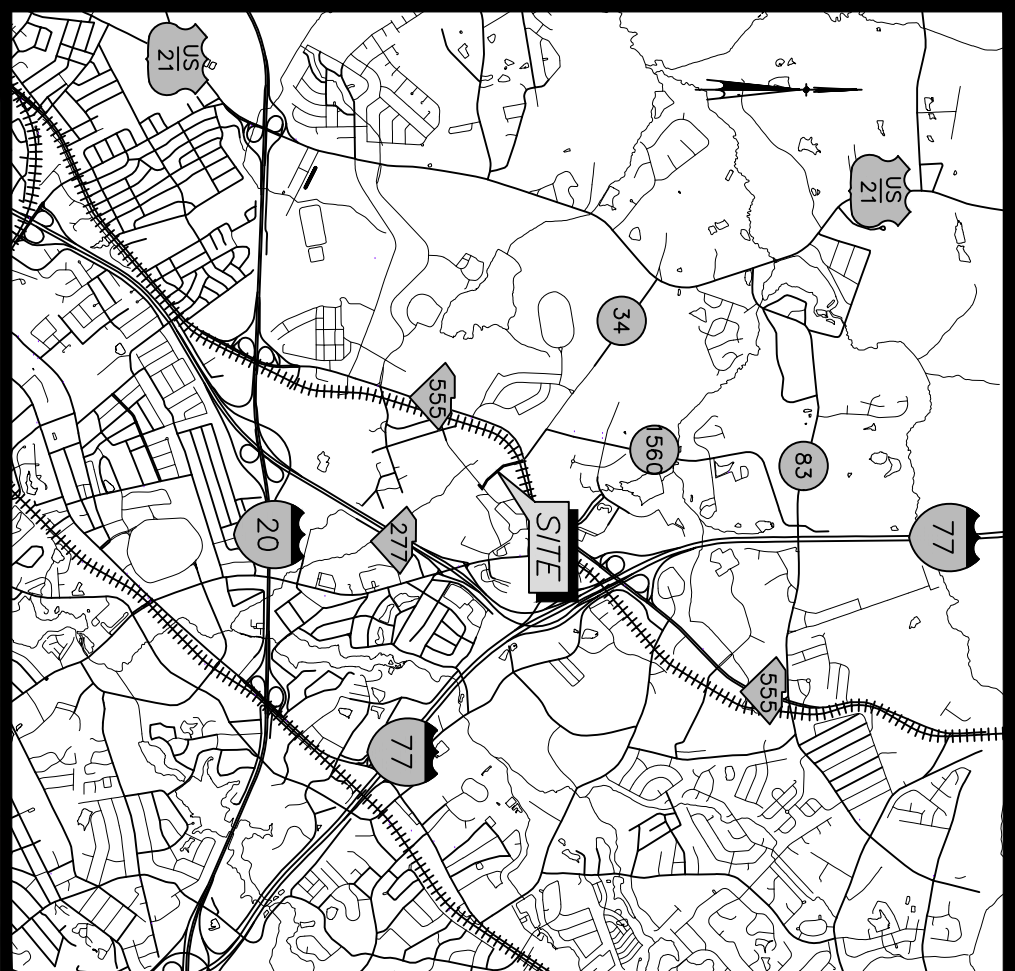
Dear Ms. Lancaster:

The Department of Health and Environmental Control (DHEC) requests approval from the State Fiscal Accountability Authority to execute an easement with Dominion Energy (Dominion) at the State Park Health Campus. This would allow Dominion to install power lines for the new Public Health and Environmental Lab (PHEL). The PHEL power will be brought in on the new power lines that are being installed off Parklane Rd. to the rear of the building. With this easement, DHEC will also look at replacing the power lines that DHEC currently owns that provide power to the remaining buildings on the campus. DHEC currently owns approximately 5,500 feet of utility lines that were installed during the construction of the Tuberculosis hospital. We are constantly repairing or replacing 75-year-old power poles and trimming trees back on power line right of way through the woods. To allow Dominion take over the ownership and maintenance would allow DHEC staff to maintain the rest of the campus. The easement should be for 50 years as the new lab is being designed as a 40+ year building. As Dominion is the utility provider for the area, We (DHEC) there are no other options for power.

Thank you for the consideration of this request and please let me know if you need additional information.

Sincerely,

Darbi C. MacPhail, CFO



STATE GRID NORTH
BY GNSS
FROM SCVRS
NAD83 (2011)



GEODETTIC AND SC STATE GRID POINT DATA

HORIZONTAL DATUM: NAD83 (2011)
VERTICAL DATUM: NAVD 88
POINT NUMBER: 300
SC GRID COORDINATES
NORTH: 821,895.80'
EAST: 2,010,728.21'
GEODETTIC COORDINATES:
LATITUDE: N 34°05'32.3429"
LONGITUDE: W 80°57'52.4170"
POINT NUMBER: 323
SC GRID COORDINATES
NORTH: 821,284.74'
EAST: 2,011,777.40'
GEODETTIC COORDINATES:
LATITUDE: N 34°05'26.2933"
LONGITUDE: W 80°57'39.9425"
COORDINATE DERIVATION: GNSS
COMBINED REDUCTION FACTOR: 0.99990496
MEASUREMENTS SHOWN ARE FIELD SURVEY DISTANCES.
NOTE: THIS THE DATA TO BE USED FOR LOCATION ONLY.

PROPOSED EASEMENT 2.57 ACRES

PT-PT	BEARING	DISTANCE
300-301	N 78°58'03" E	120.82'
301-302	S 86°20'13" E	165.86'
302-303	S 86°19'48" E	182.36'
303-304	S 86°16'36" E	145.78'
304-305	N 10°01'02" W	158.95'
305-306	N 10°04'44" W	169.99'
306-307	S 78°59'42" W	148.12'
307-308	S 78°42'17" W	284.65'
308-309	N 11°17'43" W	15.00'
309-310	N 11°17'43" W	284.65'
310-311	N 78°42'17" E	284.65'
311-312	N 78°59'42" E	178.77'
312-313	S 10°04'44" E	200.68'
313-314	S 10°01'02" E	174.49'
314-315	S 36°53'21" E	312.98'
315-316	S 36°32'30" E	205.02'
316-317	S 36°22'56" E	188.21'
317-318	N 89°48'24" E	135.59'
318-319	N 88°25'26" E	150.70'
319-320	S 01°34'34" E	15.00'
320-321	S 01°34'34" E	15.00'
321-322	S 88°25'26" W	151.06'
322-323	S 89°48'24" W	151.18'
323-324	N 36°22'56" W	172.91'
324-325	S 24°31'42" W	139.18'
325-326	S 53°20'33" W	222.14'
326-327	S 53°20'33" W	30.00'
327-328	N 53°20'33" E	214.43'
328-329	N 24°31'42" E	148.14'
329-330	N 36°32'30" E	185.50'
330-331	S 72°55'03" E	235.78'
331-332	S 61°27'49" W	227.15'
332-333	S 66°46'15" W	271.03'
333-334	S 69°55'28" W	301.19'
334-335	N 27°03'49" W	290.83'
335-336	N 62°56'11" E	15.00'
336-337	N 62°56'11" E	15.00'
337-338	S 27°03'49" E	284.38'
338-339	S 27°03'49" E	273.82'
339-340	N 66°46'15" E	268.82'
340-341	N 61°27'49" E	228.77'
341-342	N 72°55'03" E	228.04'
342-343	N 86°19'48" W	182.36'
343-344	N 86°19'48" W	161.46'
344-345	S 78°58'03" W	116.41'
345-346	N 13°01'57" W	15.00'
346-347	N 13°01'57" W	15.00'

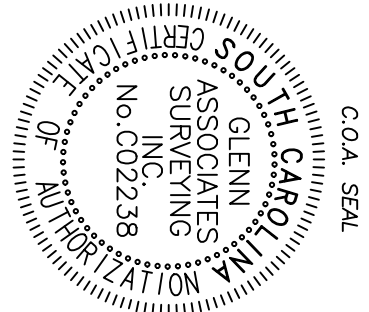
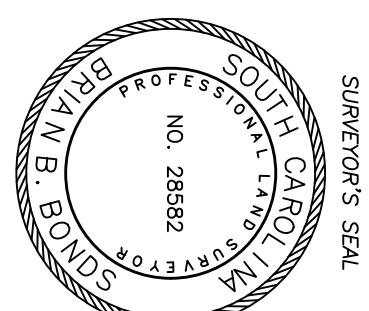
**PROPOSED EASEMENT FOR
SC DHEC - STATE PARK**
LOCATED NORTHEAST OF COLUMBIA
RICHLAND COUNTY, SOUTH CAROLINA
MAY 02, 2024

SCALE: 1 INCH = 60 FEET

SURVEYED BY GLENN ASSOCIATES SURVEYING, INC.
P.O. BOX 12 JENKINSVILLE, S.C. 29066 telephone (803) 345-5297

BRIAN B. BONDS, S.C.P.L.S. # 28582

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS AND METS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.
PHOTOGRAPHY: SC GEODETTIC 2020



REVISION SCHEDULE

NO.	DATE	DESCRIPTION	CHECKED
1	5/2/24	ADD TRANSFORMER AND CONDUIT	BBB

NOTE:
1. NO PRINT OR ELECTRONIC COPY OF THIS PLAT IS CERTIFIED BY GLENN ASSOCIATES SURVEYING, INC. UNLESS IT BEARS THE ORIGINAL SIGNATURE AND IMPRESSION SEAL OF THE RESPONSIBLE SURVEYOR SHOWN HEREON.

May 29, 2024

South Carolina Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, 6th Floor
Columbia, SC 29201
ATTN: Linda Gordon

Amanda L. Callander

Attorney

Office of General Counsel

(843) 761-7012

fax: (843) 761-4010

amanda.callander@santeecooper.com

RE: **Easement Application of South Carolina Public Service Authority for an electrical distribution easement across property of SC Department of Mental Health in order to serve power to adjacent property**

Dear Linda,

Please find attached the completed State Easement Application with all attachments.

We have requested an easement, as opposed to a lease or license, due to the nature of the use - the distribution of electrical power to an adjacent parcel. A license is inappropriate in this instance because a license does not convey an interest in property sufficient to give assurance that our right will continue for the extended duration that an easement does. A lease is also inappropriate in this instance because leases generally convey a more temporary right in property and subject the lease holder to potential eviction. The rights of Santee Cooper in constructing and maintaining this power line need to be of a more permanent nature to justify the expense and to ensure our customer that we can reliably provide the power to their parcel for a long term.

For the same reasons conveyed above, we are requesting that the term be for the maximum time period allowed, 50 years.

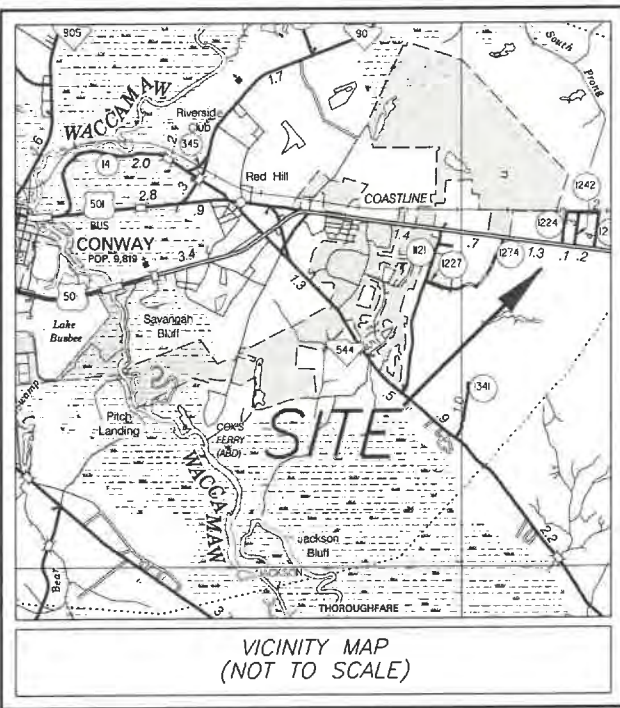
In addition, we will be submitting payment in the amount of \$6,223.80 which is the calculated cost of the appraised easement value of \$5,500.00 plus the administrative fee of \$723.80.

Should you have any questions or need anything further, please don't hesitate to contact me. Thank you.

Sincerely,



Amanda Callander



HHC SOUTH CAROLINA INC.
C/O PROPERTY VALUATION SERVICES
1510002037
DB. 2207 PG. 117

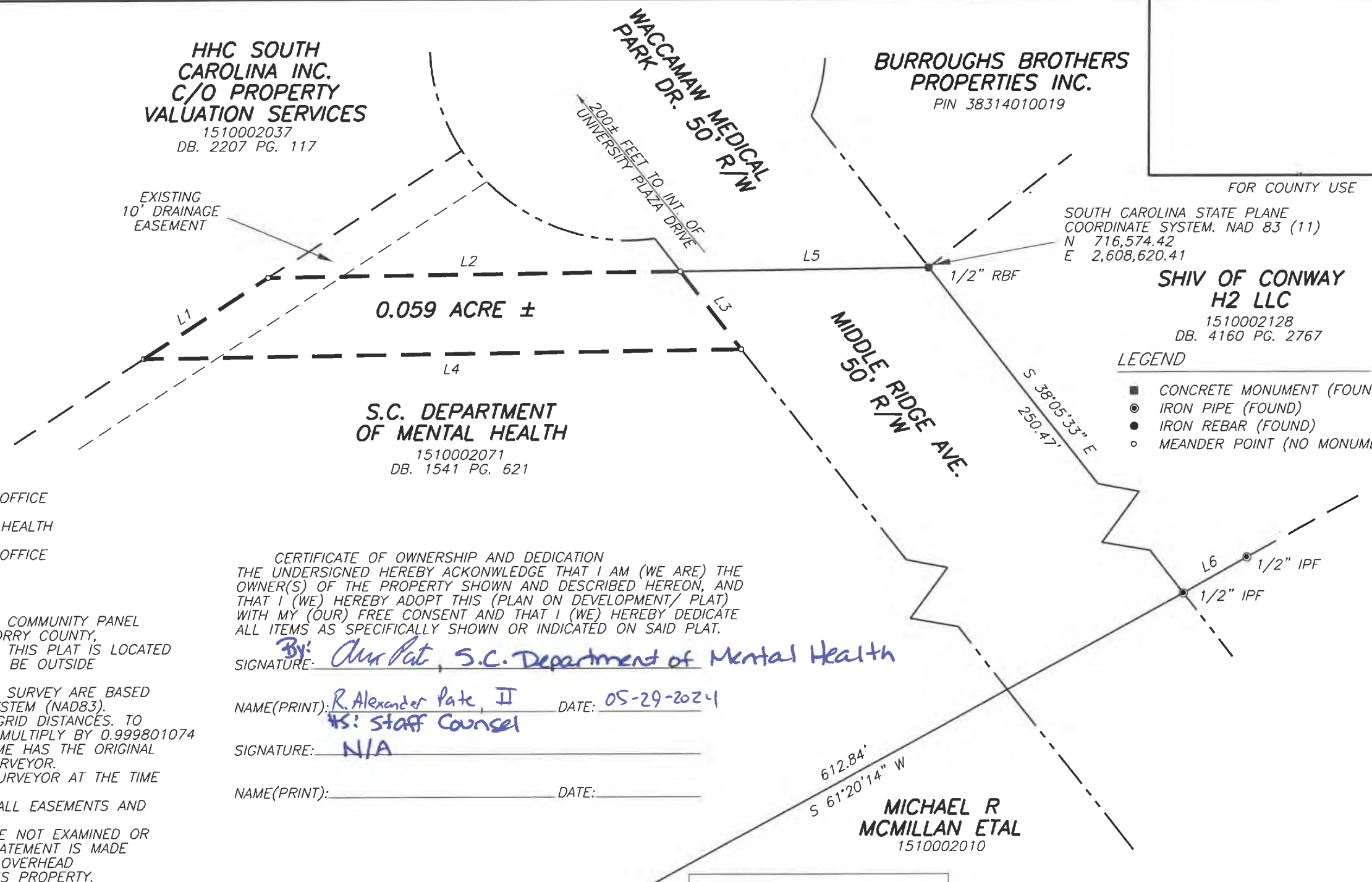
BURROUGHS BROTHERS PROPERTIES INC.
PIN 38314010019

FOR COUNTY USE
SOUTH CAROLINA STATE PLANE
COORDINATE SYSTEM, NAD 83 (11)
N 716,574.42
E 2,608,620.41

SHIV OF CONWAY H2 LLC
1510002128
DB. 4160 PG. 2767

LEGEND

- CONCRETE MONUMENT (FOUND)
- IRON PIPE (FOUND)
- IRON REBAR (FOUND)
- MEANDER POINT (NO MONUMENT)



- REFERENCES:
- SEE PLAT TITLED: COOKOUT CONWAY, INC DATED 02/26/2013. RECORDED IN HORRY COUNTY REGISTER OF DEEDS OFFICE IN PB. 257 PG. 91.
 - SEE PLAT TITLED: WACCAMAW CENTER FOR MENTAL HEALTH DATED 12/1991. RECORDED IN HORRY COUNTY REGISTER OF DEEDS OFFICE IN PB. 119 PG. 118.
- NOTES:

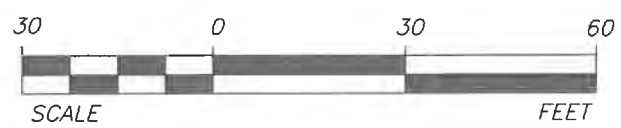
- TAX MAP NO. (PARENT TRACT): 1510002071
- ACCORDING TO S.C. FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NO. 45051C0565K, EFFECTIVE DATE 12/16/21, HORRY COUNTY, IT IS MY OPINION THAT THE PROPERTY SHOWN ON THIS PLAT IS LOCATED IN FLOOD HAZARD ZONE X, AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.
- ALL BEARINGS AND COORDINATES SHOWN ON THIS SURVEY ARE BASED ON SOUTH CAROLINA STATE PLANE COORDINATE SYSTEM (NAD83). DISTANCES SHOWN ARE GROUND DISTANCES, NOT GRID DISTANCES. TO CONVERT GROUND DISTANCES TO GRID DISTANCES MULTIPLY BY 0.999801074
- THIS SURVEY IS VALID ONLY IF THE PRINT OF SAME HAS THE ORIGINAL SIGNATURE AND EMBOSSED SEAL OF THE LAND SURVEYOR.
- A TITLE SEARCH WAS NOT PERFORMED BY THIS SURVEYOR AT THE TIME OF THIS SURVEY.
- THE PROPERTY PLATTED HEREON IS SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD.
- SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT EXAMINED OR CONSIDERED AN ELEMENT OF THIS SURVEY. NO STATEMENT IS MADE REGARDING THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONTINGENCIES THAT MAY AFFECT THE USE OF THIS PROPERTY.
- THE 20' GENERAL UTILITY EASEMENT SHOWN HERON ARE FOR THE PURPOSE OF THE NON-EXCLUSIVE INSTALLATION, MAINTENANCE, REPAIR AND/OR REPLACEMENT OF UTILITIES. OWNERSHIP AND MAINTENANCE OF SUCH EASEMENT SHALL BE THE COLLECTIVE RESPONSIBILITY OF THE LOT OWNERS/UTILITY PROVIDER(S) AND NOT HORRY COUNTY.
- DEED REFERENCE: D.B. 1541, PG. 621.

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

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

By: *Alex Pat*, S.C. Department of Mental Health
SIGNATURE: _____
NAME(PRINT): *R. Alexander Pate, II* DATE: *05-29-2024*
NS: Staff Counsel
SIGNATURE: *N/A*
NAME(PRINT): _____ DATE: _____

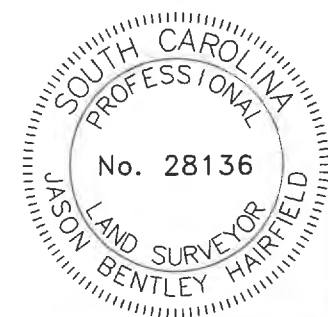
LINE	BEARING	DISTANCE
L1	N 56°53'54" E	37.39'
L2	N 89°14'07" E	104.36'
L3	S 38°05'33" E	25.15'
L4	S 89°14'07" W	151.20'
L5	N 89°14'07" E	62.88'
L6	N 60°40'37" E	18.53'



FIELD SURVEY DATE: 05/09/2024
HORRY COUNTY, SOUTH CAROLINA

AN EASEMENT PLAT SHOWING
A 20' UTILITY EASEMENT
ON THE LANDS OF
S.C. DEPARTMENT OF MENTAL HEALTH
SURVEYED AT THE REQUEST OF
S.C.P.S.A

Jason B Hairfield
JASON B. HAIRFIELD
P.L.S. NO. 28136
ONE RIVERWOOD DRIVE
MONCK'S CORNER, S.C. 29461



REV.	DATE	DESCRIPTION	DRAFTER	CHECKED	PROJ. NO.

APPROVED	CHECKED HAIRFIELD	SURVEY
	DRAFTER MCCREA	
	DATE 5/13/2024	
	SCALE 1" = 30'	
	DRAWING NO. 1277-B03-5100	
SHEET 1 OF 1		

V:\DesignEng\SURVEY\DIST\SURV\Amit Patel-Waccamaw Medical Park Dr\Patel Easement.dgn

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Winthrop University Lease of 630 and 610 Rose Street in Rock Hill

Winthrop University (University) requests approval to lease three hundred and twenty (320) beds in CampusWalk located at 630 and 610 Rose Street in Rock Hill from W2C Eleven, LLC.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 1, 3, 5, 7 and 10-year terms. Only one offer was received in response to the solicitation.

The requested lease term is three (3) years commencing August 1, 2024, with three possible extensions of two-years each.

The rent for the first year of the term will be \$2,726,400.00 for an annual average cost per bed of \$8,520.00 to the University. This equates to \$4,170.00 per bed per semester per 4-bed unit and \$4,770.00 per bed per semester per 2-bed unit. The University currently plans to charge students this exact amount per unit type per semester, which is comparable to what the University currently charges students for similar 2 and 4-bed apartment style units. However, the University anticipates an increase in student housing charges in the near future.

The rental rate shall escalate by 3% annually over the initial and extended terms, if any. As such, the maximum total rent to be paid will be \$27,697,786.95 for the Initial and all Extended Terms, if exercised, of this lease as shown in the chart below. The lease includes furniture and appliances and operating and maintenance costs subject to overage utility charges (those which exceed an average of \$10 per bed per month for water and an average of \$30 per bed per month for electricity) which will be billed at the end of each semester to the University. The University will charge students any overage utility charges.

INITIAL TERM				
	<u>PERIOD: FROM – TO</u>	<u>ANNUAL SCHOOL YEAR RENT</u>	<u>SEMESTER RENT</u>	<u>AVERAGE RENT PER BED PER SCHOOL YEAR</u>
YR 1	August 1 2024-May 15 2025	\$2,726,400.00	\$1,363,200.00	\$8,520
YR 2	August 1-2025-May 15 2026	\$2,808,192.00	\$1,404,096.00	\$8,776
YR 3	August 1-2026-May 15 2027	\$2,892,437.76	\$1,446,218.88	\$9,039

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Winthrop University Lease of 630 and 610 Rose Street in Rock Hill

EXTENDED TERMS				
	<u>PERIOD: FROM-TO</u>	<u>ANNUAL SCHOOL YEAR RENT</u>	<u>SEMESTER RENT</u>	<u>AVERAGE RENT PER BED PER SCHOOL YEAR</u>
YR 4	August 1-2027- May 15 2028	\$2,979,210.89	\$1,489,605.45	\$9,310
YR 5	August 1-2028- May 15 2029	\$3,068,587.22	\$1,534,293.61	\$9,589
YR 6	August 1-2029- May 15 2030	\$3,160,644.84	\$1,580,322.42	\$9,877
YR 7	August 1-2030- May 15 2031	\$3,255,464.18	\$1,627,732.09	\$10,173
YR 8	August 1-2031- May 15 2032	\$3,353,128.11	\$1,676,564.05	\$10,479
YR 9	August 1-2032- May 15 2033	\$3,453,721.95	\$1,726,860.97	\$10,793

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

Tenant	Location	Annual Rate per Bed*
Independent Renters	Elements at Rock Hill, 708 Glamorgan Way	\$14,100.00
Independent Renters	Finley, 810 S York Ave	\$14,000.00
Independent Renters	The Easley, 371 Technology Centre Way	\$18,250.00

*Rates according to Apartments.com for 2-bedroom apartments in the area as of April 2024. Above rates may be subject to base rent and/or operating expense escalations.

The lease provides for the use of up to 320 parking spaces in the surface lot surrounding the premises for a cost of \$75 per space per year subject to 3% annual increases that will be made available to students directly by Landlord. One additional reserved parking space will be provided to the University free of charge for the Initial and Extended Terms for University staff. Students shall also have full access to and use of bike parking in or adjacent to the premises.

The University has adequate funds for the lease according to a Budget Approval Form approved March 27, 2024. Lease payments will be funded through student housing funds. The lease was approved by the University's Board of Trustees on March 13, 2024, the Commission on Higher Education on May 2, 2024, and JBRC on May 28, 2024. There is an A1 approved at Phase 1 for

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Winthrop University Lease of 630 and 610 Rose Street in Rock Hill

the University to pursue a possible purchase of CampusWalk.

AUTHORITY ACTION REQUESTED:

Approve the proposed three-year student housing lease with three extensions of two years each for Winthrop University for 320 beds at 630 and 610 Rose Street, Rock Hill, South Carolina from W2C Eleven, LLC, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Winthrop University Lease of 630 and 610 Rose Street in Rock Hill

3. Summary Background Information:

Winthrop University (University) requests approval to lease three hundred and twenty (320) beds in CampusWalk located at 630 and 610 Rose Street in Rock Hill from W2C Eleven, LLC.

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-
4. **What is the SFAA asked to do?** Approve the proposed three-year student housing lease with three extensions of two years each for Winthrop University for 320 beds at 630 and 610 Rose Street, Rock Hill, South Carolina from W2C Eleven, LLC.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed three-year student housing lease with three extensions of two years each for Winthrop University for 320 beds at 630 and 610 Rose Street, Rock Hill, South Carolina from W2C Eleven, LLC.

6. Private Participant Disclosure – Check one:

No private participants will be known at the time the Authority considers this agenda item.

A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

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

8. List of Supporting Documents:

(a) Letter from Agency



Facilities Management

April 24, 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,

Winthrop University has seen an increase in student demand for on-campus housing due to increased enrollment and housing scheduled to be offline for demolition.

Through the lease solicitation process conducted by Real Property Services, the university received only one proposal for these space needs. The selected proposal is a full-service lease at CampusWalk Apartments at 610 & 630 Rose Street, Rock Hill. This location is a short walk to campus and has 320 beds to meet our immediate space needs.

The term of the proposed lease would commence August 1 2024 and end July 31, 2027 and includes three 2-year renewal options. The first year would cost \$2,726,400 with rent increasing 3% annually. The total lease cost is \$27,697,786.75 over nine years.

We respectfully request your assistance in obtaining JBRC and SFAA approval of this lease.

Feel free to contact me if you have questions, and please advise if you need further information.

Sincerely,

James Grigg, PE
AVP for Facilities

349 Columbia Avenue
Rock Hill, SC 29733
803/323-2261

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Education Lease-out of approximately 34 acres to the South Carolina FFA Association at 1069 FFA Circle Road in Horry County

The SC Department of Education (SDE) requests approval to extend its current lease of ±34 acres of land in Horry County to the South Carolina FFA Association (FFA).

In March 1956, the SC General Assembly passed Act 813 stating its intention to establish a summer training camp “to supplement vocational agriculture during the summer vacation for all students desiring the same who are enrolled in public high schools of the State.” The Act states that the Department of Education had located a suitable site near East Cherry Grove Beach then owned by the FFA which would deed the tract to the State without charge. The Act further authorized SDE to spend not to exceed \$250,000 to establish proper facilities. The tract was subsequently conveyed to the State in fee simple and the FFA has operated the camp since that time.

The current lease agreement between SDE and FFA is for 40 years commencing on January 1, 2000, and ending on December 31, 2039, at a rate a \$1.00 per year with the FFA responsible for all costs of construction, operation and maintenance of the camp.

The FFA has requested to extend the lease for an additional 25 years to facilitate fund-raising and to allow them sufficient time to amortize any additional improvements to the property. The lease extension would be upon the same terms and conditions as the current lease and would expire on December 31, 2064. The lease extension was approved by the JBRC at its May 28, 2024, meeting.

AUTHORITY ACTION REQUESTED:

Approve the SC Department of Education’s Lease Out of ±34 acres of land in Horry County to the South Carolina FFA Association, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: SC Department of Education Lease-out of approximately 34 acres to the South Carolina FFA Association at 1069 FFA Circle Road in Horry County

3. Summary and Background Information:

The SC Department of Education (SDE) requests approval to extend its current lease of ±34 acres of land in Horry County to the South Carolina FFA Association (FFA).

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4. What is the Authority asked to do? Approve the SC Department of Education’s Lease Out of ±34 acres of land in Horry County to the South Carolina FFA Association.

5. What is recommendation of the submitting agency involved? Approve the SC Department of Education’s Lease Out of ±34 acres of land in Horry County to the South Carolina FFA Association.

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from Agency



South Carolina FFA Association

May 16, 2024

Pat Earle
SC FFA Foundation Board
SC FFA Association
500 Parkview Drive
Hartsville, SC 29550

Ashlie Lancaster
Division Director
SC Department of Administration

Dear Ms. Lancaster,

I am writing on behalf of the SC FFA Association to formally request an extension on our existing lease with the State of SC. This lease was established in 1956 when the SC FFA Association (then known as the SC Future Farmers of America) donated the approximately 34 acres to the state and the state leased it back to the SC FFA Association. That lease was in place until the year 2000 when the SC FFA Foundation invested \$1,000,000.00 into the property to remodel several dormitories. That lease was extended until the year 2040.

Our SC FFA Foundation has, once again, invested another \$1,000,000.00 into capitol improvements on the property in the past year and would request that the lease be extended another 40 years to justify our investment. This investment was over and above the normal operating cost of maintenance and operation. Thank you for your consideration to this matter. I am

Sincerely,

Pat Earle
SC FFA Foundation Board Member

900 Clemson Road, Columbia, SC 29229
Phone: (803) 320-1064



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

May 13, 2024

Ms. Ashlie Lancaster
Director, Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, Suite 600
Columbia, SC 29201

Dear Ms. Lancaster

The South Carolina Department of Education (SCDE) has reviewed the proposed extension of the SCDE's lease-out of approximately thirty-four acres to the South Carolina FFA association at 1069 FFA Circle Road in Horry County. The SCDE concurs with the extension of the lease to facilitate FFA's objective to support fundraising and to amortize additional improvement on the property. If any additional information is required, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in blue ink that reads "John E. Tyler".

John E. Tyler
Deputy Superintendent, Division of Legal Affairs

AGENCY: Department of Administration, Facilities Management and Property Services and Executive Budget Office

SUBJECT: SC Department of Parks, Recreation and Tourism Acquisition and Lease Out of 945.91 acres of land to Spartanburg County

The SC Department of Parks, Recreation and Tourism (PRT) requests approval to purchase ±945.91 acres of land in Spartanburg County from Tyger Oak, Inc. and Wellford-Glendale Properties, LLC and to lease the property to Spartanburg County for use as a passive-use park facility.

The property is being acquired in partnership with the SC Conservation Bank, the SC Office of Resilience, and Spartanburg County for a purchase price of \$25M. The SC Conservation Bank is contributing \$3M, the SC Office of Resilience is contributing \$20M, and Spartanburg County is contributing \$2M toward the purchase price. Following acquisition of the property, PRT will work with the Heritage Trust Advisory Board to conduct the required public hearings and seek the required approvals to place the property under a conservation easement with the Spartanburg Area Conservancy.

The term of the proposed lease to Spartanburg County is 100 years beginning upon closing of the sale of the property, which is anticipated to be June 30, 2024. In consideration for the lease, Spartanburg County will be responsible for operations and maintenance associated with the property, including janitorial services, building/structure maintenance, trash services, grounds maintenance, and all utilities.

Upon expiration or early termination of the lease, Spartanburg County must remove any improvements made during the lease term, unless specifically accepted by PRT and subject to any required governmental approvals.

No option to purchase the property is included in the lease. The lease was approved by JBRC at its May 28, 2024, meeting.

AUTHORITY ACTION REQUESTED:

Approve the SC Department of Parks, Recreation and Tourism Acquisition and Lease Out of 945.91 acres of land to Spartanburg County, as recommended by the Department of Administration, Facilities Management and Property Services and Executive Budget Office.

ATTACHMENTS:

Agenda item worksheet and attachment

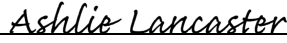
**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

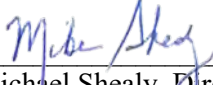
Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Mgmt. & Property Services



Michael Shealy, Director
Executive Budget Office

2. Subject: SC Department of Parks, Recreation and Tourism Acquisition and Lease Out of 945.91 acres of land to Spartanburg County

3. Summary and Background Information:

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The property is being acquired in partnership with the SC Conservation Bank, the SC Office of Resilience, and Spartanburg County for a purchase price of \$25M. The SC Conservation Bank is contributing \$3M, the SC Office of Resilience is contributing \$20M, and Spartanburg County is contributing \$2M toward the purchase price. Following acquisition of the property, PRT will work with the Heritage Trust Advisory Board to conduct the required public hearings and seek the required approvals to place the property under a conservation easement with the Spartanburg Area Conservancy.

The term of the proposed lease to Spartanburg County is 100 years beginning upon closing of the sale of the property, which is anticipated to be June 30, 2024. In consideration for the lease, Spartanburg County will be responsible for operations and maintenance associated with the property, including janitorial services, building/structure maintenance, trash services, grounds maintenance, and all utilities.

Upon expiration or early termination of the lease, Spartanburg County must remove any improvements made during the lease term, unless specifically accepted by PRT and subject to any required governmental approvals.

No option to purchase the property is included in the lease. The lease was approved by JBRC at its May 28, 2024, meeting.

4. What is the Authority asked to do? Approve the SC Department of Parks, Recreation and Tourism Acquisition and Lease Out of 945.91 acres of land to Spartanburg County.

5. What is recommendation of the submitting agency involved? Approve the SC Department of Parks, Recreation and Tourism Acquisition and Lease Out of 945.91 acres of land to Spartanburg County.

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from Agency



South Carolina Department of
Parks, Recreation & Tourism

Henry McMaster
Governor

Duane N. Parrish
Director

May 7, 2024

Ms. Ashlie Lancaster
Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate St.
Sixth Floor
Columbia, SC. 29201

Dear Ms. Lancaster,

The South Carolina Department of Parks, Recreation and Tourism (SCPRT) in partnership with the South Carolina Conservation Bank and the South Carolina Office of Resilience is working to acquire a 945 -acre parcel, Tyger Oaks in Spartanburg County. If acquired, the property will be leased immediately to Spartanburg County for the long-term management of the green space passive park.

The property, known as the "Central Park of Spartanburg," will also be put under easement with SPACE after acquisition so it will not only provide access to public recreation, but also protect 1.2 miles of river frontage on Lawson's Fork Creek, adjoin previously protected property, and preserve the rich industrial heritage of the area. To this end, SCPRT requests that the South Carolina Department of Administration take this acquisition plan and lease forward as soon as possible for approval by JBRC and SFAA.

Thank you,

Emily Johnson
Emily Johnson
General Counsel, SCPRT

1205 Pendleton Street • Columbia, SC 29201 • DiscoverSouthCarolina.com

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

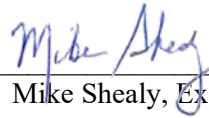
Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:



Mike Shealy, Executive Budget Office

2. Subject:

Department of Parks, Recreation & Tourism – Tyger Oak Property

3. Summary Background Information:

Project: JBRC Separate Item: Department of Parks, Recreation & Tourism
P28.9845: Tyger Oak Property

Request: Establish Final Land Acquisition to purchase +/-945 acres in Spartanburg County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$23,010,000)

CHE Approval: N/A

Phase I Approval: March 2024 (estimated at \$23,010,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a), (Additional Park Property Acquisitions)	10,000		10,000		10,000
Other, SC Office of Resilience				20,000,000	20,000,000
Other, SC Conservation Bank				3,000,000	3,000,000
Other, Spartanburg County				2,000,000	2,000,000
All Sources	<u>10,000</u>		<u>10,000</u>	<u>25,000,000</u>	<u>25,010,000</u>

Rationale: The Department of Parks, Recreation and Tourism, in partnership with the SC Conservation Bank and the SC Office of Resilience are requesting to establish this project to acquire property that will be the future Central Park of Spartanburg. Acquisition of this property will also protect 1.2 miles of river frontage on Lawsons Fork Creek, adjoin previously protected property, and preserve the industrial history of the area.

Characteristics: The property to be acquired is +/-945 contiguous acres withing 5 miles of downtown Spartanburg, with 1.2 miles of river frontage on Lawsons Fork Creek. This property will connect existing protected property to create a contiguous 1,161-acre conservation corridor. The property includes 2 small (roughly 10x10), dilapidated pump houses used by Spartanburg Public Works before being decommissioned.

Financial Impact: The property is being offered by Tyger Oak, Inc. & Wellford Glendale Properties, LLC for \$25,000,000. The acquisition will be funded from SC Office of Resilience (uncommitted balance \$148.69 million at February 15, 2024), SC Conservation

Bank (uncommitted balance \$8.14 million at February 14, 2024), and Spartanburg County (uncommitted balance \$2,000,000 at April 15, 2024). The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in December 2023 and valued the property at \$29,370,000. A Phase I Environmental Site Assessment was completed in March 2024 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 structures to be occupied on the property. Letters of support have been received from Spartanburg County Council and Spartanburg School District Three authorizing the removal of the property from the tax rolls.

Full Project Estimate: \$25,010,000 funded by FY24 Appropriated State (non-recurring), SC Office of Resilience, SC Conservation Bank, and Spartanburg County Funds.

Other: The South Carolina Department of Parks, Recreation & Tourism 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. Upon the Department of Parks, Recreation and Tourism's acquisition of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park. SPACE will also place a mutually agreed upon conservation easement at the time of the acquisition.

4. What is SFAA asked to do?

Consider approval of the Final Land Acquisition.

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

The item is complete and ready for SFAA review.

6. List of Supporting Documents:

1. Permanent Improvement Project Tyger Oak Property

FOR DEPARTMENT USE ONLY	
CHE	_____
JBRC	_____
SFAA	_____
JBRC Staff	_____
ADMIN Staff	_____
A-1 Form Mailed	_____
SPIRS Date	_____
Summary	_____

RECEIVED
By jllopresti at 10:50 am, Apr 18, 2024

(For Department Use Only)
6-2024 (A)
SUMMARY NUMBER
FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY Code P28 Name South Carolina Department of Parks Recreation and Tourism
 Contact Person Amber Larck (SC Conservation Bank) Phone 803-917-1033

2. PROJECT Project # 9845 Name Tyger Oak Property
 Facility # _____ Facility Name Property Acquisition

County Code	42 - Spartanburg
New/Revised Budget	\$25,010,000.00

Project Type	1 - Purchase Land/Buildings
Facility Type	9 - Land Purchase

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number 24 of 29 for FY 2024

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

Establish Project	<input type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input checked="" type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

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

The SC Parks Recreation and Tourism (SCPRT) in partnership with the SC Conservation Bank and SC Office of Resilience are requesting approval of the Phase II Preliminary Land Acquisition for the 945-acre Tyger Oak Property located in Spartanburg, SC. As the future "Central Park of Spartanburg", this project will provide public access to one of the fastest growing cities in the United States. The property will also protect 1.2 miles of river frontage on Lawsons Fork Creek, adjoin previously protected property, and preserve the rich industrial history of the area.

SCPRT is in the process of drafting a contract to purchase the property for \$25,000,000. The current funding strategy includes \$20,000,000 from the SC Office of Resilience, \$3,000,000 from the SC Conservation Bank and \$2,000,000 from Spartanburg County. Upon SCPRT's purchase of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park. Spartanburg Area Conservancy (SPACE) will also place a mutually agreed upon conservation easement at the time of acquisition.

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

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES
 Estimated Start Date: March 2024 Estimated Completion Date: 06/30/2024
 Estimated Expenditures: Thru Current FY: \$25,010,000.00 After Current FY: _____

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #	9845
------------------	------

1. 25,000,000.00 Land Purchase ---->
2. _____ Building Purchase ---->
3. 10,000.00 Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. _____ New Construction ---->
7. _____ Renovations - Building Interior ---->
8. _____ Renovations - Utilities
9. _____ Roofing - _____ Roof Age
10. _____ Renovations - Building Exterior
11. _____ Other Permanent Improvements
12. _____ Landscaping
13. _____ Builders Risk Insurance
14. _____ Other Capital Outlay
15. _____ Labor Costs
16. _____ Bond Issue Costs
17. _____ Other: _____
18. _____ Contingency

Land: 945.91 Acres
 Floor Space: _____ Gross Square Feet
 Information Technology _____
 Floor Space: _____ Gross Square Feet
 Floor Space: _____ Gross Square Feet

\$25,010,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS	
Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.	
Type:	_____
<u>Cost Breakdown</u>	
Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ _____
Total Costs	\$ <u>0.00</u>

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State FY24 Proviso 118.19 (BY38)(a)	10,000.00		10,000.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) SCOR		20,000,000.00	20,000,000.00			98800100		3907
SCCB		3,000,000.00	3,000,000.00					
Spartanburg County		2,000,000.00	2,000,000.00					
TOTAL BUDGET	\$10,000.00	\$25,000,000.00	\$25,010,000.00					

10. SUBMITTED BY: *Derry Dunley*
 Signature of Authorized Official and Title

April 18, 2024
 Date

11. APPROVED BY: _____
 (For Department Use Only) Authorized Signature and Title

 Date

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

1. AGENCY Code P28 Name South Carolina Department of Parks Recreation and Tourism

2. PROJECT 9845
Project # _____ Name Tyger Oak Property - Property Acquisition

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1)	\$	\$	\$	\$ 0.00
2)	\$	\$	\$	\$ 0.00
3)	\$	\$	\$	\$ 0.00

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

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

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

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
	TOTAL	\$0.00

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

9. Submitted By:  Project Coordinator March 27, 2024
Signature of Authorized Official and Title Date

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

AGENCY: _____

PROJECT NAME: _____

PROJECT NUMBER: _____ DATE SUBMITTED: _____



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

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

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

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

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

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

PART II

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

4. Why was this specific site selected?

5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?

6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.

7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.

REQUEST TO ACQUIRE REAL PROPERTY

South Carolina Code Section 1-11-58 requires the Department of Administration to review its central listing of surplus real property to determine if an agency's need for real property can be met from existing state-owned property. In order to comply with this statutory requirement, you are requested to complete the following form and send it to the Capital Budgeting Unit, 1205 Pendleton Street, Edgar A. Brown Building, Suite 529, Columbia, South Carolina 29201, prior to submitting an A-1 form to establish a project for a new land acquisition.

Agency Code: _____ Agency Name: _____

Contact Person: _____ Phone: _____ Date: _____

Statement of Need: (Explain why the property is needed, not the purpose it will be used for):

Amount of Land Needed: _____ County in which land is needed: _____

Preferred Location: _____

Suitable Alternate Locations: _____

Briefly describe the type of property needed in sufficient detail to enable our review of the records of available surplus property to ascertain whether such property may be suitable for your needs:

FOR DEPARTMENT USE ONLY:

Identification of property located on surplus property lists which may meet the above need:

Notified agency of property(ies): Name: _____ Date: _____

ADMIN Representative Initials: _____ Date: _____

SCCB Conservation Land Acquisition Coordination

The intent of this document is to satisfy Proviso 117.182 of the FY 2023-24 Appropriations Act by all Conservation Agencies for all conservation land acquisitions requiring approval from the Department of Administration, Joint Bond Review Committee and/or the State Fiscal Accountability Authority.

Project Name (including PIP number): Tyger Oak Property

ANTICIPATED FUNDING STRATEGY

Please describe the anticipated funding strategy by identifying any potential funding sources that may be used. If known, please describe the anticipated amounts of funding that may be used.

Fair Market Value: \$25,350,000

Total SC Investment: \$23,000,000

Initial Acquisition Funding Strategy (if applicable)			
Source	Amount	Program	Status
N/A			
Total			

Conservation Agency Anticipated Sources of Cash for Closing			
Source	Amount	Program	Status
SC Office of Resilience	\$20,000,000	Disaster Relief & Resilience Reserve Fund	Pending JBRC approval
SC Conservation Bank	\$3,000,000		Committed
Spartanburg County	\$2,000,000		Committed
Total	\$25,000,000		

PROVISO 117.182 OF THE FY2023-24 APPROPRIATIONS ACT provides: “Prior to entering into contracts to utilize funds appropriated or authorized by the General Assembly to acquire interests in land for natural resource protection and rural land preservation, including conservation easements, the Department of Natural Resources, Department of Parks, Recreation, and Tourism, Office of Resilience, and Forestry Commission (Resource Agencies) shall coordinate and collaborate with the SC Conservation Bank to maximize the most cost effective options available for the acquisition with the greatest public benefit. The Conservation Bank shall coordinate with the Resource Agency to ensure that the funds are used for projects that support the (1) agency's objectives, (2) the State's broader conservation objectives, and that (3) demonstrate a satisfactory degree of financial leverage, (4) partnerships, and (5) other indicators of quality as determined by the Bank and Resource Agency (numerals added for clarity). This proposal complies with the Proviso as follows:

1) Brief description of the Project and estimated acquisition costs.

Commonly called the potential "Central Park of Spartanburg", the 945-acre Tyger Oak Property will provide public access to one of the fastest growing cities in the United States. The property will also protect 1.2 miles of river frontage on Lawsons Fork Creek and preserve the rich industrial history of the area. Connecting to previously protected conservation properties, this property will help create a contiguous 1,161-acre conservation corridor with 3 miles of river frontage.

Spartanburg Area Conservancy (SPACE), as a cooperative partner of the State, is under contract to purchase this tract worth \$25,350,000 for \$25,000,000. SPACE is in the process of assigning the contract to SCPRT. The current funding strategy includes \$20,000,000 from the SC Office of Resilience, \$3,000,000 from the SC Conservation Bank and \$2,000,000 from Spartanburg County.

Upon SCPRT's purchase of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park. SPACE will also place a mutually agreed upon conservation easement at the time of acquisition.

2) Describe how the protection of the Property satisfies the Conservation Agency’s mission.

South Carolina Office of Resilience mission is to lessen the impact of disasters on the communities and citizens of South Carolina by planning and coordinating statewide resilience, long term recovery and hazard mitigation.

Funding this 1.2 miles along Lawson Creek as a park protects the natural and historic integrities while building storm resilience and flood protection for Spartanburg and the State of South Carolina.

3) SC Code Section 48-59-50(B)(5) mandates that the SC Conservation Bank create and maintain a conservation priority map to consolidate the State’s broader conservation objectives. Accordingly, the Property ranks as a priority (See Exhibit A).

- 4) Describe if the proposed project provides financial leverage. If financial leverage has not been applied to this project, please explain why.

The State is acquiring this property worth over \$25M for \$23M. Spartanburg County has committed \$2,000,000 towards the project and other funds towards the build-out of the park.

- 5) Describe if the proposed project includes partnerships.

State Parks has partnered with the SC Conservation Bank, SC Office of Resilience, SPACE, Spartanburg County, and the seller to finalize this project.

- 6) Describe any other aspects of the proposed project that make it a quality conservation acquisition.

This project is the catalyst that led to the purchase of a nearby 99 acres to add to Wofford College's education forest and an additional 3 acres to be donated to SPACE as an expansion of the Historic Glendale Mill property. These tracts will add to the conservation corridor in this area and could be seen as non-cash leverage (roughly \$4M) for this project.

- 7) Please explain if any SCCB funds (by an NGO or the Conservation Agency) were used to support this project.

The Bank has committed \$3,000,000 towards this project and has agreed to administer a \$20,000,000 grant from the SC Office of Resilience, pending JBRC approval.


**SATISFACTION OF PROVISIO 117.182 OF THE FY2023-24 APPROPRIATIONS ACT
ACKNOWLEDGMENTS**

Tyger Oak Property

Spartanburg County

+/- 942 acres

The Conservation Agency has coordinated and collaborated with the South Carolina Conservation Bank to maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase of the above referenced property. On behalf of the South Carolina Conservation Bank, I affirm that the requirements of Part IB Proviso 117.182 of the 2023-2024 Appropriations Act have been satisfied for the proposed acquisition of the above referenced property by the Conservation Agency.



Duane Parrish

Agency Director

South Carolina Parks Recreation and Tourism

3/27/24

Date



Raleigh West

Executive Director

SC Conservation Bank

March 27, 2024

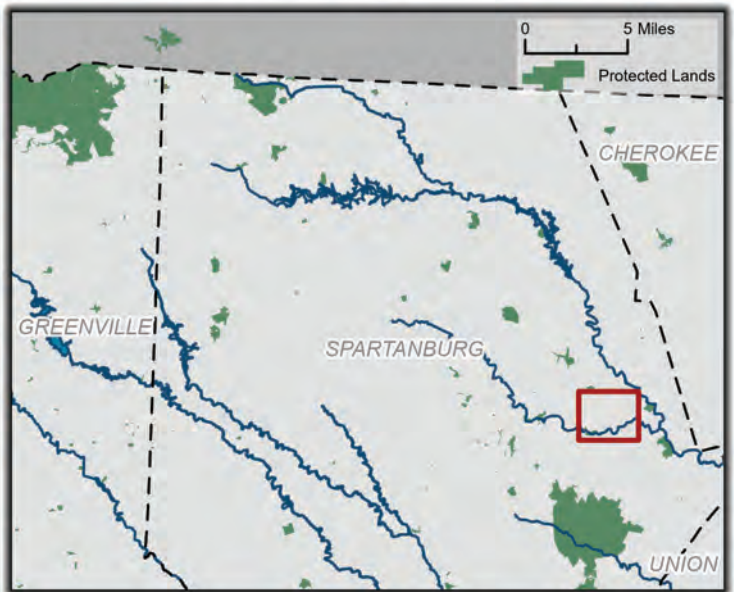
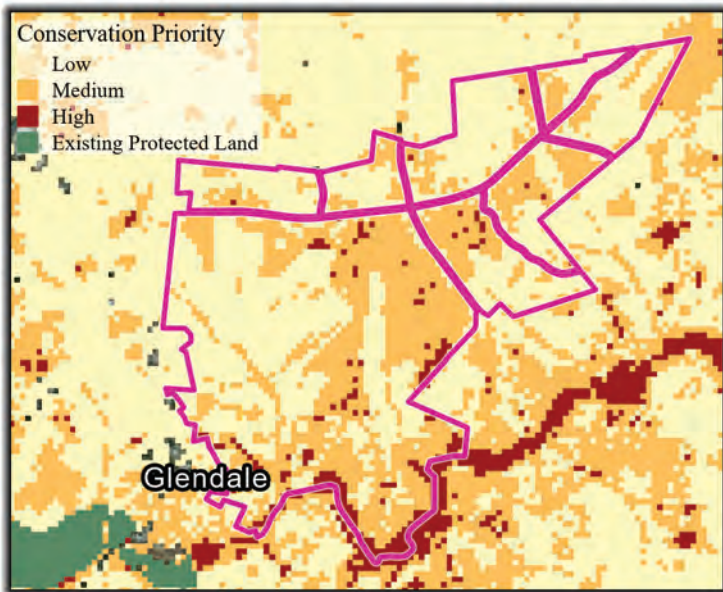
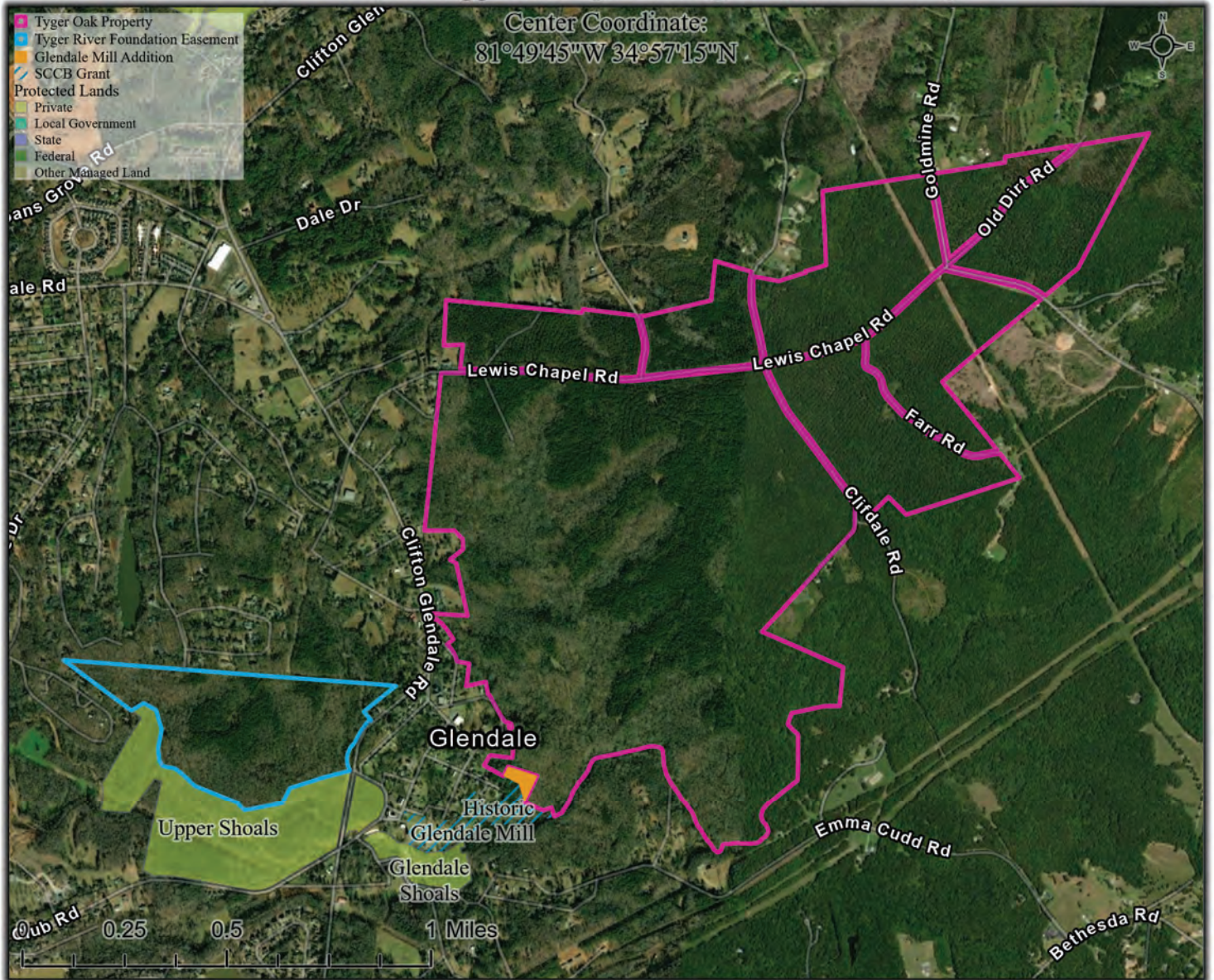
Date

SC Conservation Bank January 2024 Applicant



Property Name: Tyger Oak Property

Applicant: Spartanburg Area Conservancy



SECTION 118 - X910 - STATEWIDE REVENUE

(37) P240-Department of Natural Resources		
(a) Fish Hatcheries Deferred Maintenance and Repairs		\$ 10,830,850;
(b) Habitat Protection and Land Conservation Acquisitions		\$ 20,000,000;
(c) Marine Resources Coastal Infrastructure Maintenance		\$ 10,000,000;
(d) New Headquarters Building Equipment		\$ 2,200,000;
(e) New Officer Vehicles and Equipment		\$ 3,296,000;
(f) Public Recreational Property Maintenance and Operations		\$ 1,500,000;
(g) State Water Planning: River Basin Planning		\$ 3,000,000;
(h) Waterfowl Impoundments Infrastructure Maintenance		\$ 2,000,000;
(38) P280-Department of Parks, Recreation and Tourism		
(a) Additional Park Property Acquisitions		\$ 2,500,000;
(b) Cheraw and Hickory Knob Golf Course Improvements		\$ 3,000,000;
(c) Destination Specific Grants		\$ 13,500,000;
(d) Film Incentives		\$ 7,500,000;
(e) Palmetto Trail		\$ 750,000;
(f) SCATR - Regional Promotions		\$ 2,000,000;
(g) Sports Marketing Program		\$ 3,650,000;
(h) State Park Development, Upgrades, and Maintenance		\$ 11,750,000;
(i) State Park Fiber Installation		\$ 1,000,000;
(j) State Parks Road Paving		\$ 2,000,000;
(k) Undiscovered SC Grant Program		\$ 250,000;
(l) Welcome Center Funding		\$ 2,100,000;
(39) P320-Department of Commerce		
(a) Deal Closing Fund		\$ 3,700,000;
(b) LocateSC		\$ 9,000,000;
(c) Office Modernization		\$ 600,000;
(d) Palmetto Railways Repayment		\$ 5,000,000;



NO. R-24-55

A RESOLUTION

AUTHORIZING THE APPLICATION OF FUNDS FROM THE SPARTANBURG COUNTY PUBLIC ACCESS LAND BANK AND LEASE OF CONSERVED PROPERTY FOR USE AS A PARK.

WHEREAS, Spartanburg Area Conservancy, Inc. (“SPACE”) has contracted to purchase 945.91 acres of forested property in the Glendale area of Spartanburg County (“the Property”) with the support of the State of South Carolina, through the South Carolina Conservation Bank, South Carolina Office of Resilience, and SC Parks, Recreation and Tourism, and local partners, including the Tyger River Foundation and Wofford College; and

WHEREAS, the County Council of Spartanburg County (“County Council”) has adopted a vision to make strategic use of land to foster both quality of life and economic growth and has appropriated funds to the Spartanburg County Public Access Land Bank (“Land Bank”) to assist in the acquisition, maintenance, and improvement of land to provide public access to open spaces and conserved green spaces; and

WHEREAS, the County Council finds that increased access to open and green spaces will help ensure that Spartanburg County remains attractive to businesses, residents, and tourists; provide ample space for enhanced opportunities for recreational activities; and promote tourism in a manner that provides additional economic impact for Spartanburg County citizens; and

WHEREAS, the County Council desires to apply Two Million and no/100 (\$2,000,000.00) Dollars from the Land Bank toward the purchase of the Property on the condition that the Property is subjected to a conservation easement after acquisition and that the Property is leased to Spartanburg County for a term of one hundred (100) years to allow Spartanburg County to maintain and use the Property as a passive-use park; and

WHEREAS, Section 4-9-30(2) and (3) of the South Carolina Code of Laws, 1976, as amended, provides that the County has the power to acquire real property by purchase or gift and to lease, sell or otherwise dispose of real property, and to make and execute contracts; and

WHEREAS, Section 4-9-25 of the South Carolina Code of Laws, 1976, as amended, provides that the County has the power to enact resolutions to exercise and implement the authority granted by the Constitution and general law of this State; and

WHEREAS, the adoption of this Resolution would improve the quality of life in Spartanburg County and be in the best interest of all of its citizens.

NOW THEREFORE, BE IT RESOLVED, by the County Council, in a meeting duly assembled, that:

1. **Public Access Land Bank**. Spartanburg County authorizes the application of Two Million and no/100 (\$2,000,000.00) Dollars from funds appropriated to the Land Bank to support the purchase of the Property subject to the condition that the Property be applied to a conservation easement and leased to Spartanburg County for a term of one hundred (100) years allowing Spartanburg County to use and maintain the Property as a passive-use park.


2. **Authorization for Staff and Counsel**. The County Administrator and County Attorney are authorized to take all necessary actions to affect the application of the funds authorized herein to the purchase of the Property and the establishment of a lease providing Spartanburg County with a leasehold interest in the Property as herein expressed and any other instruments as may be necessary to accomplish the directives of this Resolution.

ADOPTED this 15th day of April, 2024.


(SEAL)

By:

SPARTANBURG COUNTY COUNCIL


A. Manning Lynch, Chairman

ATTESTED:


B. Cole Alverson
County Administrator

Office Of

Spartanburg County Council

366 North Church Street
Post Office Box 5666
Telephone (864) 596-2528
Fax (864) 596-2232

Spartanburg, South Carolina 29304



CHAIRMAN
A. Manning Lynch
March 26, 2024

Terry Hurley
1205 Pendleton Street
Columbia SC 29201
thurley@scpvt.com

RE: Letter of Support for SCPRT Tyger Oak Property Acquisition

Dear Ms. Hurley:

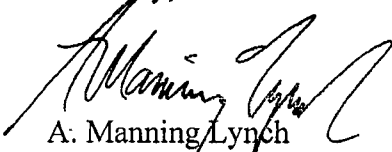
The Spartanburg County Council enthusiastically supports South Carolina Parks, Recreation and Tourism (SCPRT) and Spartanburg Area Conservancy, Inc. (SPACE) in their effort to acquire approximately 945 acres of forested land in Spartanburg County for conservation and passive, public use.

We understand that the subject property is composed of 945.91 acres located in the Glendale community and is delineated as parcel ID numbers 3-20-00-004.00 (7.48 acres), 3-20-00-004.01 (8.56 acres), 3-21-00-006.00 (35.96 acres), 3-20-00-048.00, less 3.61 acres (893.59 acres), and 3-20-00-048.001 (0.32 acres) (collectively, the Property). We further understand that the SCPRT will be the fee simple owner of the Property, that the Property will be encumbered with a conservation easement, and that Spartanburg County will lease the Property from SCPRT for a term of 100 years. Spartanburg County will operate and manage the Property as a publicly accessible, passive-use park through our Parks Department and will install or construct and maintain facilities and improvements supporting this use.

This project is consistent with the long-term goals of our County Council as expressed in our Five-Year Strategic Vision Plan. I am happy to report that our Council unanimously supported a motion to pursue this project during our meeting on March 18, 2024, following an Executive Session presentation. We will consider a resolution authorizing the application of \$2,000,000 from Spartanburg County's Public Access Land Bank at our April 15, 2024, meeting. These funds were previously appropriated to the County's Public Access Land Bank to support our long-term goal of making strategic use of land to foster both quality of life and economic growth, and the funds are available to be applied to this project without revision to our Capital Improvement Plan or Budget.

Thank you for your consideration. We are excited about the opportunity to join with you on such an impactful project.

Sincerely,



A. Manning Lynch
Chairman



OFFICE OF THE SUPERINTENDENT

Spartanburg School District Three

Nothing changes if nothing changes.
Be the Change!

March 25, 2024

Terry Hurley
1205 Pendleton Street
Columbia, SC 29201
thurley@scpvt.com

RE: Letter of Support for SCPRT Tyger Oak Property Acquisition

Dear Terry Hurley:

Spartanburg School District Three supports South Carolina Parks Recreation and Tourism (SCPRT) in their work with Spartanburg Area Conservancy, Inc. (SPACE) on the acquisition of approximately 945 acres in Spartanburg County. The property is located north and south of Lewis Chapel Road in Glendale, SC.

The property is delineated as parcel ID numbers 3-20-00-004.00 (7.48 acres), 3-20-00-004.01 (8.56 acres), 3-21-00-006.00 (35.98 acres), 3-20-00-048.00 minus 3.61 acres (893.59 acres), and 3-20-00-048.001 (0.32 acres). It is composed of 945.91 acres of forested land.

The current owner-seller is Tyger Oak, Inc. and Wellford-Glendale Properties, and upon closing, title will be held by the State of South Carolina with a SPACE conservation easement. SCPRT will lease the property to Spartanburg County Parks & Recreation to be managed as a public accessible greenspace park.

The Spartanburg School District Three Board of Trustees voted to support this acquisition for land protection and public access on March 18, 2024.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Dr. Julie Fowler".

Dr. Julie Fowler
Superintendent

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyance

The South Carolina Department of Disabilities and Special Needs (DDSN) requests approval to transfer capital, to include property and buildings, located at 710-722 S. Bomar Avenue in Landrum, SC to the local DSN provider, Purpose-SC, Inc., pursuant to Proviso 36.6 of the General Appropriations Bill for fiscal year 2023-2024. In 2017, the Senate Medical Affairs Committee conducted a review of DDSN. The Senate Oversight Report dated November 2017 recommended that DDSN divest itself of properties within the communities by transitioning current properties to the local providers. In an effort to comply with the recommendation, DDSN seeks permission to transfer the Landrum homes to Purpose-SC, Inc.

AUTHORITY ACTION REQUESTED:

Approve the request of the Department of Disabilities and Special Needs to transfer the Landrum homes, located at 710-722 S. Bomar Avenue in to the local DSN provider, Purpose-SC, Inc, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

- (a) Letter from SC Department of Disabilities and Special Needs dated May 1, 2024
- (b) Letter from SC Department of Disabilities and Special Needs dated May 28, 2024
- (c) Senate Medical Affairs Committee Summary Report on the Department of Disabilities and Special Needs dated November 2017
- (d) 2023-2024 Appropriations Bill H4000, Part 1B, Proviso 36.6
- (e) SC Code of Laws Section 1-11-65

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Real Property Conveyance

3. Summary and Background Information:

The South Carolina Department of Disabilities and Special Needs (DDSN) requests approval to transfer capital, to include property and buildings, located at 710-722 S. Bomar Avenue in Landrum, SC to the local DSN provider, Purpose-SC, Inc., pursuant to Proviso 36.6 of the General Appropriations Bill for fiscal year 2023-2024. In 2017, the Senate Medical Affairs Committee conducted a review of DDSN. The Senate Oversight Report dated November 2017 recommended that DDSN divest itself of properties within the communities by transitioning current properties to the local providers. In an effort to comply with the recommendation, DDSN seeks permission to transfer the Landrum homes to Purpose-SC, Inc.

4. What is the Authority asked to do? Approve the request of the Department of Disabilities and Special Needs to transfer the Landrum homes to the local DSN provider, Purpose-SC, Inc.

5. What is recommendation of the submitting agency involved? Approval of the request of the Department of Disabilities and Special Needs to transfer the Landrum homes to the local DSN provider, Purpose-SC, Inc.

6. Private Participant Disclosure – Check one:

No private participants will be known at the time the Authority considers this agenda item.

A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

- (a) Letter from SC Department of Disabilities and Special Needs dated May 1, 2024
(b) Senate Medical Affairs Committee Summary Report on the Department of Disabilities and Special Needs dated November 2017
(c) 2023-2024 Appropriations Bill H4000, Part 1B, Proviso 36.6
(d) SC Code of Laws Section 1-11-65

Constance Holloway
State Director
Carolyn Benzon
General Counsel
Janet Brock Priest
Associate State Director
Operations
Lori Manos
Associate State Director
Policy
Quincy Swygert
Chief Financial Officer
Greg Meetze
Chief Information Officer



**South Carolina
Department of Disabilities
and Special Needs**

COMMISSION
Eddie L. Miller
Chairman
Michelle Woodhead
Vice-Chairman
Gary Kocher, M.D.
Secretary
Barry D. Malphrus
David L. Thomas

May 1, 2024

Ms. Ashlie Lancaster
Director
Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

Dear Ms. Lancaster:

Based on current critical needs, the SC Department of Disabilities and Special Needs (DDSN) requests approval of the State Fiscal Accountability Authority (SFAA) for the transfer of the real property at 710 and 722 S. Bomar Avenue in Landrum to one of our local qualified providers of residential services. Purpose-SC, Inc., has expressed commitment to providing critical placements for eight individuals at these two homes. Proviso 2023-2024 36.6 allows for DDSN to transfer properties to local DSN providers with SFAA approval.

Such will corroborate with recommendations for increasing residential capacity in the community in the 2017 Senate Medical Affairs Committee review of DDSN. Their report went on to recommend "...DDSN divest itself of properties within the communities by transitioning current [DDSN-owned] properties to local providers."

Acting upon these recommendations, in September 2020, our DDSN Commission approved the concept of conveyance of DDSN-owned properties, but we will be presenting this particular transfer of the Landrum homes to our current Commission at their next meeting May 16, 2024. It is DDSN's intent to execute the property conveyance via a quitclaim deed with an appropriate reverter clause.

DDSN greatly appreciates your consideration of these actions, which will yield significant benefits to the individuals we serve through such qualified providers. Thank you for your attention to this matter.

Sincerely,

Quincy Swygert
Chief Financial Officer

QS/vw

cc: Constance Holloway
Janet Priest

Constance Holloway, Esq.
State Director
Carolyn Benzon
General Counsel
Janet Brock Priest
Associate State Director - Operations
Lori Manos
Associate State Director - Policy
Quincy Swygert
Chief Financial Officer
Greg Meetze
Chief Information Officer



COMMISSION
Eddie L. Miller
Chairman
Michelle Woodhead
Vice-Chairman
Gary Kocher, M.D.
Secretary
Barry D. Malphrus
David L. Thomas

May 28, 2024

Ms. Ashlie Lancaster
Director
Department of Administration
Division of Facilities Management and Property Services 1200 Senate Street, Suite 460
Columbia, South Carolina 29201

Dear Ms. Lancaster:

Please see the attached “unofficial” South Carolina Commission on Disabilities and Special Needs meeting minutes from the Thursday, May 23rd special called meeting. During that meeting commissioners approved the conveyance of 710 & 722 S. Bomar Avenue, located in Landrum SC to Purpose-SC, Inc, who is currently a Qualified Provider of Residential Services of DDSN. Official meeting minutes will be posted to website once approved by the Commission elected Secretary.

DDSN greatly appreciates your consideration of these actions, which will yield significant benefits to the individuals we serve through such qualified providers. Thank you for your attention to this matter.

Respectfully,

A handwritten signature in blue ink, appearing to read "Q. Swygert", is written over the word "Respectfully".

Quincy Swygert
Chief Financial Officer

QS/vw

cc: Constance Holloway
Janet Priest

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

SPECIAL CALLED COMMISSION – CONVEYANCE OF PROPERTIES MEETING MINUTES

May 23, 2024

The South Carolina Commission on Disabilities and Special Needs met on Thursday, May 23, 2024, at 10:00 a.m., at the Department for Disabilities and Special Needs, 3440 Harden Street Extension, Columbia, South Carolina.

The following were in attendance:

COMMISSION

Microsoft Teams

Eddie Miller - Chairman

Michelle Woodhead – Vice-Chairman

Gary Kocher, MD - Secretary

Barry Malphrus

David Thomas

DDSN Administrative Staff

Constance Holloway, State Director; Quincy Swygert, Chief Financial Officer; Courtney Crosby, Internal Audit Director; Carolyn Benzon, General Counsel; Robert McBurney, Program Manager for Emergency Operations & Special Projects; Andrew Tharin, Director of Engineering and Planning; Chanel Cooper, Information Technology Division; and Christie Linguard, Executive Assistant.

Call to Order and Notice of Meeting Statement

At 10:08 a.m., Chairman Eddie Miller requested a motion to call the meeting to order. The motion was made by Commissioner Thomas, seconded by Vice-Chairman Woodhead; and unanimously approved by the Commission. State Director Constance Holloway read a statement of announcement about the meeting that was distributed to the appropriate media, interested persons, and posted at the Central Office and on the website in accordance with the Freedom of Information Act.

Adoption of the Agenda

On a motion by Commissioner Thomas and seconded by Commissioner Malphrus, the agenda was unanimously approved by the Commission. (Attachment A)

Invocation

Vice-Chairman Woodhead gave the invocation.

Conveyance of Properties

Mr. Swygert began by stating one of the greatest priorities of this Agency is to increase bed capacity across the state for the persons supported by our Agency. Both homes have been vacant since the Fall of 2021. He reminded the Commissioners that the 710 and 722 S. Bomar Avenue properties in Landrum, South Carolina were approved by the Commission to be sent to Surplus at the October 20, 2022, Commission meeting. Sometime after that both properties were put on the market to sale by the Department of Administration Real Property Services Division. They have not been sold. The next steps are to seek the Commission’s approval to convey the properties mentioned above to a DDSN qualified provider of residential services, Purpose-SC, Inc. Once this has occurred, the conveyance of these properties to Purpose-SC, Inc. will be placed on the State Fiscal Accountability Authority’s (SFAA) June 18, 2024, agenda. Commissioner Miller made a motion to convey 710 and 722 S. Bomar Avenue, Landrum, South Carolina 29356 properties to Purpose-SC, Inc. so that this item can be placed on SFAA’s June agenda for approval. The motion was approved by Commissioner Malphrus; seconded by Commissioner Woodhead; and unanimously approved by the Commission. (Attachment B)

Commissioner Thomas spoke briefly about Senate Bill 915. He noted that this informal speaking was for informational purposes only. The Bill calls for the Agency’s name to be changed to the *Department of Intellectual and Related Disabilities*. As Commissioner Thomas understands it, this name change could influence the number of individuals that are currently being served, possibly by up to 40%. Therefore, Commissioner Thomas has requested that a member of DDSN staff send to him, in writing, as soon as possible, a statement informing him if this information is correct or incorrect.

Adjournment

On a motion by Commissioner Thomas, seconded by Commissioner Malphrus and unanimously approved by the Commission, the meeting was adjourned at 10:16 a.m.

Submitted by:

Approved by:

Christie D. Linguard
Executive Assistant

Commissioner Gary Kocher, MD
Secretary

The SC General Assembly may wish to establish a governing authority to mediate disputes between DHHS and DDSN on Medicaid funded programs for individuals with disabilities. This could involve transferring DDSN to the Governor's cabinet, establishing a joint legislative committee or creating an appointed independent entity to arbitrate these disputes and make recommendations to the General Assembly.

Commission Operations

The Commission does not have an agreed upon coherent vision regarding the direction of the agency and the manner of governance. They also lack policies for communicating with staff and the media. The agency has pursued legislative changes without Commission input. The Commission does not utilize objective criteria in evaluating the performance of providers. Some Commissioners do not believe that they have adequate knowledge of the operations of the agency.

Agency Recommendations

The agency should notify the Governor's Office in a timely manner when a Commissioner's term is expiring and inform the Governor if the Commissioner is willing to serve a subsequent term.

The Commission should debate and adopt policies that establish a governance model and adhere more closely to parliamentary procedure to facilitate debate during Commission meetings.

The Commission should adopt a policy regarding who may represent the views of the Commission and the agency when speaking to the media and formalize how individual Commissioners communicate with agency staff.

The agency should provide the opportunity for training for the Commission members.

The Commission should evaluate providers based upon compliance with agency policies and directives when assessing provider performance and measure this against a specified minimum threshold.

In addition to the existing two committees, Policy and Finance/Auditing, the Commission should establish a Legislative committee to coordinate the agency's legislative agenda and ensure that the Commission's position on all relevant legislation is accurately conveyed to the General Assembly.

Allocation of Resources

The band system is unnecessarily complex and has proven to be divisive in the provider community. It is poorly understood by providers, advocates, clients and other interested parties including the state's Medicaid agency and has resulted in overpayments to local DSN boards. The agency's grant process is vaguely defined and allows for the impression of capriciousness in the practice of allocating state resources.

Agency Recommendations

DDSN should adopt a process of provider reimbursement that is essentially a fee for service model or direct reimbursement which pays local DSN Boards and private providers in the same manner. This would allow the agency to concentrate on ensuring that the services being purchased are provided in compliance with agency policies and Medicaid rules. While DHHS could eventually make the actual payment for services for providers, DDSN should take the primary role in establishing reimbursement rates.

The agency should clearly articulate the process for allocating other funding. In lieu of the current process of awarding a single grant, it might be possible to establish a time limited additional reimbursement rate for consumers at new facilities to help defray the cost of building or buying a new house, supported work site etc.

Senate Medical Affairs Committee

Summary Report on the Department of Disabilities and Special Needs

November 2017



The Department of Disabilities and Special Needs (DDSN) is the state agency tasked with authority over all of the state's services and programs for the treatment and training of persons with intellectual disability, related disabilities, head and spinal cord injuries. This agency is governed by a seven member Commission appointed by the Governor with the advice and consent of the Senate. The agency should transition from the current band payment to some variation of direct billing and implement a defined policy for allocating funds other than Medicaid reimbursements. DDSN should also strengthen the monitoring function by implementing person centered monitoring and unannounced inspections, greater controls on consumer finances through the use of a debit card system and a more automated inventory control process. The agency would benefit from changes to the governing model which include some form of authority controlling the interaction between DDSN and the state's Medicaid agency. The current ad hoc system of consumer advocacy should be replaced with a statutory Consumer Advisory Committee.

Agency at a Glance

Established in 1963, the stated mission of the SC Department of Disabilities and Special Needs (DDSN) is to assist people with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals; and minimize the occurrence and reduce the severity of disabilities through prevention. DDSN is governed by a seven member commission appointed by the Governor with the advice and consent of the Senate and has approximately 1,700 state employees and 200 temporary employees. With a General Fund budget of approximately \$249 million and a total budget of \$748 million, the agency is heavily reliant on Medicaid funding to fund both the agency's internal operations and to reimburse local providers for services to consumers. DDSN utilizes local Disabilities and Special Needs (DSN) boards, private providers and agency staff and facilities to provide services to consumers with DSN boards paid through the band system and private providers paid primarily through retrospective reimbursement for services.

Issues

Reorganization

The agency's reliance on Medicaid funding means that it must work cooperatively with the SC Department of Health and Human Services which is the state Medicaid agency. A lack of a single governing authority for these two entities means that if the agencies are unable to cooperate effectively there is no designated entity to mediate and disagreements regarding policy, funding or the respective roles of the two agencies.

Legislative Recommendations

The SC General Assembly may wish to clarify the roles and authority of the Department of Health and Human Services and that of the Department of Disabilities and Special Needs in providing services to consumers of DDSN services and in the development and implementation of the state waivers administered by DDSN through statute and/or proviso.

Consumer Advocacy

Consumers' interests are often represented by an unsystematic self-appointed ad hoc group of individuals. Many of these advocates have expressed the perception that their input has been routinely ignored by the agency.

Legislative Recommendation

The General Assembly may wish to establish a Disabilities and Special Needs Consumer Advisory Committee with requirements that the members represent the various communities that DDSN serves and specify the role of this committee in formally providing input into shaping the agency's policies.

Agency Directives

Many of the directives issued by the agency to the providers do not impact all programs. The titles of directives do not always reflect all of the areas impacted by a directive. Therefore, it is possible for a private provider offering a limited array of services to assume that a particular directive does not apply. This can result in the entities unintentionally failing to comply with DDSN directives.

Agency Recommendation

At the beginning of directives, the agency should enumerate those programs impacted by the directive. This would allow private providers to readily determine which directives apply to their programs and reduce the possibility of these providers ignoring pertinent information.

Consumer Finance

The prevalence of the use of actual cash used by consumers and managed by direct care providers significantly increases the risk of mistakes and malfeasance. Additionally, cash is more difficult to effectively monitor since it requires paper receipts for even minor expenditures.

Agency Recommendation

The agency should explore adopting a policy requiring providers to utilize a specialized debit card system designed for individuals with disabilities.

Inventory Control

Providers are required to use a system of inventory control that requires a narrative description of an individual's personal belongings. These descriptions can be incomplete and the accuracy varies between providers and between staff performing the inventory. Also, this system is laborious and requires monitoring of paper records.

Agency Recommendation

DDSN should investigate establishing a standardized inventory system that utilizes available technology and digital pictures of the belongings that would allow electronic monitoring of consumer property inventories.

Financial Audits

The agency has a policy of requiring financial audits from all providers receiving over \$250,000 in revenue from the agency regardless of the services provided. In the case of private providers that do not provide residential services, these audits are not useful to the agency and are costly to the providers.

Agency Recommendations

The Commission should consider revising the current policy to exclude providers that do not provide residential services from the requirement to furnish an annual financial audit. Instead, a less expensive and onerous accountant's Report on Applying Agreed-Upon Procedures (RoAAP) should be required.

Conflict Free Case Management

Case managers are often employees of the same local DSN board providing services to the consumers referred by the case manager. The Centers for Medicare and Medicaid Services has determined that this creates a conflict of interest.

Agency Recommendations

DDSN should work cooperatively with DHHS to phase in a system of conflict free case management that meets the federal requirements and provides minimal disruption to consumers while maximizing consumer options.

Technology

DDSN's Therap system has not been fully implemented. The information currently available through the Provider Dashboard is not easily understood and is not adequate in prescreening a local provider.

Agency Recommendations

DDSN should ensure that Therap can be customized to meet the changing needs of the agency and the provider community and proceed with full implementation. The agency should continue to utilize input from the provider community, consumer groups and other stakeholders to revise the Provider Dashboard in subsequent phases to make it more useful to consumers and their families.

Waiting List

Although the number of individuals and the wait times have been reduced, there is still a significant waiting list for the ID/RD and CS waivers. Due to federal requirements, the numbers reported on the waivers may not give an accurate depiction of the actual number of eligible consumers waiting for services. Providers and the agency argue that local providers should not be compelled to accept consumers that they are not able to safely serve. However, this is a unique perspective for providing state/federally funded services. Most state and local government agencies cannot turn away individuals due to an inability to provide services. Instead, they must develop the capacity to serve the person or find an alternative. This applies to public schools, prisons, and even private hospitals.

Legislative Recommendation

The General Assembly may wish to change the law to require local DSN boards to specifically justify not taking a consumer needing the services they provide when funding is available.

Agency Recommendations

DDSN should develop a voluntary questionnaire requesting consumers and their families to provide information about their circumstances upon entry in a waiting status.

Although the agency voiced concern about compliance with federal laws mandating that consumers be treated in the least restrictive environment, the agency should explore using excess capacity at the regional centers to temporarily provide services to some consumers on the waiting list.

DDSN Owned Community Properties

To increase residential capacity in the local community, DDSN has purchased buildings or partially financed buildings for local providers. Most of these are operated by the local providers but some are operated with DDSN staff. Also, DDSN provides grants to local providers for facilities and then retains a financial interest in these facilities.

Agency Recommendation

DDSN should seek to divest itself of properties within the communities by transitioning current properties to local providers. To encourage local providers to expand capacity, the agency should incentivize expansion by developing a temporary add-on reimbursement for new facilities that ties the funding to the consumers using that facility. The reverter clauses in the grant agreements should phase out over time.

Agency Relationship with Providers

DDSN exhibits a paternalistic relationship towards providers generally and local DSN boards in particular. The agency tends to treat the providers as clients rather than vendors from whom they are purchasing services for the client population.

Agency Recommendation

The agency should treat all providers as contractors from whom they are purchasing services rather than extensions of DDSN that have to be managed to ensure the success of the provider. This could allow the agency to concentrate on ensuring that the purchased services are being provided adequately in the manner required by the Commission's policies.

Monitoring/Licensing

DDSN has contracted out most of the monitoring and licensing functions. The monitoring/inspections primarily looks at documents including consumer's records, employee's records and facilities and are scheduled in advance. Although the monitoring and inspection visits include some interaction with the consumers this emphasis has increased in FY18 as direct observation has become a separate component of monitoring and unannounced visits are implemented.

Agency Recommendation

DDSN should continue to emphasize and implement a system of person centered monitoring that includes interviews and observation of the actual consumers as well as reviewing files. DDSN should also proceed with plans to conduct unscheduled visits to observe staff interaction with consumers to ensure best practices are being implemented and assess the impact of these policy changes.

Abuse, Neglect & Exploitation Reporting

Law enforcement defines reports as closed regardless of what transpired if there is no prosecution. These definitions are used in the overall reporting on provider performance.

Agency Recommendation

DDSN should work with law enforcement to more accurately classify the results of abuse, neglect and exploitation reports and improve the way that these are used for informing consumers and the public and make recommendations to the General Assembly for statutory changes if needed.

Agency Roles/Responsibilities

Because DDSN is primarily funded through federal Medicaid funding combined with state Medicaid matching funds, it is necessary that they work cooperatively with the state's Medicaid agency. At times, this relationship has been contentious. Failure to work cooperatively on some issues has led to inefficiency in utilizing resources.

Legislative Recommendation

The General Assembly may wish to adopt in statute language that clearly differentiates the responsibilities of DHHS and DDSN for the disabilities programs operated by DDSN. The General Assembly may also wish to establish an authority to mediate disputes between these agencies regarding Medicaid funded programs.

Responsibility/Public Perception

An absence of specific policies and performance measures has created an atmosphere throughout the disabilities and special needs system in which the agency and the local providers pay more attention to media reporting and negative public perception than actual policy considerations. Too often the Commission, DDSN and the local providers point out that they are separate entities and portray the other bodies as having sole responsibility for systemic problems. The diffusion of responsibility can frustrate consumers and advocates and has led to the perception that the agency is not properly protecting the individuals under the care of the DDSN provider network.

Agency Recommendations

DDSN should recognize when the system fails and hold the responsible entity and/or individual accountable for the failure.

After an appropriate investigation, the Commission and agency should defend the system when policies are followed and deemed adequate.

The agency should ensure that all providers are treated similarly and consumers all have equal access to appropriate services/resources as determined by their treatment team.

Senate Medical Affairs

Senator Harvey S. Peeler Jr., Chairman



Report on the Department of Disabilities and Special Needs

November 2017

The Department of Disabilities and Special Needs (DDSN) is the state agency tasked with authority over all of the state's services and programs for the treatment and training of persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries. This agency is governed by a seven member Commission appointed by the Governor with the advice and consent of the Senate. The agency should transition from the current band system of reimbursement for services to some variation of direct billing to reimburse providers and implement a defined objective policy for allocating funds other than Medicaid reimbursements. DDSN should also strengthen the monitoring function by implementing person centered monitoring and unannounced inspections as well as greater controls on consumer finances through the use of a debit card system and a more automated inventory control process. The agency would benefit from changes to the governing model which include some form of authority controlling the interaction between DDSN and the state's Medicaid agency. The current ad hoc system of consumer advocacy could be replaced with a statutory Consumer Advisory Committee. The agency should focus on ensuring that policies are implemented and assess compliance by providers.

I. Agency at a Glance

Mission

The stated mission of the SC Department of Disabilities and Special Needs (DDSN) is to assist people with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals; and minimize the occurrence and reduce the severity of disabilities through prevention. In practice, this mission includes a wide array of services including housing, medical care, employment assistance, supervision and assistance in daily activities that meet the level of need without infringing upon the individual autonomy of the consumer. The agency's enabling legislation specifically gives DDSN "authority over all of the state's services and programs for the treatment and training of persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries". (Section 44-20-240 of the SC Code of Laws)

History

Beginning in 1916, South Carolina conducted a survey of people who were considered "feeble-minded" leading to the construction of the SC State Training School for the Feeble-minded in Clinton under direction of the Board of Regents at the State Hospital. Later, the Board of Regents became the South Carolina Mental Health Commission and the school was renamed Whitten Village. Another facility, named Pineland State Training School and Hospital, was constructed near Columbia as an institution for African American people with mental retardation operated by the Mental Health Commission. The state Department of Education began operating programs for children who were considered to be "educable mentally retarded." In 1963, a third institution was constructed in Ladson. With the acquisition of a facility from the Department of Youth Services in Florence in 1973, and the purchase of a nursing home in Hartsville a final state institution (the Pee Dee Center/Saleeby Center) was created. These would become the four regional centers still operating today. That same year, Act 1127 was passed establishing the County Disability and Special Needs Boards to serve as the provider network throughout the state. The SC Department of Mental Retardation (DMR) was established in 1963 and renamed the SC Department of Disabilities and Special Needs (DDSN) in 1993 as part of restructuring in Act 181. This Act combined several programs under the newly named agency. These programs were Autism programs, formerly Head and Spinal Cord Injury Information System and the former Department of Mental Retardation. In 2002,

private for-profit and non-profit entities were given the opportunity to provide services to the DDSN client population.

Governance

The SC Department of Disabilities and Special Needs is governed by a seven member commission appointed by the Governor with the advice and consent of the Senate. Members of the Commission must reside in each of the seven Congressional districts. Commissioners serve for a term of four years or until their successor assumes office. All of the current Commissioners were appointed by previous Governors and four members' terms have expired, however, the current Governor has submitted the name of a replacement for the Commissioner from the 2nd district whose term has expired. This candidate will not assume office until the Senate confirms the nomination. Therefore, it is anticipated that the current Commissioner will serve until the replacement is confirmed. This means that the new Commissioner will only serve a partial term until the expiration of their initial term. Several Commissioners are currently serving partial terms due to delays in the nomination and process. The statutory role of the Commission is to determine the policy and promulgate regulations governing the operation of the department and the employment of professional staff and personnel, appoint and in its discretion remove a South Carolina Director of Disabilities and Special Needs, appoint advisory committees, educate the public and state and local officials as to the need for the funding, development, and coordination of services for persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries and promote their best interest. This role is described in Section 44-20-240 of the SC Code of Laws. The current composition of the Commission is as follows:

Members					
Representing	Position Title	Current Members	Appointed By	Appointed Date	Expiration Date
1st Congressional District	Chairman	Ravenel, Eva	Governor Nikki R. Haley	8/31/2012	6/30/2016
2 nd Congressional District	Member	Danielson, William O.	Governor Nikki R. Haley	6/5/2014	6/30/2016
3rd Congressional District	Member	Thompson, Vicki A	Governor Nikki R. Haley	5/19/2015	6/30/2017
4th Congressional District	Member	Fayssoux, Catherine O	Governor Nikki R. Haley	4/7/2016	6/30/2017
5th Congressional District	Vice-Chair	Lemel, Gary C.	Governor Nikki R. Haley	5/19/2015	6/30/2018
6th Congressional District	Secretary	Barnwell, Mary Ellen	Governor Nikki R. Haley	6/18/2015	6/30/2018
7th Congressional District	Member	Broughton, Samuel F. Jr.	Governor Nikki R. Haley	4/7/2016	6/30/2018

Note: Governor McMaster has appointed Lorri Shealy Unumb to replace the Commissioner for the second congressional district whose term has expired. The new appointee's term is from June 2016 to June 2020. This appointee is currently awaiting Senate confirmation.

Consumers

Individuals that utilize the services of DDSN having severe, lifelong Intellectual Disability and/or Related Disabilities (ID/RD), Autism Spectrum Disorder, Traumatic Brain Injury (TBI), and/or Spinal Cord injury are referred to as consumers. This generic term belies the diversity of the population that is served as well as the vast range of their needs and abilities. Some consumers of DDSN services exhibit high levels of independence and self-sufficiency which, in some instances, may include living alone, working at a job in the community and having an independent social life. While at the other extreme, some consumers have limited cognition coupled with physical impairments and require significant medical care and assistance with the most basic tasks of daily living. These extremes do not capture the vast range and individuality of the consumers served by the agency.

Independence/Risk

An issue that is intrinsically related to the diversity of the consumer population concerns the level of individual autonomy that consumers can and choose to assert and the personal risk associated with that freedom. This is often referred to as the *dignity of risk*. One of the stated goals of DDSN is to provide consumers as much freedom to live independently and make their own choices as is feasible. This is also required under federal and state law (Section 44-26-140 of the SC Code of Laws for 2009). Once an appropriate setting has been selected and reasonable protections established appropriate to an individual's needs, consumers have the right to make both good and bad decisions and enjoy or suffer the consequences of these decisions. This tension between personal freedom and providing adequate protection can be a source of contention between DDSN and consumer advocates and generate negative press for the agency influencing the general public's view of both DDSN and the provider community. Concern about public perception was expressed consistently by Commissioners, agency staff and the provider community. Unfortunately, this has in some instances led to a reluctance by providers to serve individuals who are deemed to represent a risk to the provider's reputation thereby creating greater obstacles to placing these people in settings where they can receive appropriate services. The agency and Commission frequently respond to articles in the media and use negative outcomes as a measure of performance rather than using objective data to determine if a provider's actions have complied with the policies of the agency. At a minimum, it is undeniable that all of the individuals served by DDSN will age, suffer the infirmities accompanying age and ultimately die like the general population. Due to the medical situation of many of these people, they will often suffer adverse health conditions more frequently and at younger ages than their cohort in the general population.

Waivers

Initially, South Carolina's disability and special needs services began as an institutional program supported through state funds. However, as the federal government made Medicaid funds available, the program evolved into a primarily Medicaid funded program for eligible consumers. Later, in response to changing community values, preferences of consumers/family members, and the U.S. Supreme Court's decision in the Olmstead case, more consumers were treated at home and in the community and afforded greater choice in their treatment options.

The Olmstead decision, or Olmstead v. LC, is a significant court decision impacting the civil rights of people with disabilities and guides much of the policy concerning placement and care of individuals with disabilities. This 1999 United States Supreme Court decision was based on the Americans with Disabilities Act. The U.S. Supreme Court held that people with disabilities have a qualified right to receive state funded supports and services in the community rather than institutions when the following three part test is met:

1. the person's treatment professionals determine that community supports are appropriate;
2. the person does not object to living in the community; and

3. the provision of services in the community would be a reasonable accommodation when balanced with other similarly situated individuals with disabilities.

Prior to 1981, Medicaid funding for long term care was only allowable for those being treated in an institutional setting. In amending the Social Security Act in 1981, states were provided the option of waiving the requirement to treat people in institutional settings with Medicaid funding. States are allowed to develop programs under the waivers which determine what services will be offered and defining the funds that will be paid for the services provided. Although the SC Department of Health and Human Services is the fiscal agent for all Medicaid funds including the waivers, DDSN is the agency charged with the programmatic administration of four waiver programs targeting specific groups of consumers with disabilities and offering varying services. Each waiver has its specific objectives, list of allowable services and eligibility requirements. The services actually received vary based upon the needs of the individual as determined by that person's case manager in consultation with the consumer and family members.

1) Intellectual Disability and Related Disabilities (ID/RD)

The ID/RD waiver is intended to allow individuals who would otherwise have been treated in an institutional setting to receive services in the community either in a residential setting or while living with their families. Once a person has been added to the ID/RD waiting list it can take several years before they begin receiving services. Although efforts have been made to shorten the time on the waiting list it currently takes approximately 3.4 years before a person obtains a waiver slot and begins receiving services.

To be eligible for services based upon Intellectual Disability and Related Disabilities, a person must have significantly below-average intellectual functioning (a valid IQ of approximately 70 or below as determined by IQ tests for children and adults and a clinical judgment for infants) and/or concurrent deficits in adaptive functioning, meaning how well an individual copes with common life demands. The onset of these conditions must have occurred before 22 years of age. The person must also be financially eligible to receive Medicaid funding and meet the Intermediate Care Facility for Individuals with Intellectual Disability (ICF/IID) level of care requirements.

2) Community Supports (CS)

The Community Supports waiver seeks to provide a level of assistance that will allow individuals to remain in their own homes. This waiver essentially targets the same individuals as the ID/RD waiver but has a far more limited range of available services. However, while this waiver also has a waiting list, the average time before receiving services is less than one year. This means that for those needing fewer services than those available via the ID/RD waiver, the CS waiver can provide the needed supports to function in the community without the greater levels of care that are available via the ID/RD waiver. Receiving CS waiver services can also act as a bridge until an ID/RD slot becomes available.

3) Head and Spinal Cord Injury (HASCI)

Once again, as a Home and Community Based waiver program, the objective of the HASCI waiver is to provide services to people suffering from serious Head and Spinal Cord Injuries at home or in the community. To receive services related to head and spinal cord injuries, a consumer must meet all four of the following criteria:

- The condition is attributed to a traumatic brain injury, spinal cord injury or both, regardless of age of onset.

- It is anticipated to continue indefinitely without intervention, and results in substantial functional limitations in at least two areas of life activities such as self-care, receptive and expressive communication, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency.
- The need exists for special interdisciplinary or generic care/treatment or other services which are lifelong or of extended duration and are individually planned or coordinated.
- Also, the condition is not associated with the process of a progressive degenerative illness or dementia, or a neurological disorder related to aging.

4) Pervasive Developmental Disorder (PDD)

This waiver seeks to treat children with Autism Spectrum Disorder as early after diagnosis as is feasible to mitigate the effects of this disorder. Children ages 3-10 qualify for services under this waiver if they have been diagnosed by a licensed diagnostician by age eight. As with other waivers, the child must meet Medicaid financial eligibility requirements and the intermediate care facility level of medical care criteria. However, the Center for Medicare and Medicaid Services (CMS) has indicated that this waiver will be terminated and beginning in FY 2018, services previously provided under this waiver will become part of the Medicaid state plan for Autism Spectrum Disorder (ASD) Services program. DHHS and DDSN had been engaged in negotiations to have DDSN continue providing the administration for the programmatic side of this service array. The DDSN Commission voted not to enter into the proposed contract until additional details were addressed to their satisfaction. At this time, it appears that DHHS has decided to pursue another avenue for continued operation of the program once the waiver has been discontinued.

Allowable Waiver Services

Intellectual Disabilities & Related Disabilities (ID/RD) Waiver	Community Supports Waiver	Head & Spinal Cord Injuries (HASCI Waiver)	Pervasive Developmental Disorder (PDD) Waiver
Personal Care I Personal Care II Residential Habilitation Environmental Modifications Private Vehicle Modifications DME/Assistive Technology Prescription Drugs Respite Care Audiology Services Adult Companion Services Nursing Services Adult Dental Adult Vision Adult Day Health Care (ADHC) ADHC Nursing ADHC Transportation Adult Attendant Care Behavior Support Services Career Preparation Employment Services Day Activity Community Services Support Center Services Personal Emergency Response System (PERS) Pest Control	Personal Care I Personal Care II Adult Day Health Care (ADHC) ADHC Nursing ADHC Transportation Respite Care Environmental Modifications Specialized Medical Equipment, Supplies, Assistive Technology & Appliances Incontinence Supplies Private Vehicle Modifications Behavior Support Services Day Activity Services Career Preparation Services Community Services Employment Services Support Center Services In-Home Support Personal Emergency Response System (PERS)	Prevocational Services Day Habilitation Supported Employment Attendant Care Health Education for Consumer Directed Care Peer Guidance for Consumer Directed Care Residential Habilitation Medical Supplies, Equipment & Assistive Technology Prescription Drugs Respite Care Personal Emergency Response System (PERS) Physical Therapy Occupational Therapy Psychological Services Behavior Support Services Nursing Services Speech, Hearing & Language Services Private Vehicle Modifications Environmental Modifications	Case Management Early Intensive Behavioral Intervention

In addition to the optional waiver services, there are numerous services available under the state plan that are available to all Medicaid eligible individuals and apply across all of the waivers. These include services such as physician services, prescribed drugs, and targeted case management. All covered Medicaid waiver services are optional and Medicaid beneficiaries cannot be compelled to accept a Medicaid covered service. States are not allowed to compel Medicaid beneficiaries to accept a service like targeted case management in order to access other services or programs such as HCBS Waivers.

Provider Network

The provider Network is comprised of three distinct types of providers. These are the state operated Regional Centers, the Disabilities and Special Needs (DSN) Boards and the private non-profit and for profit providers on the Qualified Provider List often referred to as QPLs.

A) Regional Centers:

Regional centers are state operated institutions staffed by DDSN employees. These were once the primary location for consumers needing residential care. With the impetus to treat consumers at home and/or in the community, the use of the regional center has declined to a total of 672 residents state-wide. Some of the buildings located on the properties are no longer in use with others still serviceable but set aside for periodic habitation as needed. The primary mission of the regional centers now is to care for consumers too medically fragile to receive treatment in a community setting or those with behavioral problems of a nature that their families and the local providers are unable to provide services. In some cases, these individuals have behavioral issues that might render them a danger to the community as well as their caregivers. Despite the assertion that these centers are intended to house only those unable to reside in the community, there are still some residents that could live in a Community Training Home or other center within the community. Often they are still living at the regional center because their family members prefer the perceived security of this setting. The regional centers are located on large tracts of land and segregated from the surrounding community. For some residents, this can actually provide more freedom since they can move around the campus without being exposed to potential dangers of the community outside the gates of the regional center.

There are four regional Centers geographically dispersed throughout the state. These are:

<u>Center</u>	<u>Location</u>	<u>Residents</u>	<u>Acreage</u>
1) Coastal Center	Summerville	152	142
2) Pee Dee/Saleeby Center	Florence/Hartsville	188	95/6
3) Midlands Center	Columbia	138	215
4) Whitten Center	Clinton	194	1,560

B) Disabilities and Special Needs Boards:

These entities established by state statute are governed by a board of directors that is appointed by the Governor based upon a recommendation from either the county council or the legislative delegation. There are forty DSN Boards located throughout the state including four entities that are treated as DSN boards despite not having a governing board appointed in the same manner as the other DSN Boards. While most DSN boards are considered

quasi-governmental institutions, there are four entities (Babcock Center, Berkeley Citizens, Charles Lea Center & Tri-Development Center) that are private non-profits that were grandfathered into the DSN Board System. Serving approximately 14,327 individuals, the DSN boards often function as the initial point of entry to the system and provide services to the largest number of consumers throughout the state. The board provider network offers the largest array of services as well. Although not all boards offer all services, virtually every home and community based service available to DDSN clients is offered by some of the boards. In parts of the state, the local DSN board may be the only option available for consumers to receive a specific service.

C) Private Providers on the Qualified Provider List (QPL):

South Carolina does not have a particularly robust system of private providers compared to some states that rely more on the private sector for service delivery. The vast majority of the consumers served by the private providers are receiving Early Intervention (EI) Services with 35 private providers offering solely EI services. Only sixteen (16) private providers offer residential services and eleven of these provide services to less than twenty-five individuals with one serving only 2 people. The remaining five serve populations between 44 and 189. The largest of these is SC Mentor which currently has their number of consumers restricted to the current population and cannot accept any additional consumers. In some cases, private providers help to serve a niche population. SC Mentor has accepted many consumers with behavioral issues that would be difficult to place in the community through the local DSN boards or other private providers.

Provider Payment System

Band Payment System

Introduced in 1998, the Band Payment System generally applies only to DSN boards and is the primary mechanism for funding services provided by the local boards. These payments are distributed prospectively in anticipation of services being rendered to consumers. A capitated rate is established by DDSN based upon the setting in which a consumer receives services which averages the cost of the services for which clients in this particular setting might qualify. In certain circumstances, a larger "outlier" rate can be approved if it is determined that the cost of serving a particular consumer due to unusual circumstances exceeds a predetermined threshold amount. DDSN uses state appropriated funds to pay the DSN boards in advance and then uses the service unit reports provided by the boards to submit claims to DHHS for Medicaid reimbursement of the specific services actually rendered. Some advantages of the band payment system include the prospective nature of the payments, flexibility and predictability. A DSN board can anticipate that they will receive a set level of funding in advance based upon the assigned band of the consumers they are serving and can then provide services as appropriate. The amount spent on individual consumers does not correspond to the average payment. Instead, services are provided as needed to comply with the individual's plan of care. This creates a disconnect between services provided and the funding received by the local DSN boards.

Many providers indicate that they do not understand the manner in which the bands are set and some believe that the Medicaid funding provided by the bands is significantly less than what would be available through a direct billing system. Although the band payment funds the provision of services, these payments cannot be directly tied to payments for services. The former director of DHHS also expressed concerns about the impenetrability of this system of reimbursement. Providers have also complained that some bands have inadequate rates discouraging providers from offering these services because the costs exceed the reimbursement. Because the band system does not apply to private providers or to some services, it creates a two tiered system of reimbursement which further differentiates between the local boards and private providers. In cases where a private provider is serving a consumer for a service that has been included in the band reimbursement, they must then invoice the DSN board for the service since they have already received the funding for this service as part of

the band payment. Having the boards act as fiscal agents for services they are not providing can create confusion within the reimbursement system.

Band Reimbursement Rates

<u>Band</u>	<u>Service</u>	<u>Annual Rate</u>
Band A	State funded Community Supports	\$14,222
Band B	At Home - IDRD Waiver	\$12,990
Band C	Supported Residential - SLP II	\$31,666
Band D	Supported Residential - SLP I	\$19,568
Band E	Supported Residential - CTH I	\$24,297
Band F	Supported Residential - Enhanced CTH I	\$38,104
Band G	Residential Low Needs	\$61,563
Band H	Residential High Needs	\$82,398
Band I	At Home - Community Supports Waiver	\$13,612
Band R	Residential Placement from Regional Centers	\$90,529

Direct Reimbursement for Services

Private providers are generally reimbursed based upon the units of service delivered. This is similar to the methodology utilized by DHHS in paying for other Medicaid services. However, DDSN utilizes a system referred to as the Band Payment System to pay for services provided by DSN boards.

Special Grants

These grants are awarded to provide funding to providers for a variety of purposes. Most of the funds are used for Americans with Disabilities Act (ADA) compliance, consumer safety, expansion of infrastructure capacity and to repair or replace existing facilities. Sometimes these are awarded to other entities to fund specific programs such as Autism Spectrum Disorder research at Greenwood Genetics Center etc. In awarding grants for expansion or facility repair/replacement, DDSN staff report that, when funds are available, they make a determination about statewide need and promulgate an agency solicitation inviting providers to submit an application for these funds. The agency must then rely on the providers electing to expand capacity to provide the services sought by the agency.

Major Programs/Activities

Although the breadth of the activities undertaken by DDSN and the provider network to provide services is too vast to completely record within this report, some of the major activities are described below.

Medicaid Targeted Case Management

Targeted Case Management is considered a linchpin in the process of matching eligible consumers with appropriate medical, social, educational, and other services. This service is provided by the local provider network. Case managers perform the following four activities:

- 1) Perform an Assessment to determine what eligible services would benefit the consumer and which of these services they desire.

- 2) Prepare a Case Management Plan to coordinate these services into an actionable plan to meet the consumer's needs.
- 3) Refer the consumers to organizations that can provide the services and assist the consumer in making the linkages between these entities and the consumer.
- 4) Monitor and follow-up to determine if the consumer is receiving the recommended services and that the services provided are meeting that consumer's needs.

Intake

Intake is the process of compiling the necessary information to determine if an individual is eligible for DDSN services. Intake services are provided by DSN boards and private providers. Once the documentation has been compiled, DDSN staff make the actual determination of eligibility. Historically, this function was performed by the local DSN boards. Although, DDSN briefly assumed this role, it was recently returned to the local DSN providers.

Residential Settings

Residential Care is provided to qualifying individuals who are unable to continue to reside alone or with their family in a variety of settings. The goal is to place consumers in the least restrictive environment that allows them to have their social, educational, work and physical/medical needs met. Below are the various settings for residential care.

Regional Residential Centers provide 24-hour care, supervision and treatment to DDSN's most fragile consumers with the greatest need for support. Regional Center care is generally recommended only when all other appropriate community services are not available. Increasingly, treatment in a Regional Center is reserved for consumers with medical conditions that cannot be treated in a community setting or behavioral issues that preclude placement in the community.

Community Intermediate Care Facilities (ICF) offer a community living option to those people who need maximum support for their high levels of need. Twenty-four-hour care, supervision, training, recreation and other activities are provided in this structured environment.

Community Residential Care Facilities (CRCF)

This model, like the Community Training Home-II Model, offers the opportunity to live in the community in a homelike environment under the supervision of qualified, trained caregivers. However, these facilities which can be equated to an assisted living facility, normally house more than the maximum of four residents allowed in a Community Training Home. Care and supervision are provided according to identified needs as reflected in the service plan.

Community Training Homes (CTH I & II) provide consumers the opportunity to live in a home like environment with no more than 4 to a home with personalized care, supervision and individualized training as needed. There are two levels of CTHs.

In a CTH-I setting, the caregivers are trained private citizens administering care in their own homes with a maximum of two consumers residing with them. The idea being that the "host family" is essentially adopting the consumer into their family.

A CTH-II is staffed by employees from the provider organization which also owns the premises. Care, supervision and skills training are provided according to individualized needs as reflected in the service plan. A maximum of four people live in each residence. These homes can be one and two family dwellings, as well as townhouses and are usually owned by the provider. While an attempt is made to provide continuity of staff so that they and the consumer can become familiar with one another turnover rates can be high.

Supervised Living Programs (SLP I & II) provide adults with the support needed to live in apartments, duplexes or other (single family) housing. Supervision and support services are tailored to the person's needs.

SLP II - Supervised Living Program II

This model is for people who need intermittent supervision and supports. They can handle most daily activities independently but may need periodic advice, support and supervision. It is typically offered in an apartment setting that has staff available on-site or in a location from which they may get to the site within 15 minutes of being called, 24 hours daily. SLP-II homes are located in one and two family dwellings, as well as townhouses,

SLP I - Supervised Living Program I

This model is similar to the Supervised Living II model; however, people generally require only occasional support. It is offered in an apartment setting and staff are available 24 hours a day by phone.

Community Inclusive Residential Supports (CIRS) This model was created to promote personal development and independence in people with disabilities by creating a customized transition from 24-hour supervised living to a semi-independent living arrangement. Participants are responsible for selecting support providers, house mates and housing. A lease support agreement connects participants with landlords and provides an extra level of support which might be needed to facilitate a positive landlord/tenant relationship.


Technology

DDSN began piloting the Therap system of electronic health care records in 2012 at the Saleeby Center. The contract for state-wide implementation was awarded in 2014. Therap is a system that is specifically intended to provide electronic records and documentation in long-term care services for people with Intellectual or Developmental Disabilities. This web-based application suite should facilitate transitioning the agency's reimbursement system since it allows for electronic documentation, reporting, communication and billing by the providers. Therap data can also be used for some of the agency's administrative monitoring functions. However, full integration and implementation of Therap with all providers reporting is still in progress.

In an effort to assist consumers and their families in selecting a provider, the agency has recently begun the implementation of a Provider Dashboard. This initiative provides additional information to families that is not available in most states. The initial implementation of this web based tool relies on aggregate data collected from providers to give families data to compare providers based upon their relative scores on the metrics used. The agency offers the disclaimer that this should only be used as a tool to begin searching for a provider and should be followed-up with in person visits during which the family obtains more information. The agency has a list of suggested questions for families to pose to a prospective provider. Below is an example of the information provided on the dashboard.

Residential Services	
★★★★★ 	
 Residential Services/Habilitation Average	98.5
 Res Licensing 3 Year Avg	89.7%
 Residential Observation Average	100.0
 Administrative Indicators Average	97.3
 Timely Initial Abuse, Neglect & Exploitation Reporting	100.0
 Timely Final Abuse, Neglect & Exploitation Reporting	100.0
 Timely Initial Critical Incident Reporting	93.0
 Timely Final Critical Incident Reporting	86.0
 Plans of Correction for Citations noted in Contract Compliance	100.0
 Plans of Correction for Citations noted in Licensing	100.0
 Provider Size	Medium
 18 Month Cycle	Yes
 Special Certifications/Accreditation	N/A
 Compliance Enforcement Action	No

Annual reports and audits are available upon request from the provider agency

A brief explanation of the title is provided when a user clicks on the  icon.

Monitoring

Provider monitoring can be divided into three categories. These include facility licensing, quality assurance and what DDSN terms internal audit.

Facility Licensing is primarily concerned with assessing such factors as: qualifications of staff, staff ratios, fire safety, medication management, facility size and construction, storage of hazardous liquids and health maintenance. DHEC inspects and licenses all ICFs (including the regional centers), and CRCFs. For all other residential facilities operated by local providers of four beds or less, DDSN utilizes an independent contractor to carry out the inspections. The entity that has currently been awarded this contract is Alliant. DDSN contracts for these services to avoid the potential conflict of having the funding entity licensing the facilities that it funds. Beginning July of 2017, Alliant began conducting unannounced inspections as part of the licensing process.

Quality Assurance is primarily concerned with issues of contract compliance and abuse, neglect and critical incidence reporting. This function is also contracted out to Alliant. Alliant is one of the federally certified providers for this monitoring. Using a provider certified by CMS allows the agency to charge Medicaid at the 70/30 rate that is allowed for most direct services. In the past, most of the activities undertaken to demonstrate contract compliance involved collecting and evaluating data indicators. The monitoring entity does this through a process of reviewing records and announced provider inspections. Although quality assurance included residential observation this will be a separate review component beginning in FY 2018. The contracted monitoring review team will be required to physically observe twenty-five percent of a provider’s residential locations and all of the day service locations annually. Unannounced visits also began July of 2017.

Internal Audit is responsible for monitoring consumer finances and consumer property inventory for all providers as well as conducting operational audits of the DSN boards.

Consumer Finances/Property

Many DDSN consumers have private funds available from one or more sources. These sources include income from employment, Supplemental Social Security Income and funds provided by family members, etc. The degree of control consumers are able to exercise over their finances varies widely from one individual to the next. For those in a community residential setting, a significant portion of the individual's private money goes to the provider for the person's room and board costs. The balance of the funds (often in cash) are available for purchasing clothing and other discretionary spending such as entertainment or purchase of personal items including furniture. Since many consumers in community residential setting require assistance in managing their finances and this task usually devolves to the direct care staff there is a significant risk for abuse in this system. The policy of limiting the available cash on hand to a maximum for an individual consumer is intended to reduce the risk of misuse or malfeasance. This maximum was recently increased from \$50 to \$100. The Internal Audit Division monitors how consumer finances are managed by the providers to determine if the applicable policies have been followed. This includes checking the inventory of personal items such as furniture, electronics and appliances to ensure that they are properly accounted for and are present for the consumer's personal use. Because they only monitor a percentage of providers in any given year, providers are required to reconcile consumer finances within 30 days to increase the rate of compliance. Recently, the Commission voted to impose financial penalties on providers if they fail to implement corrective actions in a timely manner for findings related to health and safety.

The operational audits of DSN boards assess how the boards are being managed to ensure that these providers remain fiscally sound. As the primary providers for the largest number of consumers, their continued operation is considered essential. Should a DSN board or large private provider become financially unstable it might be impossible to relocate the large number of residential consumers to suitable living situations. Without emergency financial aid from the state, this could result in a crisis situation for many of these consumers.

Physical Facilities

DDSN owns over 200 buildings. Approximately 55 are community residential facilities while the rest are on state property at the Regional Centers. The agency also has a financial interest in many other properties owned by local providers that DDSN provided a grant to partially fund. Should the provider dispose of these properties, a pro rata portion of the funds generated from the sale must be remitted to DDSN. Some of the properties owned by DDSN are in need of repair. Some of the buildings located at the regional centers are no longer useable and need to either be refurbished or demolished. The necessary repair and maintenance costs for buildings requires the commitment of a significant portion of the agency's limited non-Medicaid related funding. The agency has indicated a desire to divest itself of some of the community based properties but has been unable to transition them to the local providers.

Employment

An important component in enabling consumers to realize a fulfilling life and being integrated into the community is the opportunity for gainful employment. DDSN advocates an "Employment First" philosophy which states that employment should be the preferred day service option for adults with disabilities. To this end, providers are expected to offer employment training, and assist consumers who desire employment with opportunities to obtain jobs commensurate with their abilities and preferences. The degree to which states' disabilities agencies encourage and provide this opportunity is one of the key measures used to gauge the effectiveness of disability

programs in a state. Some consumers are able to work independently at jobs in the community and some employers are increasingly seeing the value in hiring these individuals. Other consumers are employed on site at provider run day centers and others are transported by the provider as a group to job sites employing several consumers. The U.S. Department of Labor allows individuals with disabilities to work for sub minimum wage based upon that person's productivity compared to the average productivity of someone without a disability. In theory, this provides an incentive for a business to employ individuals with disabilities. A 2017 report by Protection and Advocacy for People with Disabilities was critical of the state's use of segregated work environments and sub-minimum wages. While DDSN had voiced agreement with the findings in the report, there are substantial barriers to placing all consumers in jobs integrated within the community. Some of these barriers include transportation, costs associated with making employment economically viable to the employer and limitations on some consumer's abilities and desire for employment.

Early Intervention

Early Intervention is a family-focused, in-home service for children from birth to 6 years of age. An Early Interventionist helps families understand their child's development and gives specific training to assist the family in addressing these areas of delay. Family Training and Service Coordination are provided in accordance with an Individualized Family Service Plan (IFSP) for children birth to 3 or a Family Service Plan (FSP) for children 3 to 6 years of age. The birth to age 3 component is administered by BabyNet with DDSN transferring the funding from the agency's state appropriations for this activity. BabyNet has been transferred to the Department of Health and Human Services making them the lead agency for this program.

Children under 36 months of age whose genetic, medical or environmental history indicates that they are at a substantially greater risk than the general population for a developmental disability are eligible for services from DDSN. Eligibility may be limited to a specific period of time until a comprehensive assessment can be made regarding the presence or absence of a qualifying disability.

At the conclusion of the specified time period, DDSN will re-evaluate the child's eligibility status. If the diagnosis remains unclear beyond 36 months of age and the child has developmental delays greater than 20% in three or more areas of development, the child will be considered "at-risk" and will be eligible only for service coordination and family training (Early Intervention Services).

Finance:

Revenues

Of DDSN's total revenues, 62% is derived from federal Medicaid funding (\$403.4 M). Of the state appropriations to DDSN, 84% (\$204 M) is used as Medicaid matching funds. This demonstrates that the agency is heavily reliant on Medicaid to fund operations and services. This reliance on Medicaid funding brings with it many requirements to conform to CMS directives that determine many of the agency's policies.

DDSN FY2017 Revenues



Expenditures

For FY 2017, DDSN expended \$652.6 million in the following categories:

Community Contract Services

DDSN Board Band System Payments	\$350.5 M
Reimbursements to Private Providers	\$96.7 M
State Matching Funds Transferred to DHHS	\$86 M
Special Grants to Providers	\$6.2 M
Total	\$539.4 M

State Provided Services

Regional Centers	\$91.3
Regional Autism	\$3 M
Total	\$94.3 M

State Level Administration & Support Services

Administration	\$8.6 M
District Offices	\$1.4 M
Program Services	\$5.2 M
Total	\$15.2 M

Capital Expenditures	\$3.7 M
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Community Contract Services equates to 84% of the total expenditures in 2017 with administration and support services accounting for 2% of total expenditures. At only 1% of expenditures, funding for capital expenditures relies on either a specific appropriation from the General Fund and/or non-recurring funds carried forward from other programs.

Staffing

The agency has 2,122.90 FTEs authorized. Of this total, 1,462.85 are state funded FTEs. The agency averages approximately 1,700 filled FTE's and 200 temporary employees. These employees work in the regional centers, in administration at the central office in Columbia and at the two district offices. In addition to the administrative staff, some employees work directly with consumers while others provide services to the provider community. The largest single cohort of employees fall under the job title of Human Services Assistant/Specialist. These account for nearly half of the entire number of authorized and filled FTEs. These employees provide the direct care services to consumers. The agency has reported significant turnover in direct care staff both for the agency and in the provider network. Although local provider employees are not state employees, DDSN requested and received funding to increase the minimum wage (from \$10.11 to \$11.00 per hour) for direct care staff at the agency and local providers to help recruit and retain employees in these positions. The agency also removed the requirement for a high school diploma to qualify for employment as a direct care employee.

National Rankings

As an independent measurement of performance, the state rankings of the United Cerebral Palsy's (UCP) Case for Inclusion provides some objective data for comparing performance between states. The data utilized is intended to measure how states are performing in the categories of:

- 1) Promoting Independence
- 2) Promoting Productivity
- 3) Keeping Families Together
- 4) Reaching Those in Need
- 5) Tracking Health, Safety & Quality of Life

In the 2016 report (which primarily utilized 2014 data) South Carolina had an overall ranking of 14. The next highest ranking among states in the Southeast was Kentucky with a rank of 19. South Carolina's neighboring states of Georgia and North Carolina ranked 23 and 38 respectively.

II. Issues

A) Reorganization

During the previous two legislative sessions, several bills were introduced to reorganize the Department of Disabilities and Special Needs. Two of these would have established the Department as a cabinet agency with the director appointed by and reporting to the Governor and devolving the current Commission into an advisory council. A third iteration would have made the Department a division within the SC Department of Health and Human Services, (a cabinet agency). (S768, S180, S600)

The various models for locating DDSN within the structure of state government have various advantages and disadvantages. In the current structure, with DDSN as an independent agency reporting to an appointed commission, DDSN has greater autonomy in deciding how best to meet the needs of the consumers it is tasked with serving. Also, with seven Commissioners from each of the Congressional districts, there is an opportunity to derive value from the diversity of experience provided by the Commissioners and to ensure that the various regions of the state are adequately represented in the agency's decision making process. However, other than geographic, there are no statutory requirements for diversity on the Commission that would lead to representation of specific interest groups including race, ethnicity or specific disabilities. Also, as appointees, the Commissioners are not directly responsible to the residents/voters in their districts. Despite being appointed by the Governor, most of the Commissioners indicated that they have had no interaction with the Governor or Executive staff subsequent to their nomination to serve on the Commission. Should DDSN become a department in the Governor's cabinet, this will allow for more responsiveness to the electorate and place a single authority over both DDSN and DHHS.

Since most of DDSN's programs are funded with Medicaid funds, DHHS has a significant role in shaping the programs administered by DDSN. In the last few years, this has become more pronounced despite DDSN's statutory "authority over all of the state's services and programs for the treatment and training of persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries" (Section 44-20-240 of the SC Code of Laws) as DHHS has asserted more control over Medicaid funded programs. In the case of the DDSN waiver programs, DHHS has taken a greater role in preparing the Medicaid waiver renewal request, commissioned studies and offered critiques of the band payment system, and met separately with DDSN provider groups. This blurring of the authority between the two agencies has led to some difficulties. One result of DHHS meeting with disability provider groups has been to magnify fissures in the relationships between these entities and in some cases between the providers and DDSN. The limited input allowed of DDSN in developing the waiver renewal may have played a role in the delays in getting the renewal authorized by the Center for Medicare and Medicaid (CMS) and certainly led to the failure to designate the administering agency (DDSN) as an Organized Health Care Delivery System (OHCDS) which could potentially jeopardize funding for the programs covered by the ID/RD waiver. Discrepancies over roles has led both agencies to expend resources in contracting with outside consulting groups to bolster their positions on issues related to funding. The two agencies were unable to reach an agreement to facilitate the transition of the PDD services from a waiver to a direct Medicaid program with DDSN continuing to administer the programmatic portions.

- **Legislative Recommendations**

The General Assembly may wish to clarify the roles and authority of the Department of Health and Human Services and that of the Department of Disabilities and Special Needs in providing services to consumers of DDSN services and in the development and implementation of the state waivers administered by DDSN through statute and/or proviso.

The General Assembly may wish to establish a governing authority to mediate disputes between DHHS and DDSN on Medicaid funded programs for individuals with disabilities. This could involve transferring DDSN to the Governor's cabinet, establishing a joint legislative committee or creating an appointed independent entity to arbitrate these disputes and make recommendations to the General Assembly.

B) Commission Operations

Several of the Commissioners expressed concern about their lack of knowledge of the subject matter and parliamentary procedure for participating in the Commission meetings. This can be attributed to a lack of experience in the field of disabilities and special needs and in the case of newer members the brevity of their tenure on the Commission. In some cases, Commissioners report that this has been exacerbated by truncated terms due to delays in replacing their predecessors. Commissioners without a background in managing disability programs expressed hesitancy in making decisions contradicting agency staff recommendations. This can be seen in the magnitude of staff involvement in Commission meetings and has resulted in division among the Commissioners based upon the level of governance individual Commissioners wish to exercise. The Commission does not have an agreed upon coherent vision regarding the direction of the agency and the manner of governance.

Individual Commissioners are frequently quoted expressing their views directly to the media. It is unclear if their statements reflect the views of the Commission/agency. The Commission has no policy defining who may speak publicly for the Commission and/or the agency. In interviews, Commissioners expressed the concern that voting to adopt policies regarding interactions with the press would be represented in the media as an attempt to silence critics of the agency.

The statute clearly anticipates that Commissioners will be advocates for the agency, "to...educate the public and state and local officials as to the need for the funding, development, and coordination of services..." However, some Commissioners have adopted the role of critics of the agency and service delivery model that they govern rather than accepting responsibility for the performance of the agency.

The lack of a policy regarding the manner in which Commissioners and agency staff interact results in numerous individual requests to staff that are not coordinated through either the Chairperson or the agency Director. The failure to follow parliamentary procedures has led to Commission meetings devolving into debates between staff and Commissioners with the staff becoming defensive of the agency's position. The failure to have a coordinated method of communication between the Commission and staff has often created an adversarial relationship between Commissioners and staff in which the staff defend current agency policies and resist Commissioners' attempts to institute change. In the absence of specific direction, DDSN staff have pursued legislative initiatives without the Commission's input.

When assessing incidents that occur at the provider level, the Commission debate focuses on the occurrence of specific events rather than policy compliance. Since some negative outcomes will inevitably occur despite policy compliance, this leads to using subjective criteria, general impressions and media reporting in evaluating the actions of providers.

- **Agency Recommendations**

To help prevent truncated terms, the agency should notify the Governor's Office in a timely manner when a Commissioner's term is expiring and inform the Governor if the Commissioner is willing to serve a subsequent term.

The Commission should debate and adopt policies that establish a governance model and adhere more closely to parliamentary procedure to facilitate debate during Commission meetings.

The Commission should adopt a policy regarding who may represent the views of the Commission and the agency when speaking to the media. This could be the Chairperson or someone else designated by the members when speaking for the Commission. This could be the Director or their designee when speaking for the agency. If other Commissioners are authorized to speak to the media independently, they should either adhere to the positions adopted by the Commission or be required to indicate that they are speaking as private citizens and expressing their personal views.

The Commission should debate and adopt policies formalizing how individual Commissioners communicate with agency staff.

The agency should solicit input from the Commission to determine what subject matter training would benefit the members and provide the opportunity for the members to avail themselves of training provided by the agency on a schedule established by the Commission.

The Commission should evaluate providers based upon compliance with agency policies and directives when assessing provider performance in the case of negative events concerning consumers. If the provider followed established procedures, then the Commission should determine if the policies in place are reasonable and adequate. Should the Commission determine that policies are insufficient to address the situation then the policies should be revised to ensure that policy compliance will serve to appropriately protect consumers. This evaluation practice should be applied uniformly to both local DSN boards and private providers. The policies should also establish thresholds for adequate compliance and the ramifications of failure to meet these minimum thresholds.

In addition to the existing two committees, Policy and Finance/Auditing, the Commission should establish a Legislative committee to coordinate the agency's legislative agenda and ensure that the Commission's position on all relevant legislation is accurately conveyed to the General Assembly.

C) Allocation of Resources

Despite some advantages, the band system is unnecessarily complex and has proven to be divisive in the provider community. It is poorly understood by providers, advocates, clients and other interested parties including the state's Medicaid agency. Also, the agency's process for allocating other resources in the form of special grants is vaguely defined and allows for the impression of capriciousness in the practice of allocating resources. Use of the band system has resulted in overpayment to providers and necessitates retracting funds from providers. This usually occurs as part of the routine system of reconciliation. However, there have been circumstances when this overpayment was done in error. Also, when a private provider furnishes a service to a consumer for which the local DSN board already received funding through the band system, they must then invoice the DSN board for payment. Some private providers report long delays in obtaining payment for services rendered from the local boards. The manner in which the funds are distributed causes the agency to continually amend the contracts with the DSN boards. The agency and Commission expend a great deal of time and effort in the process of allocating resources to providers. The agency has also spent significant sums in contracting with a consulting firm largely in an effort to defend the continuation of the band system. Also, the dual allocation process used to fund local DSN boards and private providers tends to pit these two groups' interests against each other. The methodology for distributing funds outside of the band system and direct reimbursement is even less clear. Most of these funds are distributed in the form of special grants for a variety of purposes including expansion of services by the provider.

- **Agency Recommendations**

DDSN should adopt a process of provider reimbursement that is essentially a fee for service model or direct reimbursement which pays local DSN Boards and private providers in the same manner. This would allow the agency to concentrate on ensuring that the services being purchased are provided in compliance with agency policies and Medicaid rules. While DHHS could eventually make the actual payment for services for providers, DDSN should take the primary role in establishing reimbursement rates.

The agency should clearly articulate the process for allocating other funding. In lieu of the current process of awarding a single grant, it might be possible to establish a time limited additional reimbursement rate for consumers at new facilities to help defray the cost of building or buying a new house, supported work site, etc.

D) Consumer Advocacy

Although DDSN frequently consults with the provider community for input and forms advisory committees comprised of representatives from the provider community, consumer representation is largely unsystematic and led by an ad hoc group of individuals that have taken on the task of broadly representing consumers but have no official standing. This has led to a system in which providers purporting to represent consumers' interest have the greatest input into the agency's decision making process.

- **Legislative Recommendation**

The General Assembly may wish to establish a Disabilities and Special Needs Consumer Advisory Committee with requirements that the members represent the various communities that DDSN serves and specify the role of this committee in formally providing input into shaping the agency's policies.

E) Agency Directives

In order to ensure providers are operating in accordance with the agency's policies it is necessary that DDSN promulgate numerous directives regarding the manner in which the various programs are to be operated. Due to the complexity of the programs the agency governs, many of these directives are quite long and complex. Since DSN boards typically operate virtually every program available they can be expected to carefully examine and implement all aspects of every directive promulgated. However, some of the private providers only offer a limited array of services. This means that some of the directives do not apply to these entities. Because the titles of the directives do not always reflect all of the areas impacted by a directive, it is possible for a private provider to assume that a particular directive does not apply. This can result in the entities unintentionally failing to comply with DDSN directives.

- **Agency Recommendation**

At the beginning of directives, the agency should enumerate those programs impacted by the directive. This would allow private providers to readily determine which directives apply to their programs and reduce the possibility of these providers ignoring pertinent information.

F) Consumer Finance

The prevalence of the use of actual cash used by consumers and managed by direct care providers significantly increases the risk of mistakes and malfeasance. Additionally, cash is more difficult to effectively monitor since it requires paper receipts for even minor expenditures.

- **Agency Recommendation**

The agency should explore adopting a policy requiring providers to utilize a specialized debit card system designed for individuals with disabilities. Some providers already use these tools to manage consumer finances alleviating some of the risks that handling cash entails.

G) Inventory Control

Providers are required to use a system of inventory control that requires a narrative description of an individual's personal belongings. These descriptions can be incomplete and the accuracy varies between providers and between staff performing the inventory. Also, this system is laborious and requires monitoring of paper records.

- **Agency Recommendation**

DDSN should investigate establishing a standardized inventory system that utilizes available technology and digital pictures of the belongings that would allow electronic monitoring of consumer property inventories.

H) Financial Audits

The agency has a policy of requiring financial audits from all providers receiving over \$250,000 in revenue from the agency regardless of the services provided. In the case of private providers that do not provide residential services, these audits are not useful to the agency and are costly to the providers. Should a private provider, that does not offer residential services, cease operations the consumers could receive services from another provider with little dislocation for the consumer.

- **Agency Recommendation**

The Commission should consider revising the current policy to exclude providers that do not provide residential services from the requirement to furnish an annual financial audit. Instead, a less expensive and onerous accountant's Report on Applying Agreed-Upon Procedures (RoAAP) should be required.

I) Conflict Free Case Management

It has been the custom for the provider network to also handle case management for the consumers. It was not uncommon for the provider organization to be the employer of a consumer's case manager and be the entity that provided the services recommended in the case management plan. CMS has expressed concern that this could result in a tendency on the part of case managers to direct consumers to the services offered by their employer creating an obvious conflict of interest. Should case managers exhibit a bias to refer consumers to their employer for services, the integral role of the case manager in assisting consumers can lead to reduced choices for the consumer which violates one of the primary tenets of the Medicaid program. To resolve this, CMS has insisted that states adopt a system of "conflict free case management" in which the case managers are not employed by the same organization as the service providers for an individual. Ideally, there would be separate organizations

which provided only case management services and had an array of available providers to which they had no special relationship. In South Carolina, most of the case management services are still performed by the providers and there are insufficient options currently available to offer completely conflict free case management. Some providers have divided their operation to create a separate case management organization but this division is somewhat illusory. Because of the shortage of providers, consumers may still be left with few options for case management and other direct care services. Currently, DHHS is working with CMS to determine if a person specific system of case management would meet the definition of conflict free. Person specific conflict free case management would mean that although a provider might furnish both direct services and case management, it could not provide both types of services to a specific individual. The shortage of multiple providers in parts of the state offering services may make it difficult to achieve this goal quickly. Also, conflict free case management may have the unintended side effect of reducing consumer choice if a consumer is currently receiving both forms of service from a single provider and is happy with the services. Under conflict free case management, the consumer and their family would be restricted from selecting a single provider for both services.

- **Agency Recommendation**

DDSN should work cooperatively with DHHS to phase in a system of conflict free case management that meets the federal requirements and provides minimal disruption to consumers while maximizing consumer options. Encouraging a larger cohort of private providers to offer case management services should be part of this overall strategy.

J) Technology

DDSN is currently working on some promising improvements in their use of technology. However, at this time they are not fully implemented and/or do not completely accomplish the intended goal. Despite input from parents, advocates and providers, the information currently available through phase I of the Provider Dashboard is not easily understood and is not very helpful in preselecting a provider. Most of the measurements used are minimums that a provider could be expected to meet in order to still be eligible to provide services. For example, the private provider that the Commission has restricted from accepting any additional clients has good ratings on the dashboard system. While Therap may potentially expedite and improve provider reporting, and facilitate monitoring it is not yet fully implemented.

- **Agency Recommendation**

DDSN should ensure that Therap can be customized to meet the changing needs of the agency and the provider community and proceed with full implementation.

In implementing phase II of the Provider Dashboard, the agency should utilize additional input from the provider community, consumer groups and other stakeholders to make revisions which provide a more useful tool for consumers and their families.

K) Waiting List

Once a consumer/family determines that they wish to receive services from DDSN there can be a significant delay in actually obtaining these services. Both the ID/RD waiver and the C/S waiver have a waiting list. Although the agency has made great strides in reducing the waiting lists, the average wait time for ID/RD is 3.4 years and for C/S it is one year. There are currently in excess of 8,000 people on the two waiting lists, with the majority of these awaiting ID/RD services. While the General Assembly has provided additional funding to reduce both the wait times and the numbers in a pending status, there are barriers to accomplishing this goal. The most obvious

problem is that individuals are continually being added to the list even as others are removed. Also, the agency states that CMS requires that anyone requesting services be placed on the waiting list regardless of their qualification to receive waiver services. Some of these individuals may not qualify either medically or financially for services and while attempts are made to purge the lists some may have left the state or be deceased. This means that the numbers reported on the waiting list are not entirely useful measures. Additionally, individuals can only receive services if the infrastructure is in place to provide those services. This problem is particularly significant in the case of residential services since not only is it necessary to expand the number of trained staff, supplies etc. but residences must be available to house the consumers. All of this is further complicated by the fact that neither private providers nor local DSN Boards can be compelled to expand their services or accept a particular consumer. This can result in difficulty in placing a consumer in geographic proximity to their family if a placement cannot be found anywhere. Wariness on the part of providers about having an incident which becomes public further exacerbates this problem.

- **Legislative Recommendation**

Providers and the agency argue that local providers should not be compelled to accept consumers that they are not able to safely serve. However, this is a unique perspective for providing state/federally funded services. Most state and local government agencies cannot turn away individuals due to an inability to provide services. Instead, they must develop the capacity to serve the person or find an alternative. This applies to public schools, prisons, and even private hospitals. The General Assembly may wish to change the law to require local DSN boards to specifically justify not taking a consumer needing the services they provide when funding is available.

- **Agency Recommendations**

DDSN should develop a voluntary questionnaire requesting consumers and their families to provide information about their circumstances upon entry in a waiting status. The agency could then use this information to categorize individuals on the waiting list among those that are potentially qualified for services, those not qualified at this time, those electing to not respond and the relative urgency of need among those on the waiting list. This would better illustrate the actual status of the unmet need for services in the community.

Although the agency voiced concern about compliance with federal laws mandating that consumers be treated in the least restrictive environment, the agency should explore using excess capacity at the regional centers to temporarily provide services to some consumers on the critical needs waiting list to stabilize their circumstances until a local provider can be found to accept the individual.

L) DDSN Owned Community Properties

To increase residential capacity in the local community, DDSN has purchased buildings or partially financed buildings for local providers. Most of these are operated by the local providers but some are operated with DDSN staff. Also, DDSN provides grants to local providers for facilities and then retains a financial interest in these facilities. Accessing Housing Trust Fund financing requires a state match and sponsorship by DDSN which acts as the initial recipient of funds and then makes a subsequent award to the local providers. DDSN includes a “reverter clause” in these grant agreements which prevents local providers from ever disposing of these properties or using them for another purpose without reimbursing DDSN for the total amount of the grantor funds regardless of the physical state of the property.

- **Agency Recommendations**

DDSN should seek to divest itself of properties within the communities. In the case of state operated facilities, the agency should make any needed repairs to the property and work out an agreement with the local provider to take over the operation of these properties.

Instead of making special grants to local providers to encourage them to expand capacity, the agency should incentivize expansion by developing a temporary add-on reimbursement for new facilities that ties the funding to the consumers using that facility. This would give local providers additional funding to develop additional capacity that they would own, maintain and operate.

The agency should consider limiting the length of time that a “reverter clause” remains in effect, in essence devaluing the agency’s investment. DDSN could eventually turn over properties to the local providers once a minimum utilization timeframe had been met. This would allow providers to better manage the physical assets of the entity.

M) Agency Relationship with Providers

Both the staff at DDSN and providers are quick to point out that they are separate entities. Some of the local DSN boards have changed their names to emphasize this distinction. However, in many ways, this distinction is misleading. DDSN requests funding in the budget request for salary increases for direct care staff that work for the providers. DDSN also limits the fund balances of local DSN boards. In numerous instances, the agency interjects itself into the management of the providers. While some of these measures are acceptable to the provider community others are resented. The Commission has adopted a paternalistic stance towards the local DSN boards as evidenced by many of their policy decisions. Commissioners voted to have the agency absorb the local DSN boards’ portion of the cost for purchasing generators, declined to allow financial penalties to offset the cost of repeated Fire Marshall inspections due to non-compliance resulting in increased costs to the agency and recently refused to allow DDSN to recapture funds incorrectly distributed to local DSN boards via the band system for self-directed care. In each of these instances, the boards were protected by the Commission from losing funding that could have been used to provide services to consumers. The Commission’s relationship with the local DSN boards may actually work to the detriment of consumers and private providers. Not surprisingly, consumers and their families have difficulty distinguishing between the local providers and the state agency. This can make it difficult to hold anyone responsible when policies that protect consumers are not followed. The limited number of providers supplying residential services puts DDSN at a disadvantage in punishing poor performance. In the case of local DSN boards and large private providers, the agency indicates that restricting these entities from serving consumers would create disruption of services and leave many consumers without alternative placement. Therefore, instead of sanctioning these providers the agency must seek to work with them to try to improve performance and avoid the need to relocate consumers.

- **Agency Recommendation**

The agency should treat all providers as contractors from whom they are purchasing services rather than extensions of DDSN that have to be managed to ensure the success of the provider. Treating all providers equally in terms of resources and other assistance may entice more private providers to enter the market place in South Carolina. In this environment, providers would compete for clients and better managed entities would have an advantage in recruiting clients and generating a profit. This could allow the agency to concentrate on ensuring that the purchased services are being provided adequately in the manner required by the Commission’s policies.

N) Monitoring/licensing

DDSN has contracted out most of the monitoring and licensing functions. Part of the reason for this has been to receive a favorable Medicaid match rate to fund these services by using a Quality Improvement Organization (QIO) certified by CMS. The monitoring and inspections performed by Alliant are scheduled in advance giving providers time to prepare. One reason given for the advance notification is that it is an intrusion on the privacy of the consumer. This has been changed to unannounced visits beginning in FY 18. The monitoring/inspections primarily looks at documents including consumer's records, employee's records and facilities. Some providers report that they are able to anticipate many aspects of the inspection and monitoring visits and make minor changes in advance to prepare for the visit. The monitoring and inspection visits include some interaction with the consumers, however, this will be a separate component beginning in FY 18. The efficacy in which services are provided to consumers not only varies between providers but also varies between the facilities run by an individual provider and can even vary from one room of a facility to another. During visits, some staff were observed interacting with consumers to encourage activity while staff in other areas were observed watching television and largely ignoring the consumers in their care.

- **Agency Recommendation**

DDSN should continue to expand and implement a system of person centered monitoring that emphasizes interviews and observation of the actual consumers as well as reviewing files. This would allow for an impression of the consumers actual well-being such as nutrition, dental care, cleanliness and help ensure the veracity of the documentation in the files.

DDSN should proceed with plans to conduct unscheduled visits to observe staff interaction with consumers to ensure best practices are being implemented.

O) Abuse, Neglect & Exploitation Reporting

Abuse and neglect reports are a significant measurement used to inform consumer choice and evaluate provider performance. In reported instances of abuse, neglect and exploitation, if law enforcement determines that a prosecution is not warranted, the report is defined as closed. While a report may be unfounded, in other cases, a consumer may actually have been subjected to abuse, neglect or exploitation but law enforcement was either unable or unwilling to prosecute. The commitment with which these cases are pursued varies throughout the state. One reason for categorizing reports in a more favorable manner is a reluctance to negatively portray a local provider if there is no actual incident. The current reporting system can give a misleading depiction of the safety record at a facility.

- **Agency Recommendation**

DDSN should work with law enforcement to more accurately classify the results of abuse, neglect and exploitation reports and improve the way that these are used for informing consumers and the public and make recommendations to the General Assembly for statutory changes if needed.

P) Agency Roles/Responsibilities

With the majority of DDSN's funding derived from Medicaid and state Medicaid matching funds, the distinction between the roles and responsibilities of DDSN as the disabilities program administrator and DHHS as the Medicaid fiscal agent is often unclear and has created problems in managing the programs. Previously, DDSN prepared the Medicaid waiver application/renewal documents which were then submitted through DHHS to CMS

for approval. During the tenure of a previous DHHS director, that agency began to assert greater control over this and other aspects of the waiver process. This decision stems from multiple factors including the incorrect Medicaid reimbursement rate claimed for administrative costs and a distrust of the band reimbursement system by DHHS staff. This has resulted or contributed to a number of negative consequences. Some of these include delays in renewal of the ID/RD waiver, a significant error in the waiver renewal application in which DDSN was not identified as an Organized Health Care Delivery System, the failure of the two agencies to reach agreement on facilitating a transition of the PDD waiver to a state plan funding model, exacerbated division among the providers and increased distrust by the consumers/families, advocates and the public of DDSN. This problem is compounded by the lack of a mediator with authority over both agencies since one is a cabinet agency while the other is governed by a commission.

- **Legislative Recommendations**

The General Assembly may wish to adopt in statute language that clearly differentiates the responsibilities of DHHS and DDSN for the disabilities programs operated by DDSN.

Since the two agencies have no unified governing authority under the current State Government structure the General Assembly may wish to establish an authority to mediate disputes between these agencies regarding Medicaid funded programs. This entity could have direct authority or make recommendations to the General Assembly for issue resolution as needed.

Q) Responsibility/Public Perception

An absence of specific policies and performance measures has created an atmosphere throughout the disabilities and special needs system in which the agency and the local providers pay more attention to media reporting and negative public perception than actual policy considerations. Too often, DDSN Commissioners, agency staff and local providers first concern is how a specific action or policy will be reported in the news media rather than how it will impact consumers. This has led to reticence on the part of providers to extend services to some of the neediest consumers and an unwillingness by the agency and the Commission to defend the system when the policies are properly applied but an unfortunate event still occurs. This avoidance of responsibility has led to timidity throughout the system with consumers suffering the consequences. Providers recognize that if something goes wrong DDSN may not support them even if it is through no fault of the provider and the agency staff is equally aware that they may not have the support of the Commission. Conversely, when an incident occurs in which a system failure was responsible, blame is deflected by the Commission, agency and providers.

An example of the former might be when a provider hires a direct care staff person after properly reviewing their qualifications and procuring any required background checks and then gives the individual appropriate training. Subsequently, DDSN and the contracted monitoring organization verify that this person is qualified, trained and supervised appropriately. Then, despite having followed all of the protocols, this staff person mistreats a consumer at which point they are fired and law enforcement is notified. While unfortunate, this is an example of the system working to identify a problem and correct it even though an individual acted with malice. Inevitably, the media report the abuse, the Commission blames the agency and the agency blames the provider.

Instances in which a provider and/or the agency are at fault are treated similarly. This diffusion of responsibility can frustrate consumers and advocates and has led to the perception that the agency is not properly protecting the individuals under the care of the DDSN provider network.

- **Agency Recommendation**

DDSN should recognize when the system fails and hold the responsible entity and/or individual accountable for the failure. This accountability should include not just the provider but the agency if the monitoring failed to uncover the problem and the Commission if appropriate policies were not in place to prevent the incident. Steps should then be taken to correct these failures and policies adopted to address any deficiencies.

At the same time, after an appropriate investigation, the Commission and agency should defend the system when policies are followed but an unfortunate outcome occurs due to something beyond either the agency's or the providers' reasonable ability to control.

The agency should ensure that all providers are treated similarly and consumers all have equal access to appropriate services/resources as determined by their case manager. Transitioning the agency's focus from allocation of resources to ensuring service delivery complies with agency policy should resolve some of these concerns.

South Carolina General Assembly
123rd Session, 2023-2024

H. 4300

General Appropriations Bill for fiscal year 2023-2024
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 36 – J160-DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

36.6. (DDSN: Transfer of Capital/Property) The department shall only transfer capital to include property and buildings to local 33 DSN providers with written consent of the providers by memorandum of understanding and upon State Fiscal Accountability 34 Authority approval, otherwise, the department shall be responsible for maintenance and improvement.

SOUTH CAROLINA CODE OF LAWS

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

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

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

HISTORY: 1985 Act No. 201, Part II, Section 5; 1989 Act No. 26, Section 1; 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Editor's Note

Except for designation of the paragraphs, this section and former Section 1-11-57 were identical. For consistency, Section 1-11-57 is treated as an amendment to this section.

Effect of Amendment

2014 Act No. 121, Section 7.C, rewrote subsection (A).

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF June 18, 2024

REGULAR SESSION
ITEM NUMBER 9

AGENCY: Patriots Point Development Authority

SUBJECT: Report Regarding Lease to Patriots Annex, LLC

On October 5, 2017, the State Fiscal Accountability Authority (the Authority) approved a lease agreement between Patriots Point Development Authority (PPDA) and Patriots Annex, LLC. The approval required PPDA to submit a report to the Authority each year prior to March 31 regarding the status of the proposed lease. The attached report, dated March 25, 2024, provides an update on the status of the development.

AUTHORITY ACTION REQUESTED:

Receive as information the report from Patriots Point Development Authority updating the status of the Patriots Annex development.

ATTACHMENTS:

03/25/2024 - Letter from Alison Hunt, Executive Director, PPDA

PATRIOTS POINT
NAVAL & MARITIME
MUSEUM

March 25, 2024

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
P. O. Box 12444
Columbia, SC 29211

Dear Mr. Gillespie,

The State Fiscal Accountability Authority approved a lease agreement between Patriots Point Development Authority and Patriots Annex LLC on October 5, 2017. The attached report provides an update on the status of this development. This same report has been submitted to the Joint Bond Review Committee. The report is in the format previously provided by JBRC with our updates annotated after each item.

Sincerely,



Allison Hunt
Executive Director

cc:

Mr. Wayne Adams, Interim Chairman, PPDA Board of Directors (via E-mail)
Mr. William Craver, Esq., PPDA Legal Counsel (via E-mail)
Mr. Terry Ansley, PPDA Director of Property Manager, (via E-mail)

PATRIOTS POINT
NAVAL & MARITIME
MUSEUM

March 25, 2024

Mr. F. Richard Harmon, Jr.
Director of Research; SFAA Liaison
Joint Bond Review Committee
Gressette Building; Room 109
Columbia, SC 29201

Dear Mr. Harmon,

The Joint Bond Review Committee approved a lease agreement between Patriots Point Development Authority and Patriots Annex LLC contingent on Patriots Point providing an annual report, prior to March 31st each year, on the status of the development. The attached document is the annual report due by March 31, 2024. The report is in the format previously provided by JBRC staff with our updates annotated after each item.

Please let me know if any additional information is needed. Thank you for your help!

Sincerely,



Allison Hunt
Executive Director

cc:

Mr. Wayne Adams, Interim Chairman, PPDA Board of Directors (via E-mail)
Mr. William Craver, Esq., PPDA Legal Counsel (via E-mail)
Mr. Terry Ansley, PPDA Director of Property Manager, (via E-mail)

Annual Report to JBRC and SFAA
Lease Between Patriots Point Development Authority and Patriots Annex, LLC
(as of March 2024)

I. Financial Information

A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:

- (1) The amount of Minimum Rent received; and
- (2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property
- (3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.

PPDA Response: In accordance with the provisions of the Lease and applicable time tables, monthly rent payments have been due and payable for the last 12 months. Minimum Rent and Additional Rent due in the 12 months from April 2023 through March 2024 total \$514,697.38, all of which has been paid at the time of this report. Monthly Rent in this stage of the Lease is Minimum Rent based on Fair Market Rent with no Percentage Rent being payable until the applicable percentages of Gross Sales from the Premises exceed Minimum Rent. At this point, there are no Gross Sales. All Rents received by PPDA under the Lease with Patriots Annex, LLC are being used in the general budget for ongoing Patriots Point operations.

B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.

PPDA Response: Per the terms of the Lease, rent is currently being paid at 60% of Fair Market Rent (FMR) for the year October 5, 2023 through October 4, 2024. FMR was pre-determined through formal appraisals and is adjusted annually with CPI increases. For the 6-month period April 1 – September 30,

2024, rent will be due at a rate of \$47,553.63 per month. On October 1, 2024, Fair Market Rent will be increased by the change in CPI, anticipated to be approximately 3%. Minimum Rent for the period October 1, 2024 – September 30, 2025 will be paid at 70% of Fair Market Rent. The resulting monthly payments of \$57,531.96 will be due for the 6-month period October 1, 2024 – March 31, 2025. The combined total rent expected to be received over the 12-month period April 1, 2024 – March 31, 2025 is estimated to be \$630,513.54. (This is Base Minimum Rent solely from current Patriots Annex acreage comprised in Premises for rent calculation).

Patriots Annex, LLC is completing construction of the first 350 spaces of the Temporary Parking Lot. Patriots Annex, LLC will take possession of the Current Visitor Lot site when PPDA is no longer able to use more than 20% of that Current Visitor Lot. At that time, the acres in the Temporary Parking Lot will be removed from the Premises on which Base Rent is calculated and the acres of the Current Visitor Lot will be added to the Premises on which Base Rent is calculated.

- C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.

PPDA Response: No revenue-producing Gross Sales have occurred on the Premises that would generate sales or hospitality taxes. Property taxes have been paid in the amount of \$21,424.00, along with Storm Water Fees of \$7,494.31, both for the period January 1, 2023 – December 31, 2023.

- D. An estimate of the number of people employed by the businesses operating on the Premises.

PPDA Response: None. No businesses are operating on the Premises.

II. Development

- A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.

PPDA Response: The Conceptual Master Plan that was prepared in accordance with the Lease and unanimously approved by the PPDA Board on March 15, 2019 remains in place and unchanged.

B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:

- (1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.

PPDA Response: The Town of Mount Pleasant has previously approved Waterfront Gateway District zoning, impact assessment, building heights within the Premises, a Development Agreement, and a fee-in-lieu-of-taxes agreement for elements of the Conceptual Master Plan. Patriots Annex, LLC has received conceptual approval from Town of Mount Pleasant Design Review Board for the Conceptual Master Plan, the Master Infrastructure Plan and the Seafair Village Plan. Seafair Village, including the first hotel, retail and restaurant space, received preliminary design approval from DRB. The Master Infrastructure Plan has been submitted for approval to Town of Mount Pleasant Design Review Team.

- (2) The status of any improvements currently under construction.

PPDA Response: Construction is being finalized on the new Temporary Parking Lot with completion of the first 350 spaces expected in March. When Patriots Annex has started on infrastructure work on the Current Visitor Lot site such that PPDA can no longer use 20% of the Current Visitor Lot, PPDA will start using the Temporary Parking Lot. Construction of the new Temporary Parking Lot is a necessary first phase to provide alternative parking for PPDA to make room on the Current Visitor Lot site for site work, infrastructure and the construction of buildings.

- (3) The status of any improvements completed and operational within the prior 12 months.

PPDA Response: None.

- (4) Any change in the status of operating improvements.

PPDA Response: None.

- (5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.

PPDA Response: None.

- C. An update concerning the Lease’s various development-related deadlines.

PPDA Response: The “Lease Commencement Date” was October 5, 2017, when SFAA approved and signed the Lease.

The “Inspection Period” ended on January 17, 2020, when the final negotiated agreement with Charleston County was fully-executed.

The “Minimum Rent Commencement Date” was October 5, 2020.

The deadline for “Commencement of Construction” was January 17, 2023 and construction commenced in October, 2022.

- D. Milestones expected in the upcoming 12 months.

PPDA Response: PPDA expects Patriots Annex, LLC to complete the development and construction of the first 350 spaces of the Temporary Parking Lot by March 2024. Patriots Annex, LLC will take possession of the Current Visitor Lot site when PPDA is no longer able to use more than 20% of that Current Visitor Lot. PPDA anticipates Patriots Annex, LLC commencing clearing, grading and infrastructure construction for the entire site encompassing the Conceptual Master Plan in the next 12 months.

- E. An update concerning the PPDA improvements affected by the Lease, including:

- (1) Any improvements vacated by PPDA in the prior 12 months.

PPDA Response: None.

- (2) The status of any improvements currently being relocated or constructed.

PPDA Response: Patriots Annex, LLC is completing construction of the first 350 spaces of the Temporary Parking Lot. Patriots Annex, LLC will take possession of the Current Visitor Lot site when PPDA is no longer able to use more than 20% of that Current Visitor Lot.

- (3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.

PPDA Response: None.

- (4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.

PPDA Response: PPDA continues to use a portion of the Premises for the operation and support of its museums and administrative functions. At Lease Commencement, the portions of the property used by PPDA for its operations were excluded from the Premises, and Patriots Annex, LLC is not responsible for paying rent with regard to that land. Patriots Annex, LLC's initial plans will include construction of infrastructure systems to support the overall development plan for Patriots Annex, LLC. Prior to commencement of construction, Patriots Annex, LLC will give PPDA a required notice, after which time PPDA will be obligated to relocate the specific use, and that portion of the Premises will be added to the leased Premises. Any relocation by PPDA to other portions of the Premises will cause those portions of the Premises to be deleted for rent purposes. PPDA and Patriots Annex, LLC are having ongoing dialogue regarding expectations for anticipated notices and property releases. Discussions include transition from the Current Visitor Lot to the Temporary Parking Lot, release of the Current Visitor Lot, as well as alternative locations and options for PPDA facilities.

Current Primary Landlord Facility. Patriots Annex, LLC must give PPDA a 12-month prior notice of the anticipated date for commencement of construction and update this estimate quarterly. PPDA must vacate its Current Primary Landlord Facility *no sooner than* 3 years after the commencement of the Lease (October 5, 2020), but *no later than* 3 months after Patriots Annex, LLC actually commences construction of the first improvements on the Premises. PPDA has not received the 12-month prior notice of the anticipated date for commencement of construction.

Pier Facility. PPDA's current pier facility is located at the head of the pier leading to the Yorktown. PPDA's new pier facility will be located in approximately the same location and will also include some of the land between the head of the pier and the PPDA's new primary facility. The Landlord Pier Boardwalk is the only new element of the PPDA's pier facilities. If the Conceptual Master Plan and the Master Plan include the Tenant Pier Boardwalk and the Landlord Pier Boardwalk, PPDA has 30 days from receipt of the notice of the anticipated date for the Commencement of Construction of the first phase of improvements to be constructed on the Premises to commence the process required by South Carolina law for PPDA to obtain

approval from the applicable State authorities for PPDA to construct the Landlord Pier Boardwalk. PPDA shall have constructed the Landlord Pier Boardwalk as of the later of (i) six (6) months after the Current Primary Landlord Facility Vacancy Deadline, (ii) twelve (12) months after PPDA receives approval for construction of the Landlord Pier Boardwalk, or (iii) a later date agreed to by PPDA and Patriots Annex, LLC to coordinate Landlord's construction of the Landlord Pier Boardwalk with Patriots Annex, LLC's construction schedule. PPDA has not received a 12-month prior notice of the anticipated date for commencement of construction.

PPDA's storage and maintenance facility and PPDA's Vietnam Support Base exhibit. These two facilities are going to be relocated onto a portion of Parcel 2A, which is currently subject to a conservation easement with South Carolina Department of Natural Resources. A recent agreement released a portion of Parcel 2A from the easement for use as a relocation site for the PPDA storage and maintenance facility as well as the PPDA Vietnam Experience. There has been no change in the prior 12 months.

PPDA's personnel parking and PPDA's visitor parking. Patriots Annex, LLC is completing construction of the first 350 spaces of the Temporary Parking Lot. Patriots Annex, LLC will take possession of the Current Visitor Lot site when PPDA is no longer able to use more than 20% of that Current Visitor Lot. The PPDA personnel parking area will be relocated to a portion of Parcel 2A that has been released from the conservation easement. The relocation of the PPDA personnel parking has not yet commenced though the location has been designated.

III. Legal/Miscellaneous.

- A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

PPDA Response: None.

- B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.

PPDA Response: None.

- C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.

PPDA Response: The SC DNR Conservation Easement on Parcel 2A was renewed by DNR through January 20, 2048. DNR released approximately 4.696 acres for use for a storm drainage canal and service drive, sewer lift station, PPDA personnel parking, PPDA storage and maintenance facility and PPDA Vietnam Experience. Additionally, Parcels 4A, 5, and 6 containing 8.393 acres were placed under SC DNR Conservation Easement through January 20, 2048.

D. Any update concerning all loans secured by the leasehold estate.

PPDA Response: No loans are currently in place.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification for Clemson University

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 23, 2018, the Authority delegated procurement authority to Clemson University as follows:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services	3,000,000 per commitment*
Consultant Services	3,000,000 per commitment*
Information Technology	3,000,000 per commitment*
Revenue Generating Contracts	15,000,000 per commitment*
Construction Contract Award	4,000,000 per commitment*
Construction Contract Change Order	500,000 per change order
Architect/Engineer Contract Amendment	100,000 per amendment

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of Clemson to determine whether the University’s system of internal controls over procurement was adequate to ensure compliance, in all material respects, with the Procurement Code. We found Clemson’s system of internal controls over procurement was adequate to ensure compliance with the Procurement Code, with minor exceptions as described in the audit report. Clemson has either implemented or initiated implementation of the recommended improvements.

Per S.C. Code Ann. §11-35-1210, Clemson University requests that the Authority increase the direct procurements for Supplies & Services, Information Technology, Revenue Generating Contracts and Construction Contract Awards.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification for Clemson University

AUTHORITY ACTION REQUESTED:

Authorize Clemson University to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	5,000,000 per commitment*
Information Technology ²	5,000,000 per commitment*
Revenue Generating Contracts	20,000,000 per commitment*
Construction Contract Award	5,000,000 per commitment*
Construction Contract Change Order	500,000 per change order
Architect/Engineer Contract Amendment	100,000 per amendment

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

Require Clemson University to submit an updated P-Card Manual to DPS for approval by June 30, 2024.

ATTACHMENTS:

Agenda item worksheet and attachment

¹ Supplies and Services including non-IT consulting services.

² Information Technology includes consulting services for any aspect of information technology, systems, and networks.

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Audit and Certification for Clemson University

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On October 23, 2018, the Authority delegated procurement authority to Clemson University as follows:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services.....	3,000,000 per commitment*
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Information Technology.....	3,000,000 per commitment*
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Architect/Engineer Contract Amendment.....	100,000 per amendment

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of Clemson to determine whether the University’s system of internal controls over procurement was adequate to ensure compliance, in all material respects, with the Procurement Code. We found Clemson’s system of internal controls over procurement was adequate to ensure compliance with the Procurement Code, with minor exceptions as described in the audit report. Clemson has either implemented or initiated implementation of the recommended improvements.

Per S.C. Code Ann. §11-35-1210, Clemson University requests that the Authority increase the direct procurements for Supplies & Services, Information Technology, Revenue Generating Contracts and Construction Contract Awards.

4. What is Authority asked to do?

Authorize Clemson University to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	5,000,000 per commitment*
Information Technology ²	5,000,000 per commitment*
Revenue Generating Contracts	20,000,000 per commitment*
Construction Contract Award.....	5,000,000 per commitment*
Construction Contract Change Order.....	500,000 per change order
Architect/Engineer Contract Amendment.....	100,000 per amendment

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

Require Clemson University to submit an updated P-Card Manual to DPS for approval by June 30, 2024.

¹ Supplies and Services including non-IT consulting services.

² Information Technology includes consulting services for any aspect of information technology, systems, and networks.

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

5. What is recommendation of the submitting agency involved?

Authorize Clemson University to make direct procurements at the limits set forth above for three years and require them to submit an updated P-Card Manual to DPS for approval by June 30, 2024.

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
 - (b) Office Name: _____
-

8. List of Supporting Documents:

- (a) S.C. Code Ann. § 11-35-1230
 - (b) S.C. Code Ann. § 11-35-1210
 - (c) Certification Comparison
-

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



Clemson University

INDEPENDENT PROCUREMENT AUDIT REPORT

**for the Audit Period:
January 1, 2020 to December 31, 2022**

**Office of Audit & Certification
Division of Procurement Services
May 8, 2024**

TABLE OF CONTENTS

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ABBREVIATIONS

AI	– Artificial Intelligence
BOA	– Bank of America
Cardholder	– Purchasing Card Holder
Code	– SC Consolidated Procurement Code and ensuing Regulations
CPO	– Chief Procurement Officer
DPS	– Division of Procurement Services
GL	– General Ledger
PI Manual	– Manual for Planning and Execution of State Permanent Improvements
MCC	– Merchant Category Codes
MBE	– Minority Owned Business Enterprise
MMO	– Materials Management Office
OCG	– Office of the Comptroller General
OSE	– Office of State Engineer
PCA	– Purchasing Card Administrator
P-Card	– Purchasing Card
PO	– Purchase Order
SAP	– Systems, Applications & Products in Data Processing
SFAA	– State Fiscal Accountability Authority
SFTP	– Secure File Transfer Protocol
SMBCC	– Small and Minority Business Contracting and Certification
SPO	– Surplus Property Office
State P-Card Policy	– SC Purchasing Card Policy and Procedures
STL	– Single Transaction Limit
Works	– Payment Management System by BOA

INTRODUCTION

DPS audited Clemson University's (the University) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Regulation 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of the University's procurement system were adequate to ensure compliance with the Code.

The management of the University is responsible for the University's compliance with the Code. Those responsibilities include the following:

- Identifying the University's procurement activities and understanding and complying with the Code.
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the University administers its procurement programs in compliance with the Code.
- Establishing clear lines of authority and responsibility for making and approving procurements.
- Documenting the University's system of internal control over its procurement activities in an internal procurement procedure manual.
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit.

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

INTRODUCTION

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On October 23, 2018, SFAA granted the University the following procurement certifications:

<u>PROCUREMENT AREA</u>	<u>CURRENT CERTIFICATION \$ LIMITS</u>
Supplies and Services.....	3,000,000 per commitment*
Consultant Services.....	3,000,000 per commitment*
Information Technology.....	3,000,000 per commitment*
Revenue Generating Contracts.....	15,000,000 per commitment*
Construction Contract Award.....	4,000,000 per commitment*
Construction Contract Change Order	500,000 per change order
Architect/Engineer Contract Amendment.....	100,000 per amendment

During the audit the University requested the following increases in its certification limits.

<u>PROCUREMENT AREA</u>	<u>REQUESTED CERTIFICATION \$ LIMITS</u>
Supplies and Services.....	5,000,000 per commitment*
Information Technology.....	5,000,000 per commitment*
Revenue Generating Contracts.....	20,000,000 per commitment*
Construction Contract Award.....	5,000,000 per commitment*
Construction Contract Change Order	500,000 per change order
Architect/Engineer Contract Amendment.....	100,000 per amendment

* Total potential purchase commitment whether for a single year or multi-term contract.

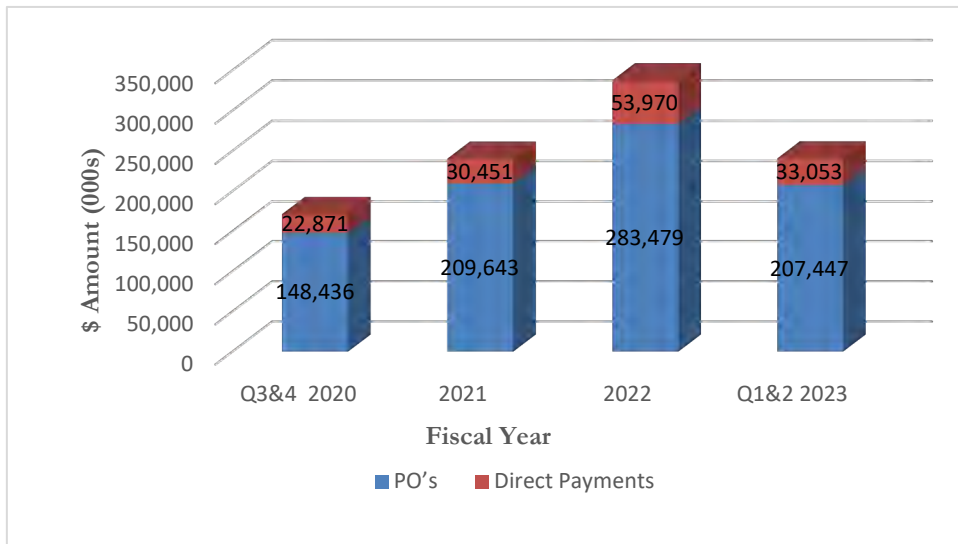
SCOPE

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about the University’s compliance with the Code for the period January 1, 2020 through December 31, 2022, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, the University made expenditures as follows:

	\$ Amount (000s)			Q1	Total
	Q3, 4			FY2023	
	FY2020	FY2021	FY2022	FY2023	
POs ¹	148,436	209,643	283,479	207,447	849,005
Direct Pay ²	22,871	30,451	53,970	33,053	140,345
Total Spend	171,307	240,094	337,449	240,500	989,350



¹ **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

² **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than \$2,500.

SUMMARY OF RESULTS

I. <u>Supplies, Services, and IT</u>	6
Our testing of supplies and services did not identify any compliance issues.	
II. <u>Sole Source Procurements</u>	
<u>Sole Source Procurements Lacked Public Notice</u>	6
The University did not provide public notice of intent to award without competition for 15 sole source procurements as required.	
III. <u>Emergency Procurements</u>	7
Our testing of emergency procurements did not identify any compliance issues.	
IV. <u>Construction</u>	7
Our testing of construction projects did not identify any compliance issues.	
V. <u>P-Cards</u>	
<u>Program Administration</u>	
A. <u>Inadequate P-Card Manual</u>	7
The University’s internal P-Card Manual does not address key elements of the State P-Card Policy.	
B. <u>Inactive P-Cards Not Cancelled</u>	9
The University had 25 P-Cards that had not been used in over two years five of which had never been used.	
C. <u>Split Purchases</u>	9
Five cardholders split five transactions totaling approximately \$19k.	
D. <u>Blocked MCCs</u>	10
The University did not provide documented approvals for the use of nine blocked MCCs.	
<u>Transaction Testing</u>	
<u>P-Card Liaison Reviews Not Documented</u>	11
The University did not provide documentation of P-Card liaison reviews.	
VI. <u>Unauthorized or Illegal Procurements</u>	12
Our testing of unauthorized or illegal procurements did not identify any compliance issues.	
VII. <u>Surplus Property</u>	12
Our testing of surplus property did not identify any compliance issues.	
VIII. <u>Assistance to Minority Business Enterprises (MBE)</u>	12
Our testing of MBE’s did not identify any compliance issues.	

Note: The University’s responses to issues raised in this report have been inserted immediately following the recommendations in the body of the report.

RESULTS OF AUDIT

I. Supplies, Services, and IT

We audited expenditures exceeding \$10,000 made with POs, and expenditures made without a PO to determine compliance with the Code and did not identify any compliance issues.

II. Sole Source Procurements

Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period the University reported 845 sole source procurements totaling approximately \$56M to DPS.

Sole Source Procurements Lacked Public Notice

The University did not provide public notice of intent to award without competition for 15 sole source procurements totaling approximately \$1.8M in SCBO as required by § 11-35-1560.

Recommendation: We recommend the University develop and implement procedures, including management review and approval, to ensure that all sole source procurements greater than \$50k are advertised as required.

University Response

Clemson agrees with the findings and recommendations. The majority of procurements that were identified as not being advertised were done during times when we were simply extremely short staffed due to COVID and other personnel challenges – our team was down to 2 of 6 buyers. However, we recognize that is not an excuse and have already taken steps to ensure we have procedures and processes in place to ensure all sole source procurements are properly advertised in SCBO.

The following measures have already been implemented:

1. **Documentation Requirement:** All buyers are now required to make detailed notes on requisitions indicating the date the advertisement was sent for public notice and the date the purchase order can be moved forward.
2. **Attachment of Advertisement PDF:** Additionally, buyers are now required to download a PDF copy of the advertisement and attach it as supporting documentation to the requisition.
3. **This requirement has been incorporated in our buyer checklist:** As part of our ongoing process improvement efforts, we have implemented a checklist for buyers to use on any type of procurement they are processing. This checklist includes specific items that must be done dependent on each procurement – i.e., market research, advertisement, cost/price analysis, etc.... This checklist is now being used by all our buyers on each

RESULTS OF AUDIT

procurement/solicitation they conduct, and we believe will further ensure we properly advertise any sole source procurement as required.

These corrective actions have already been implemented and are currently in place and being followed.

III. Emergency Procurements

Written determinations for all emergency procurements made pursuant to SC Code Ann. § 11-35-1570 were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period the University reported 37 emergency procurements totaling approximately \$16M to DPS.

Our review of emergency procurements for the audit period did not identify any compliance issues.

IV. Construction

We tested construction, and architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual and did not identify any compliance issues.

V. P-Cards

The University had 2,024 P-Cards in use during the audit period and spent approximately \$84M in 278,131 transactions. Based on the volume of usage, there is increased risk that misuse, or abuse of P-Cards may not be prevented or detected without adequate management oversight.

Program Administration

We reviewed the University's P-Card Policy and Procedures for compliance with the State P-Card Policy and identified weaknesses in program oversight.

A. Inadequate P-Card Manual

We reviewed the University's internal P-Card Procedure Manual for compliance with State P-Card Policy and identified areas of non-compliance.

The following key areas were omitted from the University's manual:

- 1) Liaison roles not properly defined. The University's P-Card Manual states that liaisons do not have to review for policy compliance.
- 2) A description of the roles and responsibilities of the central processor.
- 3) A description of the roles and responsibilities of the supervisor/approving officials.

RESULTS OF AUDIT

- 4) A description of the process to periodically assess accounts for inactivity and promptly close accounts which are no longer needed after one year.
- 5) Definition of roles and responsibilities during the transition to AI.
- 6) A procedure for approving use of blocked MCCs via a form in Concur.
- 7) A prohibition on the use of split purchases.

Recommendation: We recommend the University revise its internal P-Card Manual to document internal control procedures to ensure compliance with key requirements in the State P-Card Policy. Procurement Services' website has a P-Card Manual Checklist that may be of assistance in revising the manual.

University Response

Clemson agrees with the findings noted and will be updating our P-Card Manual/Procedures to address each of the seven points items. We believe all these points are the result of our implementation to Concur and failure to fully align these items to the State P-Card Policy. The following is how we plan to address each item:

- 1) Liaison roles – we will create a high-level checklist to identify what liaisons should be checking and will update training and the roles/responsibilities section of our manual to reflect this.
- 2) Central processor role – we will update and address this new role in Concur appropriately in our manual. This system role is currently being performed by our P-Card Administrator and this should be done by simply aligning terminology and roles.
- 3) Supervisor/Approving officials' role – we will review and update this role in our manual to ensure full alignment between the State Policy and Concur.
- 4) Inactive Card Termination – we will document formally in our manual our plans of evaluating cards that have been inactive for 24 months. We plan to stick to the 24-month time period as that reflects a better some of the unique usage of some of our card holders but will also continue to monitor to see if that needs to be adjusted in the future.
- 5) Role and responsibilities related to the AI functionality – this will be part of the updating of the checklist and roles/responsibilities for Liaisons noted above. We recognize that as the AI function “learns” what we will be asking Liaisons to review or not will evolve over time and having a clear checklist will help us easily update as we reach appropriate levels of comfort in the system being able to check certain areas/items.

RESULTS OF AUDIT

- 6) Approving blocked MCCs – pre-Concur, this was simply a process that required emailing the Card Administrator. With Concur, there is a specific form/request that is required to be filled out that will route the request and save the record of the request/change. This process will be documented in our procedures.
- 7) Prohibition on split purchases – this was left out of our updated manual/procedures as an oversight and will be added back into the procedures.

These items will all be updated in the manual NLT June 30, 2024.

B. Inactive P-Cards Not Cancelled

The University had 25 P-Cards that had not been used in over two years, five of which had never been used. The University's P-Card Policy requires that inactive accounts be closed after two years. The University reviews P-Cards every two years for inactivity, however, these reviews were not documented. State P-Card Policy Section III (A)(1)(a)(xi) requires that cardholder accounts be monitored for inactivity and promptly closed.

Recommendation: We recommend the University perform a documented review for inactive P-Cards annually and promptly close all inactive accounts or document the reason(s) for keeping them open. We further recommend the University update its internal P-Card Manual to include the annual review requirement.

University Response

Clemson agrees with this finding, and we have already closed cards that have not been used in two years. We will also update our procedures to reflect that this will be an annual review to close inactive accounts.

This item will be updated in the manual NLT June 30, 2024.

C. Split Purchases

University cardholders split five purchases totaling approximately \$16k which resulted in the \$2,500 STL set by the University being exceeded. Part IV(C) of the State P-Card Policy prohibits splitting transactions and further provides that doing so may result in removal of P-Card privileges.

Recommendation: We recommend the University comply with State P-Card Policy Section IV (C), as well as its internal policy, which prohibit split purchases. We further recommend that cardholders receive additional training, and that documented liaisons reviews include checking for split purchases.

RESULTS OF AUDIT

University Response

Clemson agrees with the finding and will be updating our procedure to clearly prohibit split purchases. This was another oversight as we updated our procedures for Concur. We will include this as part of the Liaison training/checklist as well as ensure it is part of cardholder training. We do expect the AI function of Concur to help check for split purchases, but it may be some time before we are confident in how well it checks or catches such transactions.

These items will be completed NLT June 30, 2024.

D. Blocked MCCs

We sorted the transactions from Works and found 3,783 purchases totaling approximately \$1.7M with blocked MCCs during the audit period. The University is a Group B Agency and MCC blocks do not apply to Group B Agencies unless imposed by the entities own P-Card Policy. Per The University's own internal P-Card Policy cardholders are required to receive prior authorization before using a blocked MCCs.

University procedure requires the cardholder to send a form (provided in Concur) to the PCA requesting temporary removal of the blocked MCC. The PCA can authorize the temporary unblocking of an MCCs on as needed basis. Upon receiving a request from a cardholder, the PCA will review the request and determine if the block can be removed for a particular purchase, ensuring that such a purchase will not be in violation of P-Card policies. After the transaction has been completed, the PCA will reinstate the block to prevent further charges.

We commend the University for implementing the use of blocked MCCs; however, nine of the ten transactions tested for proper approval to unblock the MCCs prior to purchase, did not have documented approval. Not following University policy for unblocking prohibited MCCs reduces the effectiveness of their use.

Recommendation: We recommend the University document the approvals for the use of blocked MCCs and revise its internal P-Card Policy to include this requirement.

University Response

Clemson agrees with the finding and will be updating our procedure to explain the new process in Concur. Currently the only way an MCC can be unblocked is utilizing a request form in Concur which routes the request to the P-Card Administrator for action and approval and then maintains a record of such request and approval.

This item will be updated in the procedures NLT June 30, 2024.

RESULTS OF AUDIT

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and University P-Card policies and procedures. Transaction testing identified areas of non-compliance, which were not identified by the PCAs or supervisor/approvers during the monthly review and reconciliation of cardholder statements.

P-Card Liaison Reviews Not Documented

The University did not document liaison reviews for any of the transactions tested as required by Part III (C) of the State P-Card Policy. The University's internal P-Card Policy states that “they (liaisons) do NOT have to review for policy compliance, as Concur (Artificial intelligence Software – see below) will perform this review, but if Concur notes an exception, the liaison should review those transactions”. ”.

State P-Card Policy III. C. 3. requires Liaisons to “perform documented monthly reviews of all transactions for assigned Cardholders to verify that there have been no non-allowable transactions.” Internal P-Card Procedures, which require Liaisons to “certify that the purchase(s) meet budgetary/accounting requirements and any policy exceptions”, are inconsistent with the objective of the liaison reviews required by the State P-Card Policy

Implementation of Artificial Intelligence to Enhance P-Card Oversight

With the goal of improving oversight of the P-Card program, the University implemented SAP Concur in October of 2022, three months before the end of the audit period. Concur is an expense management, travel, and invoice software that uses AI and machine learning to automate approval of low-risk transactions and identify suspicious activity requiring manual review.

Concur is designed, “as with any AI system, to learn based on an initial set of rules and then learning through reviewing actual transactions over time.” The University initially identified keywords and items that they wanted the system to flag. According to the University, currently, “both the liaison and a central processor in our procurement office review all the expense reports and confirms the flags the system identifies are accurate.”

We commend the University for its efforts to implement AI to aide in managing P-Card compliance. The implementation of Concur represents a significant initiative to streamline and improve oversight of the University’s P-Card program.

RESULTS OF AUDIT

Recommendation: We recommend that the University develop clear and effective procedures for liaison reviews, consistent with State P-Card Policy, and provide training. Accepted practice is to use a checklist to document and ensure an effective review of each transaction, and, in this case, could serve to minimize omission of review objectives between AI and manual reviews.

Alternatively, we recommend the University develop procedures to document how the AI software will function in lieu of manual reviews and clarify manual roles and responsibilities.

University Response

Clemson agrees with the finding and as part of our update to our procedures/manual, we will specifically address the checklist and requirements for the Liaison review. As noted above, the AI aspect does make this a little tricky. We plan to incorporate into the procedures language that will address the evolution of the AI solution over time – what it is checking for and the accuracy of those checks. At the appropriate time, when it is determined that AI is catching transactions and flagging them for review of certain items, we would plan to remove the 100% review of those specific items by a Liaison to maybe a sampling of transactions outside of those specifically flagged by the system. Ultimately, we want to utilize the system to help us work smarter and focus only on transactions that require review.

This item will be address in the procedures NLT June 30, 2024, although as explained this will be an item that is continually updated as the solution evolves.

VI. Unauthorized or Illegal Procurements

We tested Unauthorized or Illegal Procurements to determine compliance with the Code and Regulations.

All reported unauthorized or illegal procurements were properly resolved.

VII. Surplus Property

We tested asset disposals to determine compliance with the Code and State policies and procedures and did not identify any compliance issues.

VIII. Assistance to MBEs

We requested copies of the University's Annual MBE utilization plans and quarterly progress reports to assess compliance with the Code and did not identify any compliance issues.

CERTIFICATION RECOMMENDATION

We recommend that the University revise its P-Card procedures and submit an updated P-Card Manual to DPS for approval by June 30, 2024, as provided in the University's response.

We believe corrective action based on the recommendations in this report will make the University's internal procurement operations consistent with the South Carolina Consolidated Procurement Code and ensuing regulations.

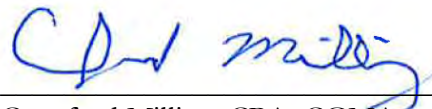
As provided in SC Code Ann. § 11-35-1210, we recommend The University's procurement authority to make direct agency payments be increased up to the following limits for three years.

<u>PROCUREMENT AREA</u>	<u>RECOMMENDED CERTIFICATION \$ LIMITS</u>
Supplies and Services ¹	5,000,000 per commitment*
Information Technology ²	5,000,000 per commitment*
Revenue Generating Contracts	20,000,000 per commitment*
Construction Contract Award.....	5,000,000 per commitment*
Construction Contract Change Order	500,000 per change order
Architect/Engineer Contract Amendment	100,000 per amendment

* Total potential purchase commitment whether for a single year or multi-term contract.



Ed Welch, CPA
Audit Manager,
Audit & Certification



Crawford Milling, CPA, CGMA
Director, Audit & Certification

¹ Supplies and Services including non-IT consulting services.

² Information Technology includes consulting services for any aspect of information technology, systems, and networks.

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

(1) Authority. In an amount up to fifty thousand dollars in actual or potential value, individual governmental bodies may make direct procurements not under term contracts. Subject to the following and subject to any ensuing regulations:

(a) the board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of Procurement Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract; and

(b) the Director of the Division of Procurement Services may authorize an individual governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. All authority granted pursuant to this item must be in writing, and the director shall advise the board in writing of all such authorizations.

(2) Policy. Authorizations granted by the board or the Director of the Division of Procurement Services to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

(4) Subject to subsection (1), the State Board for Technical and Comprehensive Education, in coordination with the appropriate chief procurement officer, may approve a cumulative total of up to fifty thousand dollars in additional procurement authority for technical colleges, provided that the Division of Procurement Services makes no material audit findings concerning procurement. As provided by regulation, any authority granted pursuant to this paragraph is effective when certified in writing by the Division of Procurement Services.

**Agency Certification
Comparison to Other Colleges and Universities**

AGENCY	CERTIFICATION DATE	CERT NO.	Active	Supplies and Services	Consultant Services	Information Technology	Revenue Generating Contracts	Construction Contract Award	Construction Contract Change Order	Architect/Engineer Contract Amendment
CITADEL, THE	1/31/2023	520	Y	500,000		500,000		500,000	150,000	25,000
CLEMSON UNIVERSITY	10/23/2018	489	Y	3,000,000	3,000,000	3,000,000	15,000,000	4,000,000	500,000	100,000
	6/18/2024	Tbd	Recommender	5,000,000		5,000,000	20,000,000	5,000,000	500,000	100,000
COASTAL CAROLINA UNIVERSITY	12/10/2019	502	Y	400,000		150,000	1,500,000	300,000	200,000	75,000
COLLEGE OF CHARLESTON	5/14/2019	492	Y	500,000		200,000		100,000	100,000	15,000
	6/18/2024	Tbd	Recommender	1,000,000		500,000		200,000	200,000	75,000
FRANCIS MARION UNIVERSITY	6/28/2022	516	Y	325,000		200,000		50,000	25,000	25,000
LANDER UNIVERSITY	10/17/2023	527	Y	200,000		150,000		200,000	75,000	50,000
MEDICAL UNIVERSITY OF SOUTH CAROL	6/29/2021	512	Y	2,000,000		2,000,000		1,000,000	500,000	100,000
SOUTH CAROLINA, UNIVERSITY OF	10/23/2018	490	Y	3,000,000	3,000,000	3,000,000	15,000,000	4,000,000	500,000	100,000
WINTHROP UNIVERSITY	10/23/2018	491	Y	250,000	250,000	250,000		200,000	50,000	25,000

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification of the College of Charleston

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210 (1), 1560, and 1570, and Regulation 19-445.2000 C (1). The Code authorizes the Authority to authorize additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On May 14, 2019, the Authority delegated procurement authority to the College of Charleston as follows:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services	500,000 per commitment*
Information Technology	200,000 per commitment*
Construction Contract Award	100,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment	15,000 per amendment

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of the College of Charleston to determine whether the internal controls of the College's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. The College has started implementation of the recommended corrective actions and upon completion of the corrective actions, the internal controls of the College's procurement system will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Per S.C. Code Ann. §11-35-1210, the College of Charleston requests that the Authority increase direct procurements for Supplies & Services, Information Technology, Construction Services, Construction Contract Change Orders, and Architect/Engineer Contract Amendments.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification of the College of Charleston

AUTHORITY ACTION REQUESTED:

Authorize the College of Charleston to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	1,000,000 per commitment*
Information Technology ²	500,000 per commitment*
Construction Contract Award	200,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

Require the College to suspend 20% of their 239 active P-Cards within 30 days of receipt of this report and maintain the number of active P-Cards at 191 or less for a period of one year and provide the Division of Procurement Services with a list of the suspended P-Cards by June 18, 2024.

ATTACHMENTS:

Agenda item worksheet and attachment

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Procurement Audit and Certification of the College of Charleston

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210 (1), 1560, and 1570, and Regulation 19-445.2000 C (1). The Code authorizes the Authority to authorize additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On May 14, 2019, the Authority delegated procurement authority to the College of Charleston as follows:

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Per S.C. Code Ann. §11-35-1210, the College of Charleston requests that the Authority increase direct procurements for Supplies & Services, Information Technology, Construction Services, Construction Contract Change Orders, and Architect/Engineer Contract Amendments.

4. What is Authority asked to do?

Authorize the College of Charleston to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	1,000,000 per commitment*
Information Technology ²	500,000 per commitment*
Construction Contract Award	200,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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

Require the College to suspend 20% of their 239 active P-Cards within 30 days of receipt of this report and maintain the number of active P-Cards at 191 or less for a period of one year and provide DPS with a list of the suspended P-Cards by June 18, 2024.

5. What is recommendation of the submitting agency involved?

Authorize the College of Charleston to make direct procurements at the limits set forth above for three years and require the College to suspend 20% of their active P-Cards.

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Office Name: _____
-

8. List of Supporting Documents:

- (a) S.C. Code Ann. § 11-35-1230 – Auditing and Fiscal Reporting
- (b) S.C. Code Ann. § 11-35-1210 – Certification
- (c) S.C. Regulation 19-445.2025 (A)(1) – Consulting Services
- (d) Certification Comparison
-

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



College of Charleston

INDEPENDENT PROCUREMENT AUDIT REPORT

**for the Audit Period:
April 1, 2020 to March 31, 2023**

**Office of Audit & Certification
Division of Procurement Services
May 13, 2024**

Table of Contents

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Abbreviations

Cardholder	– Purchasing Card Holder
Code	– SC Consolidated Procurement Code and ensuing Regulations
COTS	– Commercially Available Off-the-Shelf
CPO	– Chief Procurement Officer
DPS	– Division of Procurement Services
PI Manual	– Manual for Planning and Execution of State Permanent Improvements
MCC	– Merchant Category Codes
MBE	– Minority Owned Business Enterprise
PCA	– Purchasing Card Administrator
P-Card	– Purchasing Card
PO	– Purchase Order
SFAA	– State Fiscal Accountability Authority
SMBAO	– Small and Minority Business Assistance Office
State P-Card Policy	– SC Purchasing Card Policy and Procedures
State PO Policy	– State of South Carolina Statewide Purchase Order Policy
STL	– Single Transaction Limit

Introduction

DPS audited The College of Charleston's (the College) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of the College's procurement system were adequate to ensure compliance with the Code.

The management of the College is responsible for the College's compliance with the Code. Those responsibilities include the following:

- Identifying the College's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the College administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the College's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

We conducted our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Introduction

We also performed our audit to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On May 14, 2019, SFAA granted the College the following procurement certifications:

<u>PROCUREMENT AREA</u>	<u>CURRENT CERTIFICATION \$ LIMITS</u>
Supplies and Services.....	500,000 per commitment*
Information Technology.....	200,000 per commitment*
Construction Contract Award.....	100,000 per commitment*
Construction Contract Change Order	100,000 per change order
Architect/Engineer Contract Amendment.....	15,000 per amendment

During the audit the College requested the following increases in its certification limits

<u>PROCUREMENT AREA</u>	<u>REQUESTED CERTIFICATION \$ LIMITS</u>
Supplies and Services.....	1,000,000 per commitment*
Information Technology.....	1,000,000 per commitment*
Revenue Generating Contracts	1,500,000 per commitment*
Construction Contract Award.....	500,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment.....	75,000 per amendment

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

Scope

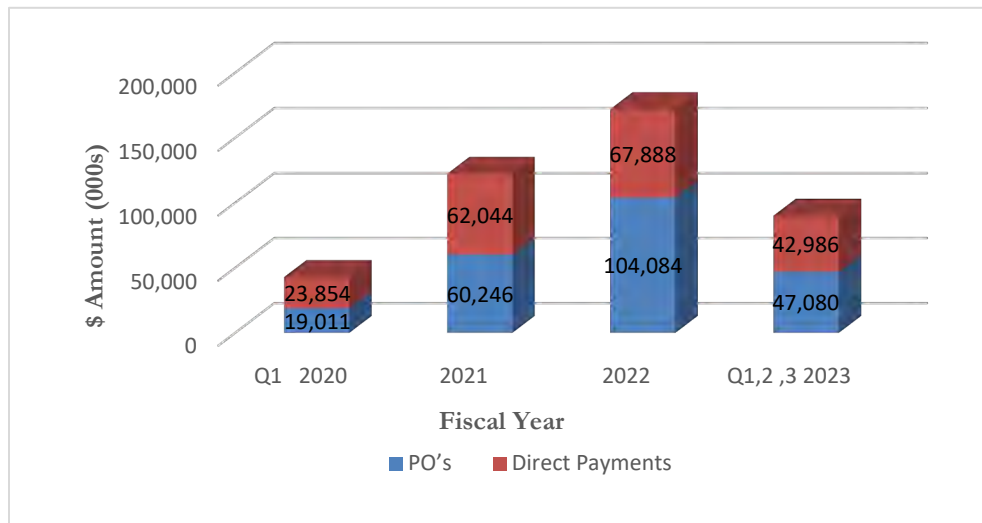
We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about the College's compliance with the Code for the period April 1, 2020, through March 31, 2023, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed all sole source and emergency procurements for the audit period January 1, 2019, through March 31, 2023, as required by SC proviso 117.41.

Total Expenditures

During the audit period, the College made expenditures as follows:

	\$ Amount (000s)				Total
	Q4 FY2020	FY2021	FY2022	Q1,2,3 FY2023	
POs ¹	19,011	60,246	104,084	47,080	230,421
Direct Pay ²	23,854	62,044	67,888	42,986	196,772
Total Spend	42,865	122,290	171,972	99,066	427,193



¹ **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

² **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than \$2,500.

Summary of Results

PAGE

I. Supplies, Services, and IT

<u>Notice of Award Not Posted for COTS Procurements</u>	7
---------------------------------------------------------------	---

The College did not communicate notice of award to all bidders for five COTS procurements greater than \$50k.

II. Sole Source Procurements

A. <u>Inappropriate Sole Source Determinations</u>	7
----------------------------------------------------------	---

The College made two inappropriate sole source determinations.

B. <u>Right to Protest Clause Not Included in Public Notice</u>	8
-----------------------------------------------------------------------	---

The College did not include the right to protest clause in the public notice of intent to award for three sole source procurements.

C. <u>Cost and Pricing Data Not Obtained</u>	8
----------------------------------------------------	---

The College did not obtain the cost or pricing data for five sole source procurements greater than \$500k.

III. Emergency Procurements

<u>Inadequate Emergency Determinations</u>	9
--------------------------------------------------	---

The College made nine emergency determinations that did not adequately describe the basis for emergency.

IV. Construction

<u>Payment And Performance Bonds Not Obtained</u>	10
---------------------------------------------------------	----

The College did not obtain the payment and performance bonds for one construction project.

V. P-Cards

Program Administration

A. <u>Independent Audit of P-Cards Not Performed</u>	10
------------------------------------------------------------	----

The College did not perform required periodic independent audits of its P-Card program.

B. <u>Cardholder Exceeded STL Without Required Approval</u>	11
-------------------------------------------------------------------	----

One cardholder exceeded his \$20,000 STL without CPO approval.

C. <u>Insufficient P-Card Manual</u>	11
--------------------------------------------	----

The College's internal P-Card Manual is outdated and does not address key elements of the State P-Card Policy.

Transaction Testing

A. <u>No Documented Liaison Reviews</u>	12
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The College did not perform required liaison reviews.

Summary of Results

PAGE

B. Bank Statements Lacked Supervisor and Cardholder Approval..... 13

The College’s cardholders and supervisor/approvers did not sign and date multiple monthly bank statements.

C. P-Cards Inadequately Secured..... 13

Twenty-two cardholders failed to adequately secure their P-Cards.

D. Split Purchases..... 11

Two cardholders split two transactions to avoid the STL.

VI. **Unauthorized or Illegal Procurements**..... 14

We tested unauthorized or illegal procurements to determine compliance with the Code and did not find any compliance issues.

VII. **Surplus Property**..... 14

Our testing of surplus property did not identify any compliance issues.

VIII. Assistance to MBE

Required MBE Reports to SMBAO Submitted Late..... 14

The College submitted three annual MBE utilization plans and seven quarterly reports late.

Note: The College’s responses to issues raised in this report have been inserted immediately following the recommendations in the body of the report.

Results of Audit

I. Supplies, Services, and IT

We audited expenditures exceeding \$10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of procurements for the audit period identified the following issues:

Notice of Award Not Posted for COTS Procurement

The College did not communicate notice of award to all bidders for five COTS procurements totaling approximately \$364k as required by SC Regulation 19-445.2100 A (6). All five procurements exceeded \$50k, and the notice of award informs bidders of their right to protest.

Recommendation: We recommend the College develop and implement procedures to ensure communication of notice of award for all COTS procurements greater than \$50,000 to all bidders, as required.

College Response

Agree, accept recommendation.

Corrective Action: We added this step to the buyers' checklist May 2024 and set up a section on our public notice website in March 2024 to view COTS awards. A link to the buyers' checklist was provided to Audit & Certification.

II. Sole Source Procurements

Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period the College reported 261 sole source procurements totaling approximately \$21M to DPS.

A. Inappropriate Sole Source Determinations

The College conducted two sole source procurements totaling approximately \$4.7M that were not appropriate per SC Reg 19-445.2105 (C)(2). These two acquisitions could have been competitively procured.

Recommendation: We recommend the College develop and implement procedures to ensure compliance with SC Code Ann. § 11-35-1560, and SC Reg 19-445.2105 (C)(2) regarding sole source determinations, and that competition be solicited whenever there is reasonable doubt.

Results of Audit

College Response

Agree, accept recommendation.

Corrective Action: College will perform and document market research and, if there is reasonable doubt regarding the appropriateness of a sole source, a solicitation will be issued. This requirement was added to the buyer checklist May 2024.

B. Right to Protest Clause Not Included in Public Notice

The College did not include the prospective bidders' right to protest clause in the public notice of intent to award for three sole source procurements totaling approximately \$260k.as required by SC Code Ann. § 11-35-1560 (A).

Recommendation: We recommend the College develop and implement procedures to ensure posting of public notice of intent to award without competition, as required by SC Code Ann. § 11-35-1560 (A).

College Response

Agree, accept recommendation.

Corrective Action: This requirement was added to the buyer checklist May 2024 and all award templates have been revised to include the appropriate language in March 2024.

C. Cost and Pricing Data Not Obtained

The College did not obtain cost or pricing data for five sole source procurements totaling approximately \$7.5M as required by SC Code Ann § 11-35-1830.

Recommendation: We recommend the College develop and implement procedures to ensure compliance with SC Code Ann § 11-35-1830 regarding cost or pricing data. DPS provides a template in Appendix U to the Compendium that may be useful in obtaining the required data.

College Response

Agree, accept recommendation.

Corrective Action: This requirement has been added to the buyer checklist May 2024 and a template for obtaining the data has been created. A copy of the template has been provided to Audit & Certification.

III. Emergency Procurements

We evaluated all written determinations for emergency procurements made pursuant to SC Code Ann. § 11-35-1570 to assess the appropriateness of the procurement actions and the accuracy of the

Results of Audit

quarterly reports required by § 11-35-2440. The College conducted 47 emergency procurements totaling approximately \$2.3M during the audit period.

Inadequate Emergency Determinations

The College declared nine emergencies totaling approximately \$411k due to the expiration of contracts and a lack of time to competitively procure new contracts.

Regulation 19-445.2110 (B) defines an emergency:

An emergency condition which creates a threat to public health, welfare, or safety such as may arise by reason of flood, epidemics, riots, equipment failures, fire loss, or such other reason as may be proclaimed by either the Chief Procurement Officer (CPO) or the head of a purchasing the College or a designee of either office. The existence of such conditions must create an immediate and serious need for supplies, services, information technology, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten:

- (1) The functioning of State government.
- (2) The preservation or protection of property; or
- (3) The health or safety of any person.

The SC Supreme Court, relying on the above Regulation and the common meaning of the term emergency, held that “[a]n emergency is, by its very nature, a sudden, unexpected onset of a serious condition.”¹

The expiration of a contract in accordance with its terms is not an event that is sudden and unexpected.

Recommendation: We recommend the College develop and implement procedures to ensure emergency procurements are limited to circumstances that meet the definition of an emergency under Reg. 19-445.2110. We also recommend all future instances where contracts are expiring and require extension to facilitate solicitation of competition, be reported to the CPO prior to contract extension by emergency declaration. We further recommend that the College develop procedures to ensure that procurements requiring longer lead times can be identified and accommodated, and that the procurement office develop procedures to track contract expiration dates.

College Response

Agree, accept recommendation.

Corrective Action: The College has a process and plan for tracking contract terms and providing adequate notice to department contract owners to review their requirements and develop specifications allowing for solicitations to be conducted in a timely manner prior to contract expiration

¹ The State of South Carolina, In the Supreme Court, Opinion No. 26534, Heard April 15, 2008 – Filed August 25, 2008.

Results of Audit

dates. If we should have this situation again, we will extend the current contract for the shortest time frame practical as a sole source or emergency to prevent lapses in service while the new contract is being solicited.

IV. Construction

We tested construction, and architectural/engineer and related professional service contracts for compliance with the Code and the PI Manual.

Payment And Performance Bonds Not Obtained

The College did not obtain payment and performance bonds for one construction project as required by SC Code Ann. §§11-35-3030(2)(a) and 29-6-250.

Recommendation: We recommend the College develop and implement procedures to ensure payment and performance bonds are obtained for all construction projects greater than \$50k.

College Response

Agree, accept recommendation.

Corrective Action: Facilities Management will add the requirement to obtain payment and performance bonds for all construction projects greater than \$50K to a check list for project managers.

V. P-Cards

The College had 514 P-Cards in use during the audit period and spent \$12,834,545 in 47,923 transactions. Based on the volume of usage, there is increased risk that misuse, or abuse of P-Cards will not be prevented or detected without adequate management oversight.

Program Administration

We reviewed the College's P-Card Policy and Procedures for compliance with the State P-Card Policy and identified weaknesses in program oversight.

A. Independent Audit of P-Cards Not Performed

The College had not performed independent audits of P-Card activity as required. Section V (6) of the State P-Card Policy requires the College to create a "provision for an annual independent audit or review of the P-Card Program by the P-Card Administrator, Internal Audit unit, or other unit assigned audit responsibilities". Additionally, the College's internal P-Card policies require its internal auditor to make regular periodic audits.

Recommendation: We recommend the College comply with the State and internal P-Card Policy regarding independent audits or reviews. Reviews should be performed at least annually and include program administration and transaction testing. To improve the effectiveness of these audits, we

Results of Audit

further recommend that these audits be performed by individuals not associated with the P-Card program. An audit program is available on DPS' website that may prove useful in conducting effective P-Card audits.

College Response

Agree, accept recommendation.

Corrective Action: The internal auditor position has been filled and they have been tasked with performing an annual, independent audit of the P-Card program administration and transactions.

B. Cardholder Exceeded STL Without Required Approval

One cardholder exceeded their \$20,000 STL without governing board and CPO approval required by State P-Card Policy II (D).

Recommendation: We recommend the College develop and implement procedures to ensure Cardholders know and comply with their STLs. We further recommend a documented liaison review that includes reviewing for purchases exceeding the STL.

College Response

Agree, accept recommendation.

Corrective Action: Cardholder's card has been suspended. An entry was added to the Liaison checklist May 2024 to check for purchases that may have exceeded a cardholder's STL and to report it to the Procurement Office. Cardholders are given a STL of \$2,500 unless there is a request and approval from the governing board to increase the limit. When a request comes for a limit above the no competition limit, a request is submitted to both the governing board and DPS for approval.

C. Insufficient P-Card Manual

We reviewed the College's internal P-Card Procedure Manual for compliance with State P-Card Policy and identified areas of non-compliance.

The following key areas were omitted from the College's manual:

- 1) No procedures for the monitoring of accounts for inactivity and promptly closing cards that are no longer needed.
- 2) No procedures for obtaining agency head or governing board approval for increasing STLs greater than \$2,500.
- 3) No procedures for obtaining CPO approval for purchases greater than the no competition limit.
- 4) No procedures for obtaining approval to use blocked MCCs.
- 5) No procedures requiring that both cardholders and supervisor/approvers sign the bank statements.
- 6) Procedures do not adequately define Liaison roles, nor establish objectives and require documentation for liaison reviews.

Results of Audit

Recommendation: We recommend the College revise its internal P-Card Manual to document internal control procedures to ensure compliance with key requirements in the State P-Card Policy. Procurement Services website has a P-Card Manual Checklist that may be of assistance in revising the manual.

College Response

Agree, accept recommendation.

Corrective Action: College of Charleston P-Card Manual was updated in December 2023, in April 2024, and again in May 2024 to include areas identified as missing. The College's updated P-Card Manual was provided to Audit & Certification on April, 25 2024.

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and internal P-Card policies and procedures. Transaction testing identified one area of non-compliance, which was not identified by the PCAs or supervisor/approvers during the monthly review and reconciliation of cardholder statements.

A. No Documented Liaison Reviews

The College's P-Card Liaisons did not conduct documented reviews as required by Part III (C) of the State P-Card Policy. The College's internal policy includes a liaison role for reconciling the P-Card statements but does not require that the liaisons review for prohibited transactions and document their reviews.

Recommendation: We recommend the College update its internal P-Card Procedures to provide for documented monthly reviews by Liaisons. Documented monthly reviews ensure that reviews are effective in identifying unallowable purchases, split transactions, and the use of blocked MCCs. Accepted practice is for the Liaisons to use a checklist to document their reviews.

College Response

Agree, accept recommendation.

Our P-Card Policy required liaisons to review and reconcile P-Card statements but did not specifically state that the liaison document those reviews in writing and sign the statement.

Corrective Action: That requirement has been added to the P-Card Policy under Liaison responsibilities and we have developed and added a Liaison Checklist April 2024 and updated May 2024 for use in documenting their reviews.

Results of Audit

B. Bank Statements Lacked Supervisor and Cardholder Approval

Cardholders did not sign-off on 22 of the 25 bank statements tested. State P-Card Policy III (D) (4) requires the cardholders sign-off on the bank statements attesting to the accuracy and completeness of statements. The College's P-Card Policy does not require the cardholder to sign the bank statements.

The College's P-Card Supervisor/Approvers failed to sign bank statements in 24 of the 25 items tested. State P-Card Policy III (B) (8) states that “supervisor/approving officials must review all transactions and sign the monthly bank statements signifying review and approval for payment. This responsibility cannot be delegated to another person.” Further, the College's P-Card Policy does not require supervisors to sign the bank statements.

Recommendation: We recommend the College develop and implement procedures requiring timely approval and signing of monthly bank statements by both the cardholders and supervisor/approvers. We also recommend that the College provide refresher training for cardholders and supervisors who have oversight responsibility for P-Cards.

College Response

Agree, accept recommendation.

Corrective Action: Requirements for written or e-approvals have been added to the updated P-Card Policy and Procedure Manual in April 2024. The College is implementing the use of WORKS approval tools to streamline and gather online approvals. Cardholders will be required to upload their receipts and approve their monthly statement. Next, the liaison will approve the transactions in WORKS and the department head will be required to affix their signature to the hard copy statement. This will take several months to roll out to the whole campus, and we have a projected completion date of 10/31/2024. We require refresher training for all cardholders and liaisons every two years and within two months of any written violation.

C. P-Cards Inadequately Secured

Twenty-two Cardholders failed to adequately secure their P-Cards. Cardholders made 951 recurring purchases totaling approximately \$132k with P-Cards that were stored on external websites. Per State P-Card Policy III (D) (1) (c) cardholders should maintain security of the account number, expiration date, and security code at all times.

College Response

Agree, accept recommendation.

Some vendors require a credit card on file in order to do business.

Results of Audit

Corrective Action: Cardholders have been instructed to remove their P-Card information from the websites where they are stored. If a vendor requires this, for example, Google Ads, we will provide justification and request approval from the State Procurement Office to allow the exception.

D. Split Purchases

Two cardholders split two purchases totaling approximately \$85k to avoid their STL. State P-Card Policy Section IV (C) prohibits splitting transactions to avoid the STL and further provides that doing so may result in revocation of P-Card privileges.

Recommendation: We recommend the College re-train cardholders on State and internal P-Card policies. We further recommend the College implement the use of checklists in the monthly Liaison reviews to better identify purchases that violate State and internal P-Card policies.

The College should report the split purchases to DPS as unauthorized or illegal procurements in its Quarterly Reporting.

College Response

Agree, accept recommendation.

Corrective Action: Two cardholders that had split purchases have had their P-Cards suspended. One of the purchases exceeded the small purchase limit of \$10K and will be added to the Unauthorized Procurement report for the appropriate quarter. Reviewing for split purchases has been added to the Liaison checklist and the P-Card Administrator will review for split transactions on WORKS dashboard on a monthly basis.

VI. Unauthorized or Illegal Procurements

We tested unauthorized or illegal procurements to determine compliance with the Code and Regulations. All reported unauthorized or illegal procurements were properly resolved.

VII. Surplus Property

We tested asset disposals to determine compliance with the Procurement Code and State policies and procedures. Our testing of asset disposals did not identify any compliance issues.

VIII. Assistance to MBEs

We requested copies of the College's Annual MBE utilization plans and quarterly progress reports to assess compliance with the Code.

Results of Audit

Required MBE Report to SMBAO Submitted Late

The College did not submit three annual MBE plans and seven quarterly reports in a timely manner as required by SC Code Ann. § 11-35-5240.

Recommendation: We recommend the College develop and implement procedures, including management review, for submitting Annual Utilization Plans and Quarterly Progress Reports to the SMBAO in a timely manner as required by SC Code Ann. § 11-35-5240.

College Response

Agree, accept recommendation.

Corrective Action: Due dates for reports will be noted on staff calendars and management review will be required 5 days prior to due date, effective 4th quarter, 2024.

Certification Recommendation

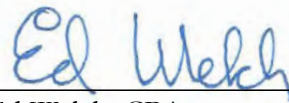
We recommend the college cancel twenty percent of its P-Cards within 30 days of receipt of this report for a period of one year and provide DPS with a list of the cancelled cards. We further recommend that the College revise its P-Card procedures to ensure effective management oversight and submit to DPS for approval.

We believe corrective action based on the recommendations in this report will make The College of Charleston's internal procurement operations consistent with the South Carolina Consolidated Procurement Code and ensuing regulations.

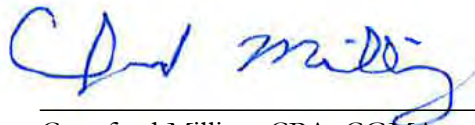
As provided in SC Code Ann. § 11-35-1210, we recommend that the College of Charleston's procurement authority to make direct procurements be increased up to the following limits for three years:

<u>PROCUREMENT AREA</u>	<u>RECOMMENDED CERTIFICATION \$ LIMITS</u>
Supplies and Services ¹	1,000,000 per commitment*
Information Technology ²	500,000 per commitment*
Construction Contract Award.....	200,000 per commitment*
Construction Contract Change Order	200,000 per change order
Architect/Engineer Contract Amendment	75,000 per amendment

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



Ed Welch, CPA
Audit Manager, Audit & Certification



Crawford Milling, CPA, CGMA
Director, Audit & Certification

¹ Supplies and Services including non-IT consulting services

² Information Technology includes consulting services for any aspect of information technology, systems, and networks

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

(1) Authority. In an amount up to fifty thousand dollars in actual or potential value, individual governmental bodies may make direct procurements not under term contracts. Subject to the following and subject to any ensuing regulations:

(a) the board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of Procurement Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract; and

(b) the Director of the Division of Procurement Services may authorize an individual governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. All authority granted pursuant to this item must be in writing, and the director shall advise the board in writing of all such authorizations.

(2) Policy. Authorizations granted by the board or the Director of the Division of Procurement Services to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

(4) Subject to subsection (1), the State Board for Technical and Comprehensive Education, in coordination with the appropriate chief procurement officer, may approve a cumulative total of up to fifty thousand dollars in additional procurement authority for technical colleges, provided that the Division of Procurement Services makes no material audit findings concerning procurement. As provided by regulation, any authority granted pursuant to this paragraph is effective when certified in writing by the Division of Procurement Services.

19-445.2025. Authority to Contract for Certain Services; Definitions.

A. Consultant Services.

(1) For the purposes of these Regulations, consultant services shall be defined as follows: An individual, partnership, corporation or any other legally established organization performing consulting services for or providing consulting advice to the State of South Carolina, or any governmental body thereof, over whom the State or governmental body has the right of control as to the result to be accomplished but not as to the details and means by which that result is to be accomplished.

**Agency Certification
Comparison to Other Colleges and Universities**

AGENCY	CERTIFICATION DATE	CERT NO.	Active	Supplies and Services	Consultant Services	Information Technology	Revenue Generating Contracts	Construction Contract Award	Construction Contract Change Order	Architect/Engineer Contract Amendment
CITADEL, THE	1/31/2023	520	Y	500,000		500,000		500,000	150,000	25,000
CLEMSON UNIVERSITY	10/23/2018	489	Y	3,000,000	3,000,000	3,000,000	15,000,000	4,000,000	500,000	100,000
	6/18/2024	Tbd	Recommender	5,000,000		5,000,000	20,000,000	5,000,000	500,000	100,000
COASTAL CAROLINA UNIVERSITY	12/10/2019	502	Y	400,000		150,000	1,500,000	300,000	200,000	75,000
COLLEGE OF CHARLESTON	5/14/2019	492	Y	500,000		200,000		100,000	100,000	15,000
	6/18/2024	Tbd	Recommender	1,000,000		500,000		200,000	200,000	75,000
FRANCIS MARION UNIVERSITY	6/28/2022	516	Y	325,000		200,000		50,000	25,000	25,000
LANDER UNIVERSITY	10/17/2023	527	Y	200,000		150,000		200,000	75,000	50,000
MEDICAL UNIVERSITY OF SOUTH CAROL	6/29/2021	512	Y	2,000,000		2,000,000		1,000,000	500,000	100,000
SOUTH CAROLINA, UNIVERSITY OF	10/23/2018	490	Y	3,000,000	3,000,000	3,000,000	15,000,000	4,000,000	500,000	100,000
WINTHROP UNIVERSITY	10/23/2018	491	Y	250,000	250,000	250,000		200,000	50,000	25,000

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification for the South Carolina Department of Labor, Licensing and Regulation

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On August 21, 2018, the Authority delegated procurement authority to the South Carolina Department of Labor, Licensing and Regulation (LLR) as follows:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services	100,000 per commitment*
Consultant Services	100,000 per commitment*

In accordance with S.C. Code Ann. § 11-35-1230, Division of Procurement Services audited the procurement operating policies and procedures of LLR to determine whether the Agency’s system of internal controls over procurement was adequate to ensure compliance, in all material respects, with the Procurement Code. We found LLR’s system of internal controls over procurement was adequate to ensure compliance with the Procurement Code.

Per S.C. Code Ann. §11-35-1210, the Department of Labor, Licensing and Regulation requests that the Authority reauthorize it to make direct procurements at the current certification for Supplies and Services.

AUTHORITY ACTION REQUESTED:

Re-authorize the Department of Labor, Licensing and Regulation to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	100,000 per commitment*

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

¹ Supplies and Services includes non-IT consulting services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: June 18, 2024

Regular Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Procurement Audit and Certification for the SC Department of Labor, Licensing and Regulation

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. On August 21, 2018, the Authority delegated procurement authority to the South Carolina Department of Labor, Licensing and Regulation (LLR) as follows:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services.....	100,000 per commitment*
Consultant Services.....	100,000 per commitment*

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of LLR to determine whether the Agency’s system of internal controls over procurement was adequate to ensure compliance, in all material respects, with the Procurement Code. We found LLR’s system of internal controls over procurement was adequate to ensure compliance with the Procurement Code.

Per S.C. Code Ann. §11-35-1210, the Department of Labor, Licensing and Regulation requests that the Authority reauthorize it to make direct procurements at the current certification for Supplies and Services.

4. What is Authority asked to do?

Re-authorize the Department of Labor, Licensing and Regulation to make direct procurements at the following limits for three years from date of approval:

<u>Procurement Area</u>	<u>Certification \$ Limits</u>
Supplies and Services ¹	100,000 per commitment*

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

¹ Supplies and Services includes non-IT consulting services.

5. What is recommendation of the submitting agency involved?

Re-authorize the Department of Labor, Licensing and Regulation to make direct procurements at the limits set forth above for three years.

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Office Name: _____

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

8. List of Supporting Documents:

- (a) S.C. Code Ann. § 11-35-1230
 - (b) S.C. Code Ann. § 11-35-1210
-

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



**South Carolina
Department of Labor, Licensing and Regulation**

INDEPENDENT PROCUREMENT AUDIT REPORT

**for the Audit Period:
October 1, 2020 to September 30, 2023**

**Office of Audit & Certification
Division of Procurement Services
May 9, 2024**

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Abbreviations

Code	– SC Consolidated Procurement Code and ensuing Regulations
CPO	– Chief Procurement Officer
DPS	– Division of Procurement Services
MBE	– Minority Owned Business Enterprise
P-Card	– Purchasing Card
PO	– Purchase Order
SFAA	– State Fiscal Accountability Authority
State P-Card Policy	– SC Purchasing Card Policy and Procedures

Introduction

DPS audited South Carolina Department of Labor, Licensing & Regulation's (LLR) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230 of the Code and Reg. 19-445.2020.

The primary objective of our audit was to determine whether, in all material respects, the internal controls of LLR's procurement system were adequate to ensure compliance with the Code.

The management of LLR is responsible for the agency's compliance with the Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining an effective organization structure and system of internal control over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Establishing clear lines of authority and responsibility for making and approving procurements
- Documenting the agency's system of internal control over its procurement activities in an internal procurement procedure manual
- Taking corrective action when instances of noncompliance are identified, including corrective action for the findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Introduction

Our audit was also performed to determine if recertification under SC Code Ann. § 11-35-1210 is warranted.

On August 21, 2018, SFAA granted LLR the following procurement certifications:

<u>PROCUREMENT AREA</u>	<u>CURRENT CERTIFICATION \$ LIMITS</u>
Supplies and Services.....	100,000 per commitment*
Consultant Services.....	100,000 per commitment*

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

During the audit LLR did not request an increases in its certification limits.

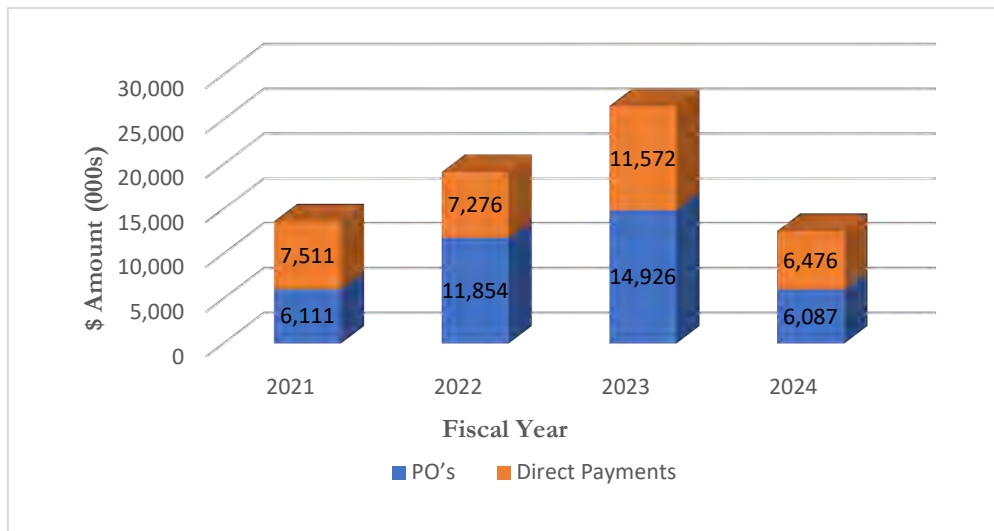
Scope

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about LLR’s compliance with the Code for the period October, 2020 through September 2023 the audit period and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total Expenditures

During the audit period, the agency made expenditures as follows:

	\$ Amount (000s)				Total
	Q2,3,4 FY2021	FY2022	FY2023	Q1 FY2024	
POs ¹	6,111	11,854	14,926	6,087	38,978
Direct Pay ²	7,511	7,276	11,572	6,476	32,835
Total Spend	13,622	19,130	26,498	12,563	71,813



¹ **POs** represents all expenditures made with a Purchase Order. These are required for most contract purchases by the terms of the contract and is the preferred procurement instrument when a government unit orders or procures supplies or services from a vendor.

² **Direct Pays** are made without purchase order based on the State PO Policy. These may occur with purchases of supplies or services that are exempt from the Code or for such things as payment for P-Card purchases or purchases less than \$2,500.

Results of Audit

I. Supplies, Services, and IT

We audited expenditures exceeding \$10,000 made with POs, and expenditures made without a PO to determine compliance with the Code.

Our review of supplies & services did not identify any compliance issues.

II. Sole Source Procurements

Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period LLR reported 22 sole source procurements totaling approximately \$1M to DPS.

Our review of sole source procurements did not identify any compliance issues

III. Emergency Procurements

All written determinations for emergency procurements made pursuant to SC Code Ann. § 11-35-1570 were evaluated to assess the appropriateness of the procurement actions and the accuracy of the quarterly reports required by § 11-35-2440. During the audit period LLR did not report any emergency procurements.

IV. P-Cards

LLR had 46 P-Cards in use during the audit period and spent \$641,632 in 10,967 transactions.

Program Administration

We reviewed LLR P-Card Policy and Procedures for compliance with the State P-Card Policy and found no compliance issues.

P-Card Transaction Testing

We performed tests of P-Card transactions to ensure compliance with State and Agency P-Card policies and procedures. Transaction testing did not identify any compliance issues.

V. Unauthorized or Illegal Procurements

We tested Unauthorized or Illegal Procurements to determine compliance with the Code and Regulations.

All reported unauthorized or illegal procurements were properly resolved.

Results of Audit

VI. Surplus Property

We tested asset disposals to determine compliance with the Code and State policies and procedures. We did not identify any compliance issues.

VII. Assistance to MBEs

We requested copies of LLR's Annual MBE utilization plans and quarterly progress reports to assess compliance with the Code. We did not identify any compliance issues.

Certification Recommendation

We believe, based on the audit procedures performed, that the Department of Labor, Licensing & Regulation's system of internal control over procurement is adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

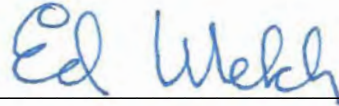
As provided in SC Code Ann. § 11-35-1210, we recommend that LLR's procurement authority to make direct agency procurements be re-certified up to the following limits for three years:

PROCUREMENT AREA

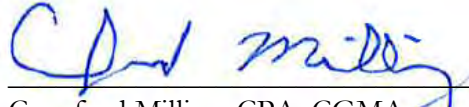
RECOMMENDED CERTIFICATION \$ LIMITS

Supplies and Services¹ 100,000 per commitment*

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



Ed Welch, CPA
Audit Manager, Audit & Certification



Crawford Milling, CPA, CGMA
Director, Audit & Certification

¹ Supplies and Services including non-IT consulting services

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

SECTION 11-35-1210. Certification.

(1) Authority. In an amount up to fifty thousand dollars in actual or potential value, individual governmental bodies may make direct procurements not under term contracts. Subject to the following and subject to any ensuing regulations:

(a) the board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of Procurement Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract; and

(b) the Director of the Division of Procurement Services may authorize an individual governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. All authority granted pursuant to this item must be in writing, and the director shall advise the board in writing of all such authorizations.

(2) Policy. Authorizations granted by the board or the Director of the Division of Procurement Services to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

(4) Subject to subsection (1), the State Board for Technical and Comprehensive Education, in coordination with the appropriate chief procurement officer, may approve a cumulative total of up to fifty thousand dollars in additional procurement authority for technical colleges, provided that the Division of Procurement Services makes no material audit findings concerning procurement. As provided by regulation, any authority granted pursuant to this paragraph is effective when certified in writing by the Division of Procurement Services.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Code Exemption for the University of South Carolina River District Project

The University of South Carolina plans to engage a business to finance, develop, and operate a variety of private commercial operations on approximately 12 acres of property proximate to Williams-Brice Stadium; and approximately 885 acres of undeveloped property along the Congaree River and at the west end of National Guard Road west of the existing Football Operations Facility and Gamecock Park. These properties, which are owned and controlled by the University, are collectively referred to herein as the “River District Properties” and are summarized in the attached list.

The University intends to use a competitive solicitation process to invite firms to identify opportunities to create resort, hospitality, residential, and athletic/recreational improvements on the tracts near the Congaree River at the end of National Guard Road. The project would also improve university property around Williams-Brice Stadium with hospitality, residential, and retail development to optimize the experience in the stadium district.

The University may ultimately enter into multiple contracts (hereinafter “River District Agreements”) with multiple parties, and these contracts may include staggered long-term ground leases, development agreements, and ancillary or supplemental agreements.

Improvements will be designed, constructed, funded, operated, maintained, and owned by private entities with no university funding or financial support. The University will use revenue generated pursuant to the leases to fund the design and construction of improvements to Williams-Brice stadium and other University projects.

Given the breadth of this project and the intent to allow potential developers wide latitude regarding what to propose, the scope of the exemption extends to all supplies, services, information technology, or construction involved in developing the River District Properties.

For example, to provide developers the maximum flexibility in preparing financially sound offers, the scope of the proposed exemption does not foreclose proposals that include facilities within the River District designed specifically for the University’s use or purchase. With the approval of the Authority as set forth herein, the University could contract to use or occupy such proposed facilities and pay for their use or to acquire ownership of such facilities after being built-to-suit by the developer. Such facilities could include student dining facilities, student housing, academic space, conference space, and athletic facilities. Depending on the size and scope, such University obligations could provide material financial support to the Developer.

The breadth of this exemption is designed to provide the University and potential developers maximum flexibility to explore opportunities for using the River District Properties to achieve highest value and greatest benefit to the University. Despite its breadth, the University’s goal for this project is not to acquire facilities for its own use or services unrelated to the project. Accordingly, the University commits not to require or encourage developers to build facilities specifically for the University’s use or occupancy,

AGENCY: Division of Procurement Services

SUBJECT: Procurement Code Exemption for the University of South Carolina River District Project

nor to acquire anything pursuant to this exemption unless it is directly connected with and complementary to development of a private commercial operation on the River District Properties.

The ultimate scope of the exemption will be defined by the first set of River District Agreements entered by USC and its Affiliates. Accordingly, and as a condition of the exemption, the University and its Affiliates will submit all River District Agreements to the State Fiscal Accountability Authority for approval prior to execution, regardless of value. Upon their execution, this exemption terminates.

Other Required Approvals

The Authority action requested is limited to an exemption pursuant to Section 11-35-710(A). Nothing herein excuses any approvals required by law. The approvals required will depend on the final proposed arrangement; however, required approvals may include those in Chapter 47 of Title 2 regarding permanent improvements or those in Chapter 11 of Title 1 regarding leases or real property transfers.

University Commitments

1. The University will conduct the solicitation pursuant to a defined, open, and competitive process that invites broad-based competition. Offers will be solicited, evaluated, and negotiated pursuant to procedures published in the solicitation and designed to ensure the integrity of the selection process. The solicitation will be sufficiently clear, adequate, and definite to permit offerors to enter the public acquisition on an equal basis. The University will use reasonable methods to publicize requirements and provide adequate time for competitors to learn of, receive, and respond meaningfully to solicitation documents (including amendments, clarifications, and changes in requirements). The solicitation will include the bases to be used for evaluating proposals and for making the award. The University will evaluate proposals and make the award based solely on the criteria in the solicitation; and will ensure that all parties involved in the acquisition process participate fairly, honestly, and in good faith. The University will not enter a contract that conflicts with any constraint published in the solicitation.
2. Prior to issuing any solicitation for a River District Agreement, the University will submit a proposed draft to the State Engineer, who shall determine whether the foregoing requirements are reflected in the solicitation.
3. All River District Agreements will include without limitation and in such detail as may be required to firmly establish the character of the facilities and improvements, their purposes and intended uses, and the intended occupancy of each of the facilities and improvements to the property.
4. When River District Agreements are submitted for approval, the University will provide an executive summary of the provisions of the proposed agreements; the identity of the parties and any applicable major subcontractors to the primary parties; an

AGENCY: Division of Procurement Services

SUBJECT: Procurement Code Exemption for the University of South Carolina River District Project

evaluation of the responsibility of those parties; a summary of the costs, benefits, and risks to the University; a written plan for the University's administration, monitoring, and auditing of the agreements; and a summary of any anticipated supplementary or ancillary agreements.

5. Throughout the process, and well in advance of seeking approval, the University will collaborate with staff of the Authority and the Joint Bond Review Committee to insure the River District Agreements proposed for review and approval have been thoroughly vetted prior to submission for approval.

6. Upon request, the University will provide the Authority with periodic updates on the implementation and management of the River District Agreements.

Contract Duration Request

Section 11-35-2030 requires Authority approval for any procurement which may result in a contract exceeding seven years in duration before the solicitation is issued. The requested exemption allows the University and its Affiliates to solicit proposals for a contract with a duration of more than seven years before obtaining Authority approval, provided USC obtains the Authority's approval for the actual duration before executing any agreements arising out of the solicitation.

JBRC Review

The Authority will not consider the River District Agreements for approval until any lease requiring approval pursuant to Chapter 11 of Title 1 has been reviewed by the Joint Bond Review Committee and submitted to the Authority.

Recommendation

Exemptions granted pursuant to Section 11-35-710(A) require a recommendation of the responsible chief procurement officer. The University's proposed procurement is clearly subject to the Consolidated Procurement Code. While the Code serves a range of important public purposes, the University's River District project is different. The overriding goal of the project is to obtain a long-term revenue stream by allowing a developer to exploit un- or under-utilized University real estate. To accomplish this goal, the University seeks a developer to undertake a private commercial operation on public lands, not to provide specific services or facilities for consumption by the University. This is not a typical government requirement, and the resulting relationship will more closely resemble that of a landlord and tenant to a long-term ground lease, than the relationships agencies have with their government contractors. The scope of the undertaking is extensive in geographic scope and the resulting agreements lengthy in duration—likely decades. The Procurement Code's purchasing procedures were not designed for this project. They are intentionally designed for discrete acquisitions and for comparing apples to apples, not for solicitations seeking investors to offer long-term contracts with any scope of work they think might work. Accordingly, the Chief Procurement Officer recommends the Authority grant the requested

AGENCY: Division of Procurement Services

SUBJECT: Procurement Code Exemption for the University of South Carolina River District Project

exemption.

AUTHORITY ACTION REQUESTED:

Under authority of Code Section 11-35-710, and subject to the conditions set forth in the Authority's agenda item, exempt the University and its Affiliates from (a) conducting through the chief procurement officer's area of responsibility a procurement for any supplies, services, information technology, or construction involved in development of the River District Properties, and (b) from conducting that procurement pursuant to the Procurement Code's purchasing procedures. This exemption terminates upon execution of the first set of agreements resulting from this procurement.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 6/18/2024

Regular Agenda

1. Submitted by:

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



John St. C. White
Materials Management Officer
Division of Procurement Svcs

2. Subject: Procurement Code Exemption for the University of South Carolina River District Project

3. Summary and Background Information:

The University of South Carolina plans to engage a business to finance, develop, and operate a variety of private commercial operations on approximately 12 acres of property proximate to Williams-Brice Stadium; and approximately 885 acres of undeveloped property along the Congaree River and at the west end of National Guard Road west of the existing Football Operations Facility and Gamecock Park. These properties, which are owned and controlled by the University, are collectively referred to herein as the “River District Properties” and are summarized in the attached list.

The University intends to use a competitive solicitation process to invite firms to identify opportunities to create resort, hospitality, residential, and athletic/recreational improvements on the tracts near the Congaree River at the end of National Guard Road. The project would also improve university property around Williams-Brice Stadium with hospitality, residential, and retail development to optimize the experience in the stadium district.

The University may ultimately enter into multiple contracts (hereinafter “River District Agreements”) with multiple parties, and these contracts may include staggered long-term ground leases, development agreements, and ancillary or supplemental agreements.

Improvements will be designed, constructed, funded, operated, maintained, and owned by private entities with no university funding or financial support. The University will use revenue generated pursuant to the leases to fund the design and construction of improvements to Williams-Brice stadium and other University projects.

Given the breadth of this project and the intent to allow potential developers wide latitude regarding what to propose, the scope of the exemption extends to all supplies, services, information technology, or construction involved in developing the River District Properties.

For example, to provide developers the maximum flexibility in preparing financially sound offers, the scope of the proposed exemption does not foreclose proposals that include facilities within the River District designed specifically for the University’s use or purchase. With the approval of the Authority as set forth herein, the University could contract to use or occupy such proposed facilities and pay for their use or to acquire ownership of such facilities after being built-to-suit by the developer. Such facilities could include student dining facilities, student housing, academic space, conference space, and athletic facilities. Depending on the size and scope, such University obligations could provide material financial support to the Developer.

The breadth of this exemption is designed to provide the University and potential developers maximum flexibility to explore opportunities for using the River District Properties to achieve highest value and greatest benefit to the University. Despite its breadth, the University's goal for this project is not to acquire facilities for its own use or services unrelated to the project. Accordingly, the University commits not to require or encourage developers to build facilities specifically for the University's use or occupancy, nor to acquire anything pursuant to this exemption unless it is directly connected with and complementary to development of a private commercial operation on the River District Properties.

The ultimate scope of the exemption will be defined by the first set of River District Agreements entered by USC and its Affiliates. Accordingly, and as a condition of the exemption, the University and its Affiliates will submit all River District Agreements to the State Fiscal Accountability Authority for approval prior to execution, regardless of value. Upon their execution, this exemption terminates.

Other Required Approvals

The Authority action requested is limited to an exemption pursuant to Section 11-35-710(A). Nothing herein excuses any approvals required by law. The approvals required will depend on the final proposed arrangement; however, required approvals may include those in Chapter 47 of Title 2 regarding permanent improvements or those in Chapter 11 of Title 1 regarding leases or real property transfers.

University Commitments

1. The University will conduct the solicitation pursuant to a defined, open, and competitive process that invites broad-based competition. Offers will be solicited, evaluated, and negotiated pursuant to procedures published in the solicitation and designed to ensure the integrity of the selection process. The solicitation will be sufficiently clear, adequate, and definite to permit offerors to enter the public acquisition on an equal basis. The University will use reasonable methods to publicize requirements and provide adequate time for competitors to learn of, receive, and respond meaningfully to solicitation documents (including amendments, clarifications, and changes in requirements). The solicitation will include the bases to be used for evaluating proposals and for making the award. The University will evaluate proposals and make the award based solely on the criteria in the solicitation; and will ensure that all parties involved in the acquisition process participate fairly, honestly, and in good faith. The University will not enter a contract that conflicts with any constraint published in the solicitation.
2. Prior to issuing any solicitation for a River District Agreement, the University will submit a proposed draft to the State Engineer, who shall determine whether the foregoing requirements are reflected in the solicitation.
3. All River District Agreements will include without limitation and in such detail as may be required to firmly establish the character of the facilities and improvements, their purposes and intended uses, and the intended occupancy of each of the facilities and improvements to the property.
4. When River District Agreements are submitted for approval, the University will provide an executive summary of the provisions of the proposed agreements; the identity of the parties and any applicable major subcontractors to the primary parties; an evaluation of the responsibility of those parties; a summary of the costs, benefits, and risks to the University; a written plan for the University's administration, monitoring, and auditing of the agreements; and a summary of any anticipated supplementary or ancillary agreements.

5. Throughout the process, and well in advance of seeking approval, the University will collaborate with staff of the Authority and the Joint Bond Review Committee to insure the River District Agreements proposed for review and approval have been thoroughly vetted prior to submission for approval.

6. Upon request, the University will provide the Authority with periodic updates on the implementation and management of the River District Agreements.

Contract Duration Request

Section 11-35-2030 requires Authority approval for any procurement which may result in a contract exceeding seven years in duration before the solicitation is issued. The requested exemption allows the University and its Affiliates to solicit proposals for a contract with a duration of more than seven years before obtaining Authority approval, provided USC obtains the Authority's approval for the actual duration before executing any agreements arising out of the solicitation.

JBRC Review

The Authority will not consider the River District Agreements for approval until any lease requiring approval pursuant to Chapter 11 of Title 1 has been reviewed by the Joint Bond Review Committee and submitted to the Authority.

Recommendation

Exemptions granted pursuant to Section 11-35-710(A) require a recommendation of the responsible chief procurement officer. The University's proposed procurement is clearly subject to the Consolidated Procurement Code. While the Code serves a range of important public purposes, the University's River District project is different. The overriding goal of the project is to obtain a long-term revenue stream by allowing a developer to exploit un- or under-utilized University real estate. To accomplish this goal, the University seeks a developer to undertake a private commercial operation on public lands, not to provide specific services or facilities for consumption by the University. This is not a typical government requirement, and the resulting relationship will more closely resemble that of a landlord and tenant to a long-term ground lease, than the relationships agencies have with their government contractors. The scope of the undertaking is extensive in geographic scope and the resulting agreements lengthy in duration—likely decades. The Procurement Code's purchasing procedures were not designed for this project. They are intentionally designed for discrete acquisitions and for comparing apples to apples, not for solicitations seeking investors to offer long-term contracts with any scope of work they think might work. Accordingly, the Chief Procurement Officer recommends the Authority grant the requested exemption.

4. What is the Authority asked to do? Under authority of Code Section 11-35-710, and subject to the conditions set forth in the Authority's agenda item, exempt the University and its Affiliates from (a) conducting through the chief procurement officer's area of responsibility a procurement for any supplies, services information technology, or construction involved in development of the River District Properties, and (b) from conducting that procurement pursuant to the Procurement Code's purchasing procedures. This exemption terminates upon execution of the first set of agreements resulting from this procurement.

5. What is recommendation of the submitting agency involved? Approve the Authority action requested

6. Private Participant Disclosure – Check one:

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

7. Recommendation of other office (as required)? Approve the Authority action requested.

(a) Authorized Signature: _____



(b) Office Name:

Edward L. Walton
Executive Vice-President of Administration and Finance
Chief Financial Officer
University of South Carolina

8. List of Supporting Documents:

- A - Sections 11-35-710(A) and 11-35-2030(5)
- B - Letter from the University of South Carolina
- C – Letters from University Affiliates
- D- List of Properties - Aerial Reference Map

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

SECTION 11-35-710. Exemptions.

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

(1) the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by the Department of Transportation or the Department of Public Safety;

(2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;

(3) South Carolina State Ports Authority;

(4) Division of Public Railways of the Department of Commerce;

(5) South Carolina Public Service Authority;

(6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;

(7) livestock, feed, and veterinary supplies;

(8) articles for commercial sale by all governmental bodies;

(9) fresh fruits, vegetables, meats, fish, milk, and eggs;

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;

(11) published books, periodicals, and technical pamphlets;

(12) South Carolina Research Authority;

(13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;

(14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision;

(15) if approved in writing by the State Engineer in advance, and if some aspect of the overall transaction is otherwise approved by the board in advance of the acquisition, an acquisition of construction from an eleemosynary corporation or foundation, or a wholly owned business thereof, established solely for the governmental body's benefit, but only if the eleemosynary corporation or foundation acquires the construction on behalf of or for the use of the governmental body and does so pursuant to this code, as required by Section 11-35-40(4).

(B) The State Fiscal Accountability Authority shall maintain and post publicly a running list of all currently effective actions taken by the board pursuant to subsection (A).

SECTION 11-35-2030. Multiterm contracts.

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multiterm contract, it must be determined in writing by the appropriate governmental body that:

(a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and

(b) such a contract serves the interest of the State by encouraging effective competition or otherwise promoting economies in state procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) Maximum Duration. The maximum potential duration for a contract is five years. A maximum potential duration of up to seven years may be approved by the appropriate chief procurement officer.

(5) Authority Approval. Every type of contract with a maximum potential duration exceeding seven years must be approved by the board. For competitive procurements, approval of the maximum potential duration must be granted before solicitation.



May 8, 2024

Facilities Planning Design and Construction

John St. C. White
Materials Management Officer and State Engineer
Division of Procurement Services
SC State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Regarding: SFAA Agenda Item Worksheet for a Procurement Code Exemption for the
University of South Carolina River District Project

Dear Mr. White,

Please accept this letter as confirmation that leadership within the University of South Carolina have worked with the Division of Procurement Services to create an accurate and acceptable description of parameters that can guide the solicitation to engage a business to finance, develop, and operate a variety of private commercial operations on university-owned properties proximate to Williams-Brice Stadium and the Congaree River at the west end of National Guard Road. These parameters are described on the State Fiscal Accountability Authority Agenda Item Worksheet prepared for the June 18th, 2024, meeting of the SFAA.

We thank your office for the extraordinary effort required to digest this unique project and pursue an exemption to the Procurement Code that enables an effective solicitation for private development proposals.

Sincerely,

Derek S. Gruner, RA, LEED AP
University Architect and AVP of Facilities Planning, Design and Construction

Cc: Ed Walton
Venis Manigo

GAMECOCK CLUB

ESTABLISHED 1940

March 18, 2024

Mr. John White, State Engineer and CPO
State Fiscal Accountability Authority
Office of State Engineer
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Acknowledgement and Agreement to Conditions related to the Procurement Code Exemption for the University of South Carolina University River District Development Project

Dear Mr. White:

The University of South Carolina Gamecock Club (Club), an affiliated entity of the University of South Carolina (University), is aware of the University's request seeking a Procurement Code exemption pursuant to Section 11-35-710 related to the lease and development of the River District properties. As part of that request, the University, and its affiliates, are bound by the conditions governing the exemption.

Through this letter, the Club acknowledges that it is aware of and is bound by the conditions governing the exemption.

Sincerely,



Wayne Hiott, CEO – The Gamecock Club/Sr. Associate Athletics Director for Development

Cc: Keith McCook, General Counsel, State Fiscal Accountability Authority
Ed Walton, Executive Vice-President of Administration and Finance and Chief Financial Officer,
University of South Carolina
Kristen Moss, Procurement Manager, University of South Carolina



UNIVERSITY OF SOUTH CAROLINA
FOUNDATIONS

March 18, 2024

Mr. John White, State Engineer and CPO
State Fiscal Accountability Authority
Office of State Engineer
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Acknowledgement and Agreement to Conditions related to the Procurement Code Exemption for the University of South Carolina University River District Development Project

Dear Mr. White:

The University of South Carolina Development Foundation (Foundation), an affiliated entity of the University of South Carolina (University), is aware of the University's request seeking a Procurement Code exemption pursuant to Section 11-35-710 related to the lease and development of the River District properties. As part of that request, the University, and its affiliates, are bound by the conditions governing the exemption.

Through this letter, the Foundation acknowledges that it is aware of and is bound by the conditions governing the exemption.

Sincerely,

Jason Caskey, President & CEO

Cc: Keith McCook, General Counsel, State Fiscal Accountability Authority
Ed Walton, Executive Vice-President of Administration and Finance and Chief Financial Officer,
University of South Carolina
Kristen Moss, Procurement Manager, University of South Carolina

Aerial Reference Map

Property adjacent to river at west end of National Guard Road



A Approximate Acreage: 300 (Flood Zone AE)
Owner: University of South Carolina
Parcel Numbers: R11100-01-05
R11100-01-06

B Approximate Acreage: 5
Owner: University of South Carolina
Parcel Number: R11201-02-10

C Approximate Acreage: 25 (Partial Flood Zone AE)
Owner: University of South Carolina
Parcel Number: R11100-01-04

D Approximate Acreage: 12 (Partial Flood Zone AE)
Owner: University of South Carolina
Parcel Number: R11100-01-15

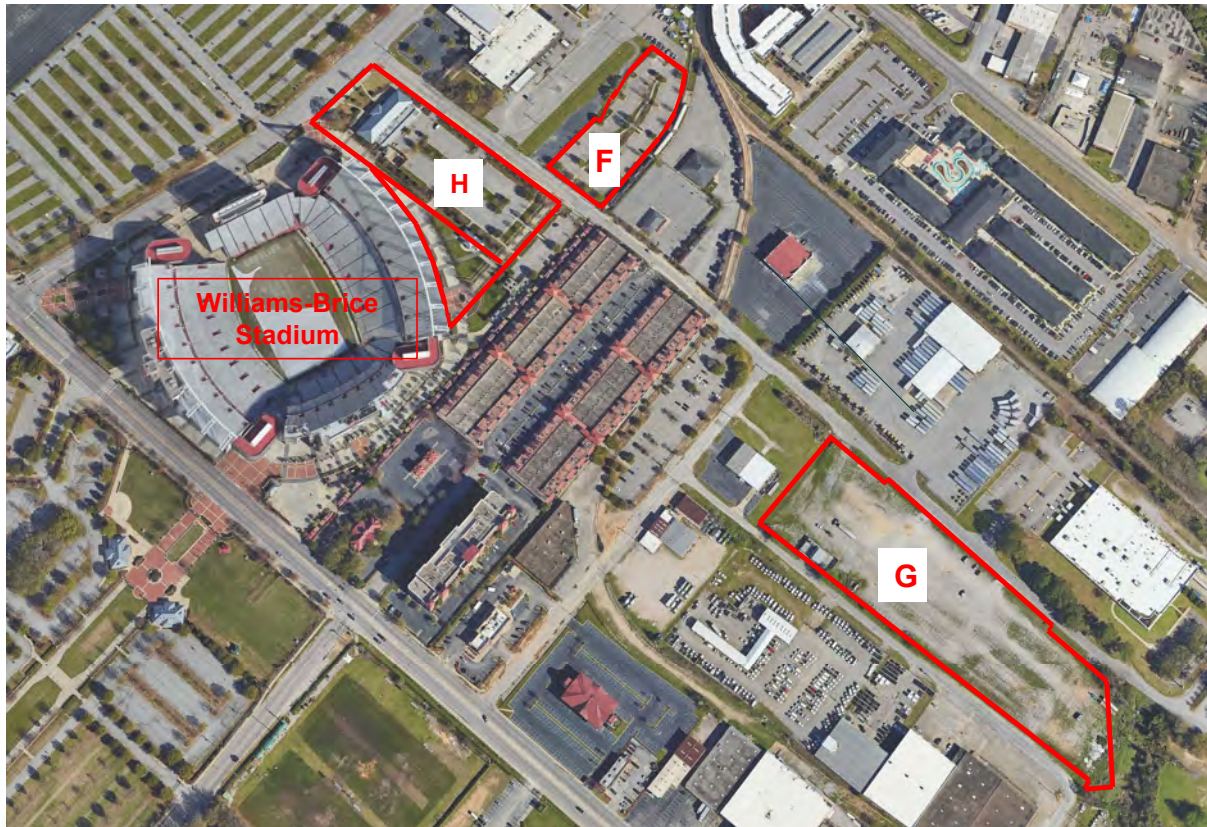
E Approximate Acreage: 543 (Flood Zone AE)
Owner: University of South Carolina
Parcel Number: R11100-01-10



UNIVERSITY OF
South Carolina

Aerial Reference Map

Property adjacent and near Williams-Brice Stadium



F Approximate Acreage: 1.8
Owner: University of South Carolina
Parcel Number: R11210-01-11

G Approximate Acreage: 5.4
Owner: University of South Carolina
Parcel Numbers: R11209-03-10 & R11209-03-09

H Approximate Acreage: 4.8
Owner: University of South Carolina
Parcel Number: R11206-03-01
Potentially small portion of R11206-03-04 (TBD)



UNIVERSITY OF
South Carolina

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF June 18, 2024

ITEM NUMBER 14

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 2:00 p.m. on Tuesday, August 27, 2024, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 2:00 p.m. on Tuesday, August 27, 2024, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: