

## **MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING**

**March 28, 2023 – 10:00 A. M.**

The State Fiscal Accountability Authority (Authority) met at 10:00 a.m. on Tuesday, March 28, 2023, via videoconference. The meeting originated from Room 252 in the Edgar A. Brown Building, with the following members participating in the videoconference:

Governor Henry McMaster, Chair;  
Mr. Curtis M. Loftis, Jr., State Treasurer;  
Mr. Richard Eckstrom, Comptroller General;  
Senator Harvey S. Peeler, Jr., Chairman Senate Finance Committee; and  
Representative Bruce W. Bannister, Chairman, Ways and Means Committee.

Also participating in the meeting were State Fiscal Accountability Authority Executive Director Grant Gillespie; Authority General Counsel Keith McCook; State Auditor George Kennedy; Governor's Deputy Chief of Staff Mark Plowden; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Joint Bond Review Committee Director of Research Rick Harmon; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr.; and other State Fiscal Accountability Authority staff.

### ***Adoption of Agenda for State Fiscal Accountability Authority***

Upon a motion by Mr. Loftis, seconded by Senator Peeler, the Authority adopted the agenda as proposed.

### ***Minutes of Previous Meetings***

Upon a motion by Senator Peeler, seconded by Mr. Loftis, the Authority approved the minutes of the January 31, 2023, State Fiscal Accountability Authority meeting; and, acting as the Tobacco Settlement Revenue Management Authority, approved the minutes of the January 31, 2023, Tobacco Settlement Revenue Management Authority.

### ***State Treasurer's Office: Bond Counsel Selection (Regular Session Item #1)***

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Authority received the State Treasurer's Office report on the assignment of bond counsel as information in accord with Authority policy.

**CONDUIT/OTHER ISSUES:**

<b>Description of Issue</b>	<b>Agency/Institution (Borrower)</b>	<b>Bond Counsel</b>	<b>Issuer's Counsel</b>	<b>Date STO Approved</b>
\$450,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2023; Foundation For Affordable Housing - Portfolio Project	Foundation For Affordable Housing - Portfolio Project Conduit: SCJEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Nexsen Pruet – Laurie Becker	1/18/2023
\$85,000,000; SC JEDA; SC Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2023 - Affordable Housing Partners, Inc. - Hawthorn Springs Apartment Homes	Affordable Housing Partners, Inc. - Hawthorn Springs Apartment Homes Conduit: SCJEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Pope Flynn Group - Joe Lucas	2/18/2023
\$71,705,000; SC JEDA; Jobs-Economic Development Authority Environmental Improvement Revenue Refunding Bonds, Series 2023; International Paper Company	International Paper Company Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	2/17/2023
\$28,000,000; SC JEDA; Jobs-Economic Development Authority Educational Facilities Revenue Bonds, Series 2023; Restoration Project Foundation - Belton Preparatory Academy	Restoration Project Foundation - Belton Preparatory Academy Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, and Ryan Romano	Howell Linkous & Nettles – Sam Howell and Alan Linkous	2/17/2023

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

***State Treasurer's Office: State Auditor update regarding the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022 (Regular Session Item #2)***

The State Auditor was requested to provide an update and answer questions regarding the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022.

Upon a motion by Mr. Loftis, seconded by Representative Bannister, the Authority voted to receive an update from the State Auditor and to have him answer questions regarding the State's

Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022, as information. [Secretary's Note: No information was provided for receipt by the Authority for this item.]

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

***Dept. of Administration, Executive Budget Office: Permanent Improvement Projects (Regular Session Item #3)***

The Authority was 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: The Citadel  
H09.9624: Fire Pump and Water Tank Replacement
- Request: Establish Phase II Full Construction Budget to construct a new fire pump and fire water storage tank for the campus.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY22 (estimated at \$2,550,000)  
Phase I Approval: August 2022 (estimated at \$2,550,000) (SFAA)  
CHE Approval: 03/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (B)(10)				2,000,000	2,000,000
Other, Institutional Capital Project	38,250		38,250	511,750	550,000
All Sources	<u>38,250</u>		<u>38,250</u>	<u>2,511,750</u>	<u>2,550,000</u>

Summary of Work: The project will construct a new 200,000-gallon water storage tank and a new pump house to house a new fire pump that meets the necessary flow

criteria. Once complete, the 2 existing water storage tanks, water tower, and pump house will be demolished.

**Rationale:** The existing firewater tank and elevated water tower are in poor condition. Based on a tank inspection completed in November 2020, The Citadel initiated a study for an in-house project to replace the tank. The study was finalized in February 2022 and indicated a new tank was needed and that the existing fire pump no longer has capacity to meet current codes for necessary fire water flow for the campus.

**Facility Characteristics:** The Citadel utilizes a central fire pump and water storage system to provide fire protection coverage to the buildings on campus. The existing water tank was constructed in 1953 (70 years old). The pump house was constructed in 1965 (58 years old) and was renovated in 2001 (22 years old) when the fire pump was replaced. The facility will provide fire protection for 22 campus buildings and coverage for other areas of campus with 13 fire hydrants. The buildings served are used by 3,300 students and over 1,000 faculty and staff, as well as visitors to The Citadel campus.

**Financial Impact:** The project will be funded from FY22 Appropriated State (nonrecurring) Funds (uncommitted balance \$2.8 million at January 13, 2023), Institution Capital Project Funds (uncommitted balance \$11.4 million at January 13, 2023). Revenue to this fund is from all Excess Debt Service fund transferred as of June 30<sup>th</sup> each year. The project is not expected to result in any change in annual operating expenditures. A portion of tuition is designated for capital improvements, currently \$1,000 per student per semester for in-state and \$1,755 per student per semester for out-of-state, and has increased from \$160 for the academic years 2014-2015 to 2022-2023

**Full Project Estimate:** \$2,550,000 (internal) funded by FY22 Appropriated State (nonrecurring), and Institutional Capital Project Funds. Contract execution is expected in September 2023 and completion of construction in March 2024.

**(b) Project:** JBRC Item 2: Clemson University  
H12.9965: College of Veterinary Medicine Construction

**Request:** Establish Phase I Pre-Design Budget to construct a teaching complex, research laboratories and clinical spaces.

**Included in CPIP:** No – This project was not included in the 2022 CPIP because the funding was not authorized by the General Assembly at the time of CPIP submission.

**CHE Approval:** 01/24/2023

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 5

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, FY23 Lottery Expenditure Account				10,000,000	10,000,000
All Sources				<u>10,000,000</u>	<u>10,000,000</u>

**Summary of Work:** The university completed a feasibility study to establish a veterinary college in South Carolina which included a detailed implementation and program plan. This project will utilize these legislative authorized funds to complete a facilities feasibility study, conduct site selection, and engage architectural/engineering firms and a Construction Manager at Risk to provide schematic design of the facilities. Clemson will construct the main teaching building and research labs, but will partner with private clinics for clinical experiences.

**Rationale:** South Carolina currently does not have a College of Veterinary Medicine, and only four states have fewer veterinarians per capita. There is a rapid growth in national demand for services and investment in animal health. Further, research done at veterinary colleges is increasingly important for protecting human public health. Currently, SC contracts to fund the difference between residential and non-residential tuition for SC veterinary students in cooperating states. Clemson's distributed model for clinical learning will leverage existing assets in the state through partnerships with industry and clinical enterprises.

**Facility Characteristics:** The new facility to be constructed will be approximately 233,000 square feet. Based on current analysis per the university, SC can justify a class size of 80 students that may grow to 100 or more in the future. Once the College of Veterinary Medicine is constructed, it is expected to be utilized by approximately 292 students and student employees, 50 faculty, and 82 staff.

**Financial Impact:** This phase of the project will be funded from FY23 Lottery Expenditure Account Funds (uncommitted balance \$10 million at January 5, 2023). Revenues to this fund are generated from net lottery proceeds and investment earnings and are appropriated to be used to supplement and not supplant existing funds for education. The project is expected to result in an increase in annual operating expenses, but those amounts have not yet been determined. The building will be designed to meet Two Green Globes certification standards. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital

improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$285,000,000 (internal).

(c) Project: JBRC Item 3: Clemson University  
H12.9955: Johnstone Hall/Core Campus Demolition

Request: Establish Phase II Full Construction Budget to demolish Johnstone Hall and Union Building Complex, as well as smaller facilities.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 9 in FY23 (estimated at \$12,000,000)  
Phase I Approval: December 2021 (estimated at \$12,000,000) (SFAA)  
CHE Approval: 03/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship	90,000		90,000	7,910,000	8,000,000
Other, Housing Improvement	90,000		90,000	7,910,000	8,000,000
All Sources	<u>180,000</u>		<u>180,000</u>	<u>15,820,000</u>	<u>16,000,000</u>

Summary of Work: This project will demolish the approximately 132,500 square foot Johnstone Hall and Union Building Complex, as well as smaller facilities associated with University Facilities' move away from the campus core. The buildings will be replaced with green space for student activities.

Rationale: Per the university, both buildings are inefficient, unsuitable for continued use and located in the center of campus adjacent to Tillman Hall and the recently constructed Core Campus residence Halls. Johnstone has been vacated but is in the center of campus and requires expensive maintenance to ensure the safety of students, faculty and staff living and working in close

proximity to it. Demolition will support the university's broader strategy to prioritize on-campus space for student-centric needs.

Facility Characteristics: Johnstone Hall and University Building Complex total approximately 132,500 square feet. Johnstone Hall was constructed in the 1950s (73 years old) as temporary housing. The Union Building Complex was constructed in 1974 (49 years old).

Financial Impact: The project will be funded from Maintenance and Stewardship Funds (uncommitted balance \$54.5 million at January 3, 2023) and Housing Improvement Funds (uncommitted balance \$29.3 million at January 9, 2023). Revenue to the Maintenance and Stewardship fund is generated from tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. Revenue for the Housing Improvement Funds come from bond covenant-required transfers from Housing Operations to allow for the maintenance and replacement of capital assets funded by bond issues. The project is expected to result in a decrease of \$1,455,000 (year 1), \$1,498,650 (year 2), and \$1,543,095 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$16,000,000 (internal) funded by Maintenance and Stewardship and Housing Improvement Funds. Contract execution is expected in July 2023 and completion of construction in December 2024.

(d) Project: JBRC Item 4: College of Charleston  
H15.9678: Berry Residence Hall and Honors Program Renovation

Request: Establish Phase II Full Construction Budget to complete interior renovations to Berry Residence Hall.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 9 in FY23 (estimated at \$23,000,000)

Phase I Approval: May 2022 (estimated at \$23,000,000) (SFAA)

CHE Approval: 03/02/23

Source of Funds	Original Budget	Cumulative Changes Since	Current	Adjustment Requested	Total Budget After Current Adjustment
-----------------	-----------------	--------------------------	---------	----------------------	---------------------------------------

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 8

	Amount	Original Budget	Budget		
Other, Auxiliary Housing Revenues	475,000		475,000	18,525,000	19,000,000
Other, Capital Improvement Project	100,000		100,000	3,900,000	4,000,000
All Sources	<u>575,000</u>		<u>575,000</u>	<u>22,425,000</u>	<u>23,000,000</u>

**Summary of Work:** The project will address mechanical, electrical and plumbing issues, upgrade elevators, interior refresh, and replace roofs and windows. The ground floor will be renovated to centralize and expand Honors College classrooms, programming, and supporting administrative offices, releasing space elsewhere on campus. Student suites will be refreshed with new paint, flooring, lighting, millwork, plumbing fixtures, appliances, furniture, and signage. Floors two and three will house Honors College students. Floors four through will house general student population. Roof replacement includes minor deck repairs, rough carpentry, roof insulation, including taper, and installation of a three-ply modified bitumen roof system. The new roof will come with a minimum 20-year material and workmanship warranty.

**Rationale:** The last significant renovation was in 2003. Per the college, prospective students and parents consider campus living environments to be among the top criteria in choosing a college or university, and this especially applies to Honors housing.

**Facility Characteristics:** Berry Residence Hall is a 183,514 six-level 630-bed residence hall constructed in 1989 (34 years old). The building will house Honors College students (floors two and three), general population students (floors four through six), Faculty Fellow Program/Advising Center, the Office of Undergraduate Research and Creative Activities, and the Office of Nationally Competitive Awards (floor one). Technology-rich, comfortable public space will be created for presentations, receptions, workshops, and other events.

**Financial Impact:** The project will be funded from Auxiliary Housing Revenues (uncommitted balance \$24.2 million at January 19, 2023), and Capital Improvement Project Funds (uncommitted balance \$33.4 million at January 19, 2023). Revenue to the Housing fund is generated primarily through the Student Housing Fee, paid per-semester by students who reside in on-campus housing. The fee varies based on amenities, condition, and age of the



College's 13 residence halls and 24 historic student residences. The revenues are used solely for the operation, maintenance, renovation, repair, and debt service of this specific auxiliary enterprise. Revenue to the Capital Improvement Project Fund is the Capital Improvement Fee that are in excess of the current annual debt service related to bonds. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The project is expected to result in a decrease of \$735,962 (year 1), \$758,041 (year 2), and \$780,782 (year 3), in annual operating expenses. The procurement method for this project will be Construction Manager At-Risk. The building will be constructed to meet Two Green Globes certification standards with an anticipated energy savings of \$6,863,947 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$781 to 906 for the academic years 2014-2015 to 2021-2022. \$483 of the \$966 is currently pledged for debt service. The balance of the fee, \$483 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$23,000,000 (internal) funded by Auxiliary Housing Revenue and Capital Improvement Project Funds. Contract execution is expected in May 2023 and completion of construction in June 2026.

(e) Project: JBRC Item 5: South Carolina State University  
H24.9661: Sojourner Truth Hall Renovation

Request: Establish Phase I Pre-Design Budget to renovate the residence hall building.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 3 in FY24 (estimated at \$4,400,000)  
CHE Approval: 03/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Fees				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The project will renovate the entire 14 story building to include fire suppression, fire alarm, elevator upgrade, HVAC, paint, flooring, and code updates that may be required. Interior renovations to bathrooms, lobby and bedrooms will also be completed.

**Rationale:** Of the 400 beds in Truth Hall only 132 are utilized. Out of an abundance of caution, the university made the decision to not utilize the top 7 floors in 2015. This project will ensure the safety of all students housed in the residence hall and allow the university to grow enrollment by providing an additional 268 beds. Per the university, they expect 12% to 18% student growth over the next two years.

**Facility Characteristics:** Truth Hall is 135,851 square feet and was constructed in 1971 (52 years old). The existing elevator and fire alarm system are original to the building, and the chiller system is 25+ years old. After renovations, it is anticipated that 400 students will reside in the residence hall.

**Financial Impact:** This phase of the project will be funded from Housing Fee Funds (uncommitted balance \$4.4 million at February 10, 2023). Revenues to this fund are generated from standard room and board charges, which are determined and approved by the Board of Trustees and are used to cover costs of maintaining the facilities. The current amount per student, per semester is \$3,100. The project is expected to result in an increase of \$185,000 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.

**Full Project Estimate:** \$10,000,000 (internal). Phase I to be funded by Housing Fee Funds. Phase II will be funded by \$8,000,000 in FY23 Capital Reserve, and \$2,000,000 in FY23 Appropriated State (nonrecurring) funds.

(f) **Project:** JBRC Item 6: University of South Carolina – Columbia  
H27.6147: Woodrow College Renovation

**Request:** Establish Phase I Pre-Design Budget to comprehensively renovate the interior of the residential building.

**Included in CPIP:** Yes – 2022 CPIP Priority 7 of 15 in FY24 (estimated at \$11,900,000)  
**CHE Approval:** 02/02/23

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

**Summary of Work:** This project will replace the mechanical and electrical infrastructure and replace interior finishes. Electronic access door hardware will be added to unit entrances to match university housing standards. Student living spaces will be converted to a suite-style configuration which will include a new central corridor to access egress stairs and enable the removal of the non-historic and aesthetically detrimental fire escape at the south façade. The reconfiguration will allow for an approximately increase of 25 beds.

**Rationale:** The residence hall has not been renovated in decades and requires systems replacement and replaced finishes to be consistent with the quality of other university housing.

**Facility Characteristics:** Wood College is 33,700 gross square feet and was constructed in 1914 (109 years old). Building systems are 30+ years old and reaching the end of their useful life. The residence hall currently provides 102 student beds in an apartment-style configuration. After renovating, suites will be able to accommodate 25% more students, for a total of 127 students.

**Financial Impact:** The project will be funded from Housing Maintenance Reserve Funds (uncommitted balance \$23.7 million at October 21, 2022). Housing Maintenance Reserve Funds are derived from the housing operating budget which includes housing fees and revenues generated by laundry operations, conferences, and interest. The project is expected to result in a decrease of \$60,000 (years 1 thru 3), in annual operating expenses. The building will be designed to meet Two Green Globes certification standards. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$320 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

**Full Project Estimate:** \$15,000,000 (internal) funded by Housing Maintenance Reserve Funds. The estimated cost to complete this project has increased from the 2022 CPIP submission following the cost consultant estimate that we have received from the similar Thornwell College renovation project. Thornwell is the sister building of Woodrow, and that project has devised a way to add beds by reconfiguring apartments into suites. Thus, the recent cost estimate from Thornwell reflects the current construction market and the cost of the reconfiguration. It is intended to reconfigure Woodrow in the same manner.

**(g) Project:** JBRC Item 7: University of South Carolina – Aiken  
H29.9558: Softball Facility Construction

**Request:** Establish Phase I Predesign Budget to create a basic softball field near the baseball stadium.

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 12

Included in CPIP: Yes – 2022 CPIP Priority 2 of 4 in FY23 (estimated at \$3,500,000)  
CHE Approval: 02/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				39,000	39,000
All Sources				<u>39,000</u>	<u>39,000</u>

**Summary of Work:** This project will create a basic softball field to include dugouts, bleachers for approximately 200 spectators, a ticket kiosk, lighting, scoreboard, hardscape paving, and fencing. The buildings are anticipated to be brick masonry with metal roofs. The existing softball field will be repurposed as the location of the new SC National Guard Cyber Center/DreamPort and Advanced Manufacturing Collaborative Building.

**Rationale:** Relocating the existing softball facility to the periphery enables academic programs to be developed in the campus core.

**Facility Characteristics:** The new softball facility will include two 600 square foot dugouts, 930 square foot restrooms and concessions, and a 75 square foot ticket kiosk. The new facility will accommodate approximately 200 spectators, and approximately 60 players and coaches.

**Financial Impact:** The project will be funded from Institutional Funds (uncommitted balance \$2.6 million at November 14, 2022). Institutional Funds are available to the university from a variety of sources including tuition and fees, sales and service activities, and other miscellaneous sources. 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 \$12 per student per semester, and has not increased for the academic years 2014-2015 to 2022-2023.

**Full Project Estimate:** \$2,600,000 (internal) funded by Institutional Funds. The estimated cost to complete this project has decreased from the 2022 CPIP submission because the project scope was recently reduced to construct a basic softball competition facility. Future work may be funded with gifts or university funds to be allocated later and would include a press box and other enhancements to upgrade the softball facility.

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 13

(h) Project: JBRC Item 8: Winthrop University  
H47.9608: Margaret Nance Residence Hall Bathroom Renovations

Request: Establish Phase I Predesign Budget to complete bathroom renovations.

Included in CPIP: Yes – 2022 CPIP Priority 8 of 8 in FY24 (estimated at \$2,500,000)

CHE Approval: 03/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing				54,000	54,000
All Sources				<u>54,000</u>	<u>54,000</u>

Summary of Work: The project will renovate hallway traditional style bathrooms. New traditional style closed shower/toilet rooms and common sink areas will be created. HVAC and ventilation/exhaust systems will be upgraded.

Rationale: The traditional style hall common area/hallways bathrooms were last renovated in the 1980's.

Facility Characteristics: Margaret Nance Residence Hall is 59,352 square feet and was constructed in 1895 (128 years old). The residence hall currently houses 224 students with a bed capacity of 282.

Financial Impact: The project will be funded from Other, Auxiliary Housing Funds (uncommitted balance \$12.31 million at October 31, 2022). 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 \$593 to \$543 for the academic years 2014-2015 to 2022-2023.

Full Project Estimate: \$3,600,000 (internal) funded by Auxiliary Housing Funds. The estimated cost to complete this project has increased from the 2022 CPIP submission because a feasibility study was completed last fall that looked at the code requirements, possible bathroom layouts, etc. and that study provided the cost estimate.

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 14

- (i) Project: JBRC Item 9: Central Carolina Technical College  
H59.6174: CCTC – Main Campus Academic-Student Services  
Building Construction
- Request: Revise Scope and Establish Phase II Full Construction Budget to construct a new academic/student services building adjacent to Building 400 on the main campus.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY23 (estimated at \$16,250,000) & Priority 1 of 2 in FY24 (estimated at \$20,000,000)
- Phase I Approval: October 2021 (estimated at \$13,000,000) (Admin)
- CHE Approval: 03/02/23

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)(27)(c)	195,000		195,000	12,805,000	13,000,000
				19,000,000	19,000,000
FY23 Appropriated State, Proviso 118.19 (27)(q)				8,000,000	8,000,000
Other, College Capital Reserve					
All Sources	<u>195,000</u>		<u>195,000</u>	<u>39,805,000</u>	<u>40,000,000</u>

Summary of Work: The project was established to construct a new 34,000 square foot academic and student services building that would contain flexible convertible spaces used as classrooms, or student meeting and gathering spaces. The revised scope will no longer demolish Buildings 100 and 200 and will now construct a larger 58,825 square foot, two three-story wings joined at the first level by an outdoor plaza and at the third level by an interior elevated connector. The central lobbies for both wings include a monumental stair connecting all three floors and allow for easy access to all program elements as well as visibility from all levels to the central campus courtyard and parking. An elevator and an additional enclosed stair are located in each wing. The lobbies on the second and third levels of the student services wing will have a central help desk. The student services wing will also include a

flexible multipurpose space and adjoining commercial kitchen. The academic wing will provide additional classroom and lab space and will consolidate science faculty and instructional space into a single location. The campus data center will also be relocated into the academic wing of the new building. The new building will include a low slope Styrene-Butadiene-Styrene (SBS) modified bituminous membrane roofing system and come with a 20-year manufacturer material and workmanship warranty. At a later unspecified time after the new facility is constructed, Buildings 100 and 200 will be demolished as part of a separate project. The cost and fund source to demolish these buildings is unknown at this time. It is yet to be determined what those sites will be used for after demolition, but it is expected that they will be used for additional parking lots and green space for students.

**Rationale:** Costs have significantly increased due to over 40% inflation in construction materials and building systems. Constructing one building to house both academic and student services instead of building the student services building now and the academic building 2-3 years in the future will allow for gained efficiencies and to enable the capitalization on shared spaces and site costs. Additionally, consolidation of these facilities will allow for all academic classrooms to be on the main campus site without having the students to cross Guignard Road. The functionality of building 100 and 200 is inadequate, and cannot be renovated to fit current needs, per the college.

**Facility Characteristics:** Building 100 is 51,914 square feet and was construction in 1965 (58 years old). Building 200 is 9,867 square feet and was constructed in and 1969 (54 years old). The new 58,825 square foot facility will house all student services functions as well as Science, Math and Humanities programs. All 2,300 students and 225 staff are expected to utilize the new facility.

**Financial Impact:** This phase of the project will be funded from FY22 Appropriated State (nonrecurring), (uncommitted balance \$12.805 million at February 15, 2023) and FY23 Appropriated State (nonrecurring) (uncommitted balance \$19 million at February 15, 2023) and College Funds (uncommitted balance \$9.4 million at February 15, 2023). Revenue for the College Capital Reserves are derived from annual operating surpluses. The project is expected to result in \$45,100 in additional annual operating costs (years 1 thru 3). The new facility will be constructed to meet Two Green Globes certification standards with an anticipated energy savings of \$2,303,077 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$9.70 per credit hour per student per semester, and has increased from \$5.25 per credit hour to \$9.70 for the academic years 2014-2015 to 2022-2023.

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 16

Full Project Estimate: \$40,000,000 (internal) funded by FY22 & FY23 Capital Reserve and College Capital Reserve Funds. Contract execution is expected in August 2023 and completion of construction in December 2025.

(j) Project: JBRC Item 10: Piedmont Technical College  
H59.6193: PTC New Construction for Health Sciences Replacement

Request: Change Project Name, Revise Scope and Establish Phase II Full Construction Budget to construct a 27,000 square foot replacement building on the Piedmont Campus.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at \$9,150,000)  
Phase I Approval: April 2022 (estimated at \$9,150,000) (SFAA)  
CHE Approval: 02/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Capital Reserve				696,875	696,875
FY22 Appropriated State, Proviso 118.18 (b)(27)(n)				6,893,159	6,893,159
FY23 Appropriated State, Proviso 118.19 (27)(j)	137,250		137,250	5,230,623	5,367,873
Other, College All Sources	<u>137,250</u>		<u>137,250</u>	<u>16,494,750</u>	<u>16,632,000</u>

Summary of Work: The project was established to renovate and repair the two existing Health and Science Buildings and construct an additional 12,100 square foot connector building on the Piedmont Campus. The revised scope will now construct a 27,000 square foot facility that will include Nursing simulation labs, Nursing skills labs, Cardiovascular Labs and classrooms. The new Health Science Building will be a 2-story, slab-on-grade building with a low-slope insulated roof and internal roof draining. The building structure will be structural steel framing. The building envelope will consist of brick



vener, fiber-cement rainscreen and aluminum curtainwall. The roof on the building to be constructed will be a single-ply PVC membrane roofing system that will come with a minimum 20-year material and workmanship warranty. Buildings H & S, which are currently housing these programs, will remain in use as swing space until the completion of the replacement facility. It is anticipated that Buildings H & S will be demolished as a separate project for a total estimated cost of \$250,000 to \$275,000.

**Rationale:** Building H and S do not provide adequate teaching and lab space. The new facility will provide modern lab spaces which are needed to ensure the students are practice-ready when completing the programs, per the college. The number of students has grown from 1,181 students enrolled in a pre-health program in the 2017-2018 academic year to 1,674 in the most recent full year.

**Facility Characteristics:** The Health Building is 16,728 square feet and was constructed in 1982 (41 years old) and the Science Building is 15,920 square feet and was constructed in 1992 (31 years old). The new 27,000 square foot facility will be utilized by 33 full time faculty in its Nursing and Healthcare Division and 694 students.

**Financial Impact:** This phase of the project will be funded from FY22 Capital Reserve (uncommitted balance \$696,875 at December 31, 2022), FY22 Appropriated State (nonrecurring) (uncommitted balance \$6.9 million at December 31, 2022), FY23 Appropriated State (nonrecurring) (uncommitted balance \$9.94 million at December 31, 2022), and College Funds (uncommitted balance \$10.4 million at December 31, 2022). Revenues to this fund are generated from the fee charged to students of \$150 per student, per semester for capital projects. The project is expected to result in an increase of \$81,235 (year 1), \$119,144 (year 2), and \$131,059 (year 3), in annual operating expenses. The new building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$674,081 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. The college does not charge a capital fee but internally allocates \$150 per student, per semester, of the tuition charge to set aside for capital projects.

**Full Project Estimate:** \$16,632,000 (internal) funded by FY22 Capital Reserve, FY22 & FY23 Appropriated State (nonrecurring) and College Funds. Contract execution is expected in April 2024 and completion of construction in September 2025.

**(k) Project:** JBRC Item 11: Tri-County Technical College  
H59.6182: Pendleton Campus Oconee Hall Renovation

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 18

Request: Establish Phase II Full Construction Budget to renovate existing classrooms and student study and collaboration space.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY23 (estimated at \$20,000,000)

Phase I Approval: January 2022 (estimated at \$16,000,000) (SFAA)

CHE Approval: 03/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (27)(t)				5,000,000	5,000,000
	240,000		240,000	16,760,000	17,000,000
Other, Accumulated Maintenance					
All Sources	<u>240,000</u>		<u>240,000</u>	<u>21,760,000</u>	<u>22,000,000</u>

Summary of Work: The project will renovate existing classrooms on all three floors and add two new classrooms. All classrooms will be enlarged to increase capacity from 18 to 20 seats per classroom to 36 seats per classroom and to be in compliance with the State guideline of providing 22 sq feet per student (currently sf footage per student ranges from 16 – 18 sq ft in Oconee Hall.). Additionally, an addition will be constructed to replace the existing stairwells to meet current building code. The addition will include with a Thermoplastic Roof Membrane (PVC & TPO) roof system that will come with a minimum 20-year material and workmanship warranty. A fire suppression system will be installed, and energy efficient enhancements including lighting, HVAC and tying to the central chilled water system will be completed. The existing low slope modified bitumen roof on the building will be replaced with a Thermoplastic Roof Membrane (PVC & TPO) and come with a minimum 20-year material and workmanship warranty.

Rationale: The current classrooms do not conform to the most current research-based, instructional methodologies or pedagogy. Additionally, the project will remediate an identified issue with the stairwells, sprinklers, and other life safety and energy efficiency opportunities.

Facility Characteristics: Oconee Hall is 35,890 square feet and was constructed in 1979 (44 years old). The entire facility will be affected by this renovation project and an additional 11,666 square feet will be constructed for a stair tower and two

classrooms. The building is utilized by all programs, primarily English, Math and Humanities courses which are required for program completion. There are 3,000 students and 108 faculty and staff.

**Financial Impact:** This phase of the project will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$5 million at January 13, 2023), and Tri-County Technical College Accumulated Maintenance Funds (uncommitted balance \$38 million at January 13, 2023). Revenues to this fund are accumulated fund balance transfer to the Plant Fund. The project is expected to result in a decrease of \$89,509 (years 1 thru 3), in annual operating expenses. The renovations/addition will be constructed based on Two Green Globes certification standards with anticipated energy savings of \$514,941 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$4.17 per credit hour, per student per semester, and has not increased from 2017-2018 to 2021-2022.

**Full Project Estimate:** \$22,000,000 (internal) funded by \$11 million in Tri-County Technical College Accumulated Maintenance and \$5 million in FY22 Appropriated State, Proviso 118.18 Funds. Contract execution is expected in March 2023 and completion of construction in December 2023. The estimated cost to complete the project has increased from the 2022 CPIP because the CPIP cost estimate was based on 2019 feasibility study data which was updated at the time of the CPIP submission using average realized construction price increases and intel from construction industry experts. Subsequently, Phase I design has been completed and the current scope and cost estimates yield a higher project cost. Contract execution is expected in March 2023 and completion of construction in December 2023.

**(I) Project:** JBRC Item 13: Department of Administration  
D50.6116: DSS Harden Street Replace Air Handlers

**Request:** Establish Phase I Pre-Design Budget to replace the two rooftop air handlers at the DSS Harden Street building.

**Included in CPIP:** Yes – 2022 CPIP Priority 11 of 24 in FY23 (estimated at \$1,100,000)  
**CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				16,500	16,500

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 20

All Sources	<u>16,500</u>	<u>16,500</u>
-------------	---------------	---------------

Summary of Work: The project will replace the two rooftop air handlers.

Rationale: The air handlers are past their useful life and require frequent repairs. Failure of the air handlers would result in a loss of conditioned air to the building.

Facility Characteristics: The DSS Harden Street building is approximately 64,311 square feet and was constructed in 1989 (34 years old). The equipment to be replaced is original to the building. The building is utilized by approximately 300 DSS staff plus visitors daily.

Financial Impact: The project will be funded from FY23 Appropriated State Funds (uncommitted balance \$3.31 million at January 20, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,100,000 (internal) funded by FY23 Appropriated State Funds.

(m)Project: JBRC Item 15: Department of Administration  
D50.6103: SC State House – VAV Replacement, HVAC Controls & AHU #1 Re-Build

Request: Change Project Name and Establish Phase II Full Construction Budget to replace all VAV's and to rebuild AHU#1 in the SC State House.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 24 in FY23 (estimated at \$1,690,671)

Phase I Approval: November 2022 (estimated at \$1,690,671) (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
FY19 Capital Reserve (transfer from 6011)				187,678	187,678
				366,365	366,365
FY20 Capital Reserve (transfer from 6059)	336		336		336
Appropriated State					

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 21

(transfer from 6055)			106,645	106,645
Appropriated State (transfer from 6036)			1,057,188	1,057,188
Appropriated State (transfer from 6083)	26,178	26,178		26,178
Other, Depreciation Reserve (transfer from 6055)			99,845	99,845
Other, Depreciation Reserve (transfer from 6026)				
All Sources	<u>26,514</u>	<u>26,514</u>	<u>1,817,721</u>	<u>1,844,235</u>

**Summary of Work:** The project will replace all 34 VAV's in the crawlspace of the SC State House as well as rebuild Air Handler Unit #1 in the basement. This equipment supplies heating and air to the first floor of the State House. This project will also include replacing and upgrading the current Honeywell HVAC controls system for the entire building.

**Rationale:** This equipment was part of the 1997 renovation and has reached the end of its useful life. The controls software is obsolete and parts to repair this equipment are increasingly difficult to obtain, per the agency.

**Facility Characteristics:** The SC State House Building is approximately 164,880 gross square feet and was constructed in 1851 (172 years old), with the building being completely renovated in 1997 (26 years ago). The State House is utilized by the Senate, House of Representatives, Legislative Council, Legislative Services Agency, Governor's Office, Lieutenant Governor's Office, Department of Public Safety and Parks Recreation & Tourism. According to SC Parks, Recreation & Tourism the average number of visitors to the SC State House is 110,000 annually.

**Financial Impact:** This phase of the project will be funded from FY19 & FY20 Capital Reserve (uncommitted balance \$554,043 at January 19, 2023), Appropriated State (uncommitted balance \$1,163,833 at January 19, 2023) and Depreciation Reserve Funds (uncommitted balance \$99,845 million at January 19, 2023). Revenues received to the Depreciation Reserve account 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.

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 22

Full Project Estimate: \$1,844,235 (internal) funded by Capital Reserve, Appropriated State and Depreciation Reserve Funds. Contract execution is expected in October 2023 and completion of construction in December 2024.

(n) Project: JBRC Item 19: Department of Administration  
D50.6101: Blatt Replace VAV Terminal Hot Water Reheat - 4th Floor

Request: Establish Phase II Full Construction Budget to replace the VAV units on the 4<sup>th</sup> floor of the Solomon Blatt Building.

Included in CPIP: Yes – 2022 CPIP Priority 5 of 24 in FY23 (estimated at \$1,100,000)

Phase I Approval: November 2022 (estimated at \$1,264,509) (SFAA)

Revise Scope Approval: February 2023 (estimated at \$1,558,809) (Admin)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				439,841	439,841
Other, Depreciation Reserve	18,968		18,968	1,100,000	1,118,968
All Sources	<u>18,968</u>		<u>18,968</u>	<u>1,539,841</u>	<u>1,558,809</u>

Summary of Work: The project scope will involve replacing 54 terminal hot water reheat VAV mechanical units to include associated duct work. The majority of this work will be performed above the ceiling on the 4<sup>th</sup> floor. All light fixtures will also be replaced with LED fixtures and a new acoustical ceiling system will be installed, and the carpet will be replaced.

Rationale: The equipment and ductwork are original to the building and is past its useful life, leading to periodic failures and disruption of service.

Facility Characteristics: The Blatt Building is 155,162 gross square feet, with the 4<sup>th</sup> floor being approximately 27,795 gross square feet and was constructed in 1978 (45 years old). The building houses 80 to 100 year-round SC House of Representatives staff, and from January to July each year the number increases to approximately 330.

Financial Impact: This phase of the project will be funded from Appropriated State

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 23

(uncommitted balance \$7.28 million at January 20, 2023), and Depreciation Reserve Funds (uncommitted balance \$4.57 million at January 20, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,558,809 (internal) funded by Appropriated State and Depreciation Reserve Funds. Contract execution is expected in May 2023 and completion of construction in December 2023.

(o) Project: JBRC Item 20: Office of the Adjutant General  
E24.9812: Statewide Readiness Center Female Latrines

Request: Increase Phase II Construction Budget for the construction of Abbeville and Batesburg.

Included in CPIP: Yes – 2022 CPIP Priority 6 of 24 in FY23  
(this portion estimated at \$882,000 & estimated at \$5,677,200 for all 12 facilities)

Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)  
Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)  
Phase II Increase Approval: January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)  
Phase II Increase Approval: May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)  
Phase II Increase Approval: October 2022 (estimated at \$5,677,200) (SFAA)  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	12,500	896,260	908,760	161,301	1,070,061

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 24

Federal, National Guard Bureau	37,500	2,250,172	2,287,672	483,901	2,771,573
All Sources	<u>50,000</u>	<u>6,146,432</u>	<u>3,196,432</u>	<u>645,202</u>	<u>3,841,634</u>

**Summary of Work:** The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Wellford, Abbeville, Hartsville, Saluda, Newberry, Batesburg, Kingstree, Seneca, West Columbia, Rock Hill, Edgefield and Eastover. The North Charleston, Edgefield, Rock Hill, Saluda, Newberry, Kingstree, Walterboro and West Columbia facilities have been completed. Designs are complete for Hartsville, Wellford, Abbeville and Batesburg. Hartsville and Wellford are currently being renovated but not yet completed. The funds in this request will be used construction of Abbeville and Batesburg. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

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

**Facility Characteristics:** Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (34 years to 64 years old).

**Financial Impact:** The project will be funded with Appropriated State Funds (uncommitted balance \$2 million at January 3, 2023) and Federal, National Guard Bureau Funds (uncommitted balance \$3.5 million at January 3, 2023). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$1,500 (year 1), \$1,500 (year 2), and \$3,000 (year 3) in annual operating expenses.

**Full Project Estimate:** \$3,841,634 (internal) for this phase of the project with an estimated cost of \$5,677,200 (internal) (for all 14 facilities), funded by Appropriated State and National Guard Bureau Funds. Construction completion for Hartsville and Wellford is expected in April 2023. Contract execution for Abbeville and Batesburg is expected in March 2023 and completion of construction in August 2023.



Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

***Dept. of Administration, Executive Budget Office: Department of Natural Resources - Jasper-Slater Sandhills Heritage Preserve/WMA Land Acquisition (OSI) (Regular Session #4)***

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 31: Department of Natural Resources  
P24.6060: Jasper-Slater Sandhills Heritage Preserve/WMA Land Acquisition (OSI)
- Request: Establish Final Land Acquisition to purchase approximately 3,507 acres of land in Jasper County.
- Included in CPIP: Yes – 2022 CPIP Priority 16 of 46 in FY23 (estimated at \$19,020,000)  
Phase I Approval: August 2022 (estimated at \$19,020,000) (SFAA)  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Forest Legacy Grant	20,000		20,000	9,457,000	9,477,000
				50,000	50,000
Other, The Nature Conservancy				1,000,000	1,000,000

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 26

Other, SC Conservation Bank		6,073,000	6,073,000
Other, Heritage Land Trust		475,000	475,000
Other, Fish & Wildlife Protection (Deer)		475,000	475,000
Other, Fish & Wildlife Protection (Timber)			
All Sources	<u>20,000</u>	<u>20,000</u>	<u>17,530,000</u> <u>17,550,000</u>

**Rationale:** The property has been identified as the highest priority for protection of aquatic species and drinking water in the Port Royal Watershed. Acquisition of the site will provide opportunities for bobwhite quail restoration, recruitment of red-cockaded woodpeckers and expansion of current gopher tortoise population. If it is acquired, the property will be established as a Heritage Preserve and placed into the Wildlife Management Area program. It will be open for outdoor recreational activities.

**Characteristics:** The property is located approximately 8 miles north of Ridgeland, west of Interstate 95. It adjoins the south side of the Tullifinny River, and the Coosawhatchie River bisects the tract. The property contains 5 miles of river frontage, 11 miles of tributaries and 8 isolated wetlands. It's comprised of forested uplands, bottomland hardwoods, fields, open areas, and an internal road system. A hunting lodge, two pole sheds and a small storage shed are also located on the property. Approximately 68 priority plant and animal species are known or expected on the site, including two that are federally endangered, one that is federally threatened, and three that are federally at-risk species.

**Financial Impact:** The property is offered by Open Space Institute Land Trust, Inc. of New York, NY for \$17,500,000. The acquisition will be funded Federal Legacy Grant (uncommitted balance \$9.457 million at January 20, 2023), The Nature Conservancy (uncommitted balance \$50K at January 20, 2023), SC Conservation Bank (uncommitted balance \$1 million at January 20, 2023), Heritage Land Trust (uncommitted balance \$25 million at January 20, 2023), Fish & Wildlife Protection – Deer (uncommitted balance \$2 million at January 20, 2023), and Fish & Wildlife Protection – Timber (uncommitted balance \$1 million at January 20, 2023). Revenue received from the US Forest Service Forest Legacy Administrative Grant Funds is authorized by the Cooperative Forestry Assistance Act of 1978 as amended

by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990. The purpose of the program is to protect environmentally important forest areas that are threatened by conversion to non-forest uses. Participating states may apply for and receive federal administrative grant funds to carry out the Forest Legacy Program in the state, including real estate transaction costs incurred by or at the request of the state. Revenue received from The Nature Conservancy is a match from private funds. The organization is a global environmental nonprofit founded in the United States 1951 that has protected more than 119 million acres of land and impacted conservation in 76 countries and territories. Revenue to the SC Conservation Bank Grant fund is provided to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical properties and archaeological sites. Revenue to the Heritage Land Trust 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. Revenue to the Fish & Wildlife Protection (Deer) fund is from the sale of freshwater fisheries and wildlife licenses, permits, stamps, and tags and provides for this revenue to be placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. Revenue to the Fish & Wildlife Protection (Timber) is from timbers harvests on DNR lands and provides for timber revenue to be placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$250,000 (year 1), \$200,000 (year 2), and \$100,000 (year 3), in annual operating expenses. An appraisal was completed in November 2022 and valued the property at \$19,140,000. A Phase I Environmental Site Assessment was completed in January 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 2022 for the two buildings located on the property. The residence building was noted to have ADA/ANSI accessibility issues as were the immediate areas around both buildings. Letters of support are not request because the property is owned by a nonprofit organization. An additional \$30K is requested in this project for the higher costs for the building condition assessment and title insurance. The Heritage Land Trust Advisory Board approval to utilize

\$6,073,000 in Heritage Land Trust Funds for this acquisition has been received.

Full Project Estimate: \$17,550,000 (internal) funded by US Forest Service Forest Legacy Administrative Grant, The Nature Conservancy, SC Conservation Bank Grant, Heritage Land Trust, Fish & Wildlife Protection (Timber), Fish & Wildlife Protection (Deer) Funds.

Special Note: Section 51-17-115 provides that no money from the Heritage Land Trust Fund may be expended “to acquire interests in property without a recommendation of the Heritage Trust Advisory Board and the approval of the State Fiscal Accountability Authority”. The Heritage Trust Advisory Board recommended this expenditure at its meeting on February 9, 2023. The Authority is asked to approve the expenditure of \$6,073,000 from the Heritage Land Trust Fund pursuant to Section 51-17-115.

Upon a motion was made by Mr. Eckstrom, seconded by Representative Bannister, the Authority, as requested by the Department of Natural Resources through the Department of Administration, Executive Budget Office, approved the Permanent Improvement Project Phase II for the Jasper-Slater Sandhills Heritage Preserve/WMA Land Acquisition (OSI); and as requested by DNR approve an expenditure of \$6,073,000 from the Heritage Land Trust Fund pursuant to Section 51-17-115 toward the acquisition of land described in Permanent Improvement Project 6060. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

***Department of Administration, Executive Budget Office: State Election Commission Personal Service Transfer (Regular Session #5)***

The State Election Commission received funding for 16 new FTEs to establish an election audit division in the FY 2022-23 Appropriations Act. Simultaneously, the agency was in the middle of acquiring a new office lease which would include additional space to accommodate the staff of the new division. The office lease was recently approved by the Joint Bond Review Committee and the State Fiscal Accountability Authority on December 7, 2022 and December 13, 2022, respectively. The agency was unable to hire the additional staff until the additional space could be acquired. As such, the agency has excess personal services funds for this fiscal year

totaling \$2,000,000. The Commission wishes to transfer \$1,500,000 of this excess from personal services to other operating. The transferred funds will be used to purchase office furniture, computers, and other items for the new staff; additional servers, power supplies, networking, and cabling for the additional office space; and other incidental costs associated with preparing the additional space for agency use.

This transfer requires approval of the State Fiscal Accountability Authority pursuant to the June 29, 1999, policy of the Budget and Control Board regarding personal services account transfers and under the conditions of Proviso 117.9 of the FY 2022-2023 Appropriation Act.

Upon a motion by Representative Bannister, seconded by Senator Peeler, as requested by the Commission through the Executive Budget Office, the Authority approved the transfer by the State Election Commission of \$1,500,000 from personal service to other operating expenses to cover additional operating expenses of the Commission, in accordance with the State Fiscal Accountability Authority's personal services transfer policy established on June 29, 1999. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

***Department of Administration, Facilities Management and Property Services: Easements (Regular Session #6)***

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

- (a) County Location: Berkeley  
From: Department of Administration  
To: Dominion Energy South Carolina  
Consideration: \$700 administrative fee  
\$2,894.56  
Description/Purpose: To grant a 0.08± acre non-exclusive easement for the construction, installation, operation and maintenance of a 4" natural gas main beneath Beresford Creek, parallel to Daniel Island Drive on Daniel Island. The easement is needed to accommodate the Beresford Creek Bridge Replacement Project. The easement will contain the State's standard 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 \$700 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: Berkeley  
From: Department of Administration  
To: Dominion Energy South Carolina  
Consideration: \$700 administrative fee  
\$4,920.75

Description/Purpose: To grant a 0.136± acre non-exclusive easement for the construction, installation, operation and maintenance of two electric conduits/lines beneath Beresford Creek, parallel to Daniel Island Drive on Daniel Island. The easement is needed to accommodate the Beresford Creek Bridge Replacement Project. The easement will contain the State's standard 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 \$700 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: York  
From: Winthrop University  
To: Comporium Communications  
Consideration: \$700 administrative fee  
\$1

Description/Purpose: To grant a 0.111± acre non-exclusive easement for the purpose of access, ingress, egress, construction, installation, operation and maintenance of underground coaxial facilities on property of Winthrop University. The term of the easement will be fifty (50) years. The easement will contain the State's standard 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 is being sought by the University to provide high speed internet service to campus facilities and, as such, the University has requested that the easement be granted for nominal consideration. The University has also determined

that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

- (d) County Location: Pickens  
From: Clemson University  
To: 354 Clemson, LLC  
Consideration: \$700 administrative fee  
\$10 and other good and valuable consideration including removal of building, installation of a sidewalk, and increased safety and convenience to the student body  
Description/Purpose: To grant a 0.05± acre non-exclusive easement for the purpose of access, ingress and egress to allow for the installation of a sidewalk, retaining wall, grease trap and underground trash receptacles. The term of the easement will be fifty (50) years. The easement will contain the State's standard 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. In exchange for the easement, 354 Clemson, LLC will remove a dilapidated building which encroaches on the University's property as well as provide upgrades to the property that will primarily benefit students, the value of which the University believes exceeds the estimated value of the easement. The University has also 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.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved granting the referenced easements as recommended by the Department of Administration, Facilities Management.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

***Department of Administration, Facilities Management and Property Services: Coastal Carolina University Lease of 1142 SC-544, Conway, SC 29526 (Regular Session #7)***

Coastal Carolina University (University) requested approval to lease ±136,620 square feet of space, 396 beds, for student housing at 1142 SC-544, Conway, SC from Orion CCU, LLC. This lease would replace the two emergency housing agreements that were entered into in August 2022

and approved by JBRC and SFAA in December 2022 as enrollment trends are indicating that increased enrollment is expected to continue in coming years. This location would provide a stable solution that enables the University to meet this increased demand for student housing.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 4 and 5-year terms. One proposal was received.

The requested lease term is five (5) years with an optional extension of three (3) years, commencing July 1, 2023. The annual amount for the first year of the term will be \$1,600,000.00 with an annual average cost per bed of \$4,040.40 plus operating and maintenance expenses. The University anticipates charging students approximately \$7,770.00 on average per bed per year.

There are no escalations on the rental rate over the initial five-year term. If the optional extended term is exercised, the rental rate would escalate by 3% each year. The maximum total rent to be paid over the initial 5-year term will be \$8,000,000.00. The maximum total rent that could be paid (including the extended term) is \$13,093,803.07 for eight years. As noted above, the College is also responsible for all operating expenses which are estimated to cost \$1,426,168.36 per year as well as building maintenance. The Landlord is responsible for providing furniture, housewares, and appliances and for completing agreed upon deferred maintenance and refurbishments before the start of the lease term. Landlord has also agreed to contribute \$250,000.00 for improvements over the initial term of the lease.

<b>TERM YRS</b>	<b>TERM</b>	<b>ANNUAL RENT</b>	<b>MONTHLY RENT</b>	<b>ANNUAL RENT PER BED ON AVERAGE</b>
<b>Initial Term</b>				
<b>1-5</b>	July 1, 2023-June 30, 2028	\$1,600,000.00	\$133,333.33	\$4,040.40
<b>Optional Extended Term</b>				
<b>6</b>	July 1, 2028- June 30, 2029	\$1,647,999.96	\$137,333.33	\$4,161.60
<b>7</b>	July 1, 2029- June 30, 2030	\$1,697,439.96	\$141,453.33	\$4,286.52
<b>8</b>	July 1, 2030- June 30, 2031	\$1,748,363.16	\$145,696.93	\$4,415.04

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



Tenant	Location	Annual Rate /Bed
Independent Renters	Reserve at Ridgewood Plantation 4911 Signature Dr, Myrtle Beach	\$9,594.00*
Independent Renters	Aviary Village 555 Wild Wing Blvd, Conway	\$9,000.00*

\*Available rates through Apartments.com as of February 10, 2023. Rates may also be subject to utility costs.

The University has adequate funds for the lease according to a Budget Approval Form submitted February 9, 2023. Lease payments will be funded through student housing revenue. There is an option to purchase the property included in the lease at a mutually agreed upon price at the time purchase is desired and subject to required governmental approvals. The lease was approved by JBRC on March 22, 2023.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority approved the proposed five-year student housing lease with an optional extension of three years for Coastal Carolina University for ±136,620 square feet of space at 1142 SC-544, Conway, SC from Orion CCU, LLC. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

***Department of Administration, Facilities Management and Property Services: College of Charleston Lease of 50 George Street, Charleston, SC (Regular Session #8)***

The College of Charleston (College) requested approval to continue leasing ±17,764 square feet of space for a fitness center at 50 George Street, Charleston, SC from Yugo Charleston Campus LLC, a Delaware limited liability company. The College has leased space at this location since October 2013. The current lease for 17,764 rentable square feet will expire on August 29, 2023, and the current rate is \$31.71 per square foot.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space for 3 and 5-year terms. Two proposals were received with the selected offer representing the least expensive location based on the amount

Minutes of State Fiscal Accountability Authority  
March 28, 2023 – Page 34

of square footage offered. The College is currently planning to renovate its Stern Student Center to include its own fitness center with construction anticipated to begin in 2024.

The requested lease term is five (5) years commencing August 30, 2023. The rental rate for the first year of the term will be \$40.00 per square foot for an annual aggregate amount of \$651,346.67. Thereafter the rental rate will escalate by 3% annually as shown in the table below. The maximum total rent to be paid over the 5-year term will be \$3,589,512.27. In addition, tenant shall pay for certain operating expenses including janitorial service, dumpster/trash removal/recycling services, security services, pest control services, fire extinguishers, taxes and insurance.

TERM YR	TERM	ANNUAL RENT	MONTHLY RENT	RENT PER SF
1	August 30, 2023-August 29, 2024	\$651,346.67*	\$54,278.89	\$40.00
2	August 30, 2024-August 29, 2025	\$670,887.07*	\$55,907.26	\$41.20
3	August 30, 2025-August 29, 2026	\$691,078.81*	\$57,589.90	\$42.44
4	August 30, 2026-August 29, 2027	\$776,464.44	\$64,705.37	\$43.71
5	August 30, 2027-August 29, 2028	\$799,735.28	\$66,644.61	\$45.02

\*One month of free rent negotiated for the first month of the first three years of the term.

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

Tenant	Location	Rate /SF
Vacant	81 Mary Street, Unit A, Charleston	\$35.13**
Vacant	32-34 Woolfe St, Charleston	\$30.00*

\*Above rate is subject to operating expenses and base rent escalations. This is currently a vacant warehouse space and would also need significant tenant upfits thus increasing the cost over the term.

\*\*Received in response to this solicitation. The space is 24,512 sq ft, making the location more expensive over the term.

The College of Charleston has adequate funds for the lease according to a Budget Approval Form submitted December 5, 2022. Lease payments will be funded through college fees. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 22, 2023.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved the proposed five-year fitness center lease for the College of Charleston for ±17,764

square feet of space at 50 George Street, Charleston from Yugo Charleston Campus LLC, a Delaware limited liability company. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

***Department of Administration, Facilities Management and Property Services: College of Charleston Lease of 1, 10, and 20 Warren Street, Charleston, SC (Regular Session #9)***

The College of Charleston (College) requested approval to continue leasing ±108,048 square feet of space, 530 beds, for student housing at 1, 10, and 20 Warren Street, Charleston, SC from Warren Place Joint Venture. The College has leased space at this location since May 2004. The current lease will expire on August 14, 2023, and currently costs \$1,500,000 annually.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, and 7-year terms. Three responses were received, with the selected location representing the lowest offer.

The requested lease term is five (5) years commencing August 15, 2023. The annual amount for the first year of the term will be \$2,800,000.00 for an annual cost per bed of \$5,283.02 plus operating and maintenance expenses which are estimated to cost \$1,500,000.00 per year. The College anticipates charging students approximately \$9,650.00 on average per bed per year.

After the first year, the rental rate will adjust by the U.S. City Average Housing Consumer Price Index for all Urban Consumers (Housing-CPI-U) based on the percent change in the monthly index for June of each year, but subject to a 3% cap on any increase. As such, the maximum total rent that could be paid over the 5-year term is \$14,865,580.27 as shown in the chart below.

TERM YRS	TERM	MAX ANNUAL RENT	MAX MONTHLY RENT	MAX ANNUAL RENT PER BED ON AVERAGE
1	August 15, 2023- August 14, 2024	\$2,800,000.00	\$233,333.33	\$5,283.02
2	August 15, 2024- August 14, 2025	\$2,884,000.00	\$240,333.33	\$5,441.51
3	August 15, 2025- August 14, 2026	\$2,970,520.00	\$247,543.33	\$5,604.75
4	August 15, 2026- August 14, 2027	\$3,059,635.60	\$254,969.63	\$5,772.90
5	August 15, 2027- August 14, 2028	\$3,151,424.67	\$262,618.72	\$5,946.08

Approximately 121 parking spaces are temporarily available to students as part of this lease at no cost but are not guaranteed for the entire lease term. If the Landlord decides to build a parking garage on the existing parking lot, spaces will be made available upon completion of construction at the then market rate but not to exceed \$200,000 annually for a minimum of 110 spaces. Parking will not be available on site to students during the construction of the parking garage, and the College of Charleston would have to find alternate parking arrangements for those in need during that time. Additionally, if Landlord determines that it will be unable to initiate construction of the parking structure during the term of the lease and provided that Landlord confirms in writing to Tenant that the approximately 121 surface lot parking spaces will be available to Tenant for the entire term, the Landlord may also begin charging the College the then market rate but not to exceed \$200,000 annually for a minimum of 110 spaces. The landlord must provide 120 days' notice before parking is revoked. The College is requesting approval to pay \$200,000 annually for a minimum of 110 spaces at any point during the lease term, for a maximum of \$933,333 in parking fees if the Landlord were to give the 120 days' notice upon commencement of the lease term. While the College is requesting approval for this parking expense, the College has also indicated that they would work to find alternate parking arrangements at a lower cost if possible.

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

<b>Tenant</b>	<b>Location</b>	<b>Annual Rate/Bed</b>
College of Charleston	99 St. Philip Street, Charleston	\$7,000.00
Independent Renters **	50 George Street, Charleston	\$14,868.00
Independent Renters**	930 Morrison Drive	\$18,024.67

\*\*Received in response to this solicitation

The College of Charleston has adequate funds for the lease according to a Budget Approval Form. Lease payments will be funded through housing funds. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 22, 2023.

Mr. Eckstrom asked why housing costs for students were being marked up. Paul Patrick, Chief of Staff for the College of Charleston, appeared before the Authority on this matter. He stated that when the proposed base lease rate, the operational rate, and the utility rate are combined those rates are better aligned than just the base rate students are currently paying. He noted that

the rates are very competitive to what can be found in the private marketplace.

Mr. Eckstrom asked why the annual lease rate is almost double given that the lessor has remained the same. Mr. Patrick stated that they had a very aggressive rate and a longer lease that is ending. He said that lease was well below the market rate and the difference reflects them coming off a very attractive lease term. He said ideally there would not be any leased space for beds and that they could control costs if they owned the beds by not being dependent on the market rate. Mr. Patrick further stated that they are exploring the idea of building a residence hall to take the place of leased space they have now. He said the College does not want to be in the position of looking at significant increases like this one yearly.

Mr. Loftis asked if there is a requirement that students live on campus. Mr. Patrick said the College does not have a requirement that any student live on campus.

Mr. Loftis asked what percentage of undergraduate students at College of Charleston were from in-state vs. out-of-state. Mr. Patrick stated that about 67-68% of undergraduate students were from in-state.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved the proposed five-year lease for the College of Charleston for ±108,048 square feet of space at 1, 10, and 20 Warren Street, Charleston from Warren Place Joint Venture. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 9.

***Department of Administration, Facilities Management and Property Services: Medical University of South Carolina (MUSC), 99 WestEdge, Charleston, SC Lease (Regular Session #10)***

The Medical University of South Carolina (MUSC) requested approval to extend its current lease of 322 parking spaces for parking of employees, students, and visitors at the MUSC campus at 99 WestEdge, Charleston, SC from the City of Charleston. The lease also includes an option for 100 additional parking spaces. MUSC has leased space at this location since June 1, 2018. The initial term of the lease will expire on May 31, 2023, and currently costs \$543,620.88 annually or \$140.69 per space per month.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial parking space for 3, 5, 7, 10 and 20-year terms. No proposals were received. As such, MUSC has requested to exercise its first (of three) optional extended terms at 99 WestEdge.

The requested extension is five (5) years commencing June 1, 2023. The amount for the first year of the term will be \$144.91 per space per month or \$559,929.51 annually. Thereafter, the rental rate will escalate by 3% as shown in the table below. The maximum total rent that could be paid over the 5-year term would be \$2,972,741.11 (or \$3,895,953.53 if the 100 extra spaces are utilized). This is a full gross lease. MUSC is not responsible for any operating costs.

YR	1 <sup>st</sup> EXTENDED TERM	ANNUAL RENT	MONTHLY RENT	RENT PER SPACE
1	June 1, 2023-May 31, 2024	\$559,929.38	\$46,660.78	\$144.91
2	June 1, 2024- May 31, 2025	\$576,727.26	\$48,060.60	\$149.26
3	June 1, 2025- May 31, 2026	\$594,029.08	\$49,502.42	\$153.73
4	June 1, 2026- May 31, 2027	\$611,849.95	\$50,987.50	\$158.35
5	June 1, 2027- May 31, 2028	\$630,205.45	\$52,517.12	\$163.10

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

Tenant	Location	Monthly Rate /Space
MUSC	155 Spring Street, Charleston	\$132.04
Vacant	424 King Street	\$190.00*
Vacant	62 Gadsden Street	\$160.00*

\*Available rates through [Palmetto Parking](#)

MUSC has adequate funds for the lease according to a Budget Approval Form submitted August 9, 2016 and confirmed by the Executive Budget Office as still valid February 24, 2023. Lease payments will be funded through Parking Revenue. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 22, 2023.

Mr. Eckstrom noted that the Authority considered this matter five years ago and that MUSC has done a good job negotiating a rate for space that is close to the lease rate it is currently paying. He commented that whoever negotiated the lease did a good job.

Upon a motion by Mr. Eckstrom, seconded by Representative Bannister, the Authority approved the proposed five-year extension for the Medical University of South Carolina for 322

parking spaces for non-reserved spaces with an option to add up to an additional 100 parking spaces at 99 WestEdge, Charleston SC from the City of Charleston. Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

***Department of Administration, Facilities Management and Property Services: SC Department of Administration Lease to Belle Isle Yacht Club (Regular Session Item #11)***

The South Carolina Department of Administration (Admin) requested approval to lease land on the Atlantic Intracoastal Waterway to The Belle Isle Yacht Club for continued use as a marina and related facilities. The lease is for that portion of the 17.0 acres of land included in TMS 01-0106-022-00-00 which lies above the mean high-water mark, as more fully described on that certain boundary survey performed by Gregory F. Cunningham of the Belle Isle Marina dated December 13, 2022.

**Background**

Though a complete record does not exist, the following facts are reflected in assorted legal files, Budget and Control Board meeting minutes, and DHEC's permitting files: It appears there was a dispute over title to the subject property in the early 1970s between the State and the adjoining landowner, William A. Johnstone, and that the parties came to a settlement regarding ownership of the land and a lease to use it. Prior to the dispute arising, the subject property was spoiled on by the Corp of Engineers during the construction of the Atlantic Intracoastal Waterway. Mr. Johnstone claimed title to the property via accretion while the State claimed title in its sovereign capacity, maintaining that the spoilage and resulting accretion did not terminate the State's ownership in the property. Instead of going to court, the parties reached an agreement whereby Mr. Johnstone agreed to quitclaim his interest in the property to the State, and in exchange, the State agreed to lease the portions of the property that lie above the usual high-water mark to Johnstone for a term of 30 years with two possible 10-year extensions. On August 7, 1973, the parties entered into the memorandum of agreement and lease having a term of 30 years with the right to renew up to 20 years longer for the purpose of building marina facilities including

boat slips, ship's store, and fuel operation facilities. The agreement was to be effective the date the deed was delivered. Johnstone executed a quitclaim deed to the State specifying the parties' agreement on August 29, 1973. Based on the date the deed was recorded, the lease will expire September 5, 2023.

Over the lease's 50-year term, numerous assignments were made. The current lessee is The Belle Isle Yacht Club.

The lease provided for a percentage rent based on the Annual Adjusted Gross Profit, as defined in the 1973 lease, and specified a minimum annual rent of \$2,150.00. At no point during the term of the current lease has the rent paid to the State exceeded the minimum rent. The Department of Administration engaged an independent accountant to perform agreed-upon procedures regarding lease payments during a defined period of time. The accounting firm found no exceptions as a result of the procedures.

The Department of Health and Environmental Control (DHEC) has issued a number of permits associated with the marina over the life of the original lease.

#### Proposed Lease

The proposed lease premises and associated facilities are adjacent to the Belle Isle Yacht Club, a gated coastal community in Georgetown, South Carolina. The new lease is for twenty (20) years beginning September 6, 2023, and ending on September 5, 2043. Based on an appraisal of the annual market rent value, rent for the first year of the term will be \$18,513.00 payable in equal monthly installments of \$1,542.75. Thereafter the rent shall increase annually by the percentage change in the Consumer Price Index ("CPI") for All Urban Consumers over the prior twelve (12) months. No decrease in the CPI shall result in a decrease in the Rent. In the event The Belle Isle Yacht Club remains in possession of the lease premises after the expiration of the lease term without any written agreement as to such possession ("Holdover"), then it shall be a tenant on a monthly basis and pay 150% of the rent last in effect under the lease and the State may terminate at will.

The Belle Isle Yacht Club may not assign, mortgage or encumber its interest in the lease, or sublet or permit the subletting of the leased property without prior written consent of the State Fiscal Accountability Authority. No option to purchase the property is included in the lease.



Mr. Eckstrom asked why the State is in the business of leasing out this property. He said the history and the means by which the State acquired the property are unusual. He commented that the State is not being compensated for giving up its use of the property in receiving \$2,150.00 for the 17 acres of waterfront commercial property. He asked why the State does not sell the property. Ashlie Lancaster with the Department of Administration said the property was acquired through a settlement concerning accretion and spoilage of the property. She said the State resolved the dispute by entering a long-term lease with the lessee who was an adjacent landowner. She said that the State could offer the land for future sale, but that the best way to proceed for now was to allow the current lessee to continue to lease the property but at a higher rate than they currently do.

Upon a motion by Senator Peeler, seconded by Mr. Loftis, the Authority:

- (1) Approved the proposed agreement for a twenty-year lease to The Belle Isle Yacht Club of that portion of the ±17.0 acres of land included in TMS 01-0106-022-00-00 which lies above the mean high-water mark and more fully described on that certain boundary survey performed by Gregory F. Cunningham of the Belle Isle Marina dated December 13, 2022.
- (2) Required the State Fiscal Accountability Authority be notified in writing of any Holdover by The Belle Isle Yacht Club, its successors or assigns.

Governor McMaster, Mr. Loftis, Senator Peeler, and Representative Bannister voted for the item. Mr. Eckstrom voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

***Department of Administration, Facilities Management and Property Services: SC State Housing, Finance and Development Authority Lease of 300-C Outlet Pointe Boulevard, Columbia, SC 29210 (Regular Session Item #12)***

The SC State Housing, Finance and Development Authority (Housing Authority) requested approval to continue leasing ±28,000 square feet of office space at 300-C Outlet Pointe Boulevard in Columbia, SC from Columbia SC I SGF, LLC. The space will be used by the Housing Authority as their headquarters. Their seven-year lease at the same location will expire on October 31, 2023. Their current rate at this location is \$13.63 per square foot.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3, 5, 7 and 10-year terms. Four proposals were received, and the selected location is the lowest offer.

The requested lease term will be ten (10) years commencing November 1, 2023. The rental rate for the first year of the term will be \$16.20 per rentable square foot for an annual aggregate amount of \$453,600.00. Thereafter, the rental rate shall increase by 3% annually as shown in the table below. The total rent to be paid over the term will be \$5,201,840.00. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
November 1, 2023-October 31, 2024	\$453,600.00	\$37,800.00	\$16.20
November 1, 2024-October 31, 2025	\$467,320.00	\$38,943.33	\$16.69
November 1, 2025-October 31, 2026	\$481,320.00	\$40,110.00	\$17.19
November 1, 2026-October 31, 2027	\$495,880.00	\$41,323.33	\$17.71
November 1, 2027-October 31, 2028	\$510,720.00	\$42,560.00	\$18.24
November 1, 2028-October 31, 2029	\$526,120.00	\$43,843.33	\$18.79
November 1, 2029-October 31, 2030	\$541,800.00	\$45,150.00	\$19.35
November 1, 2030-October 31, 2031	\$558,040.00	\$46,503.33	\$19.93
November 1, 2031-October 31, 2032	\$574,840.00	\$47,903.33	\$20.53
November 1, 2032-October 31, 2033	\$592,200.00	\$49,350.00	\$21.15

The space will meet the state standard of 210 RSF/person with a density of 125 RSF/person. The following chart represents comparable lease rates of similar space in the Columbia area:

<b>Tenant</b>	<b>Location</b>	<b>Rate /SF</b>
Vacant**	267 Columbia Avenue, Columbia	\$16.00*
Vacant**	7909 Parklane Road, Columbia	\$18.00
Vacant**	607 Bush River Road, Columbia	\$19.95

\*The space is 29,400 sq ft, making the location more expensive over the term.

\*\*Received in response to the solicitation.

The Housing Authority has adequate funds for the lease according to a Budget Approval Form submitted February 17, 2023. Lease payments will be funded through federal funding, and

program administrative fees. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 22, 2023.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved the proposed ten-year lease for ±28,000 square feet of office space at 300-C Outlet Pointe Boulevard in Columbia SC, for the SC State Housing, Finance and Development Authority.

Information relating to this matter has been retained in these files and is identified as Exhibit 12

***Division of Procurement Services: Audit Update for Florence Darlington Technical College (Regular Session Item #13)***

At its January 31, 2023, Meeting, the Authority received a procurement audit report for Florence Darlington Technical College (the College). At that meeting, the Authority required the College to:

1. Provide to the Division of Procurement Services(DPS) for approval, written corrective action plans and procedures for each of the deficiencies noted in the audit report by March 15, 2023;
2. Stop the gift card program at once;
3. Pay for an independent audit by an auditor selected by the State Auditor's Office to determine whether the College used gift cards for any improper purpose;
4. Process exempt purchases with a PO approved by the College's Procurement Department, and the College to specify in the PO which exemption it is applying;
5. Immediately suspend no less than 50% of its P-Cards until January 31, 2024, and notify DPS of which cards the College has suspended by March 15, 2023; and
6. Report all procurements identified in the report as unauthorized or illegal in accordance with Regulation 19-445.2015 no later than March 15, 2023.

Additionally, the Authority revoked the College's authority to use the Articles for Commercial Sale Exemption for gift cards. Attached to the item was DPS' report of the actions taken by the College, as of March 15, 2023, concerning these requirements.

Mr. Eckstrom commented that there has been good follow up by the procurement auditors

on this matter.

Upon a motion by Representative Bannister, seconded by Mr. Eckstrom, the Authority received DPS' report for information only.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

***Division of Procurement Services: Audit and Certification - the Department of Natural Resources (DNR) (Regular Session Item #14)***

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 May 1, 2018, the Authority delegated procurement authority to the Department of Natural Resources (DNR) as follows:

	<b><u>Certification Limits</u></b>
Supplies and Services	\$ 300,000 per commitment

Per SC Code Ann. § 11-35-1210 (1) (b) and Regulation 19-445.2020B, the Director of Procurement Services may authorize a governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. At the request of DNR and with the concurrence of the Office of the State Engineer, the Director of the Division of Procurement Services (DPS) authorized an increase in DNR's procurement authority for Construction Services on September 9, 2019, for award of small Construction Contracts up to \$100,000.<sup>1</sup>

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of DNR 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. DPS found DNR's system of internal controls over procurement were not adequately documented in its internal procurement procedure manual to ensure compliance with the Procurement Code as described in the audit report and made recommendations for

improvement. With the implementation of the recommended corrective action, DNR's system of internal controls over procurement 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 Department of Natural Resources requests that the Authority reauthorize it to make direct procurements for Supplies & Services and increase the direct procurements for Construction Services and Construction Contract Change Orders.

<sup>1</sup> \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Authority approved the Department of Natural Resources to make direct procurements at the following limits for three years from date of approval:

**Certification Limits**

Supplies and Services <sup>2</sup>	*\$300,000 per commitment
Construction Contract Award	*\$250,000 per commitment
Construction Contract Change Order	\$50,000 per change order

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

Require DNR to take the following corrective measures:

1. No later than June 30, 2023, provide DPS a revised internal procurement procedure manual that conforms to the procurement manual checklist provided by DPS.

<sup>2</sup>Supplies and Services includes non-IT consulting services.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

***Division of Procurement Services: Audit and Certification - the South Carolina Forestry Commission (SCFC) (Regular Session Item #15)***

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 17, 2017, the Authority delegated procurement authority

to the South Carolina Forestry Commission (SCFC) as follows:

	<b><u>Certification Limits</u></b>
Supplies and Services	\$ 200,000 per commitment
Major Fire Fighting Equipment	\$1,000,000 per commitment
Consulting Services	\$ 75,000 per commitment
Information Technology	\$ 100,000 per commitment

Per SC Code Ann. § 11-35-1210 (1) (b) and Regulation 19-445.2020B, the Director of Procurement Services may authorize a governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. At the request of SCFC and with the concurrence of the Office of the State Engineer, the Director of the Division of Procurement Services (DPS) authorized an increase in SCFC's procurement authority for Construction Services on January 9, 2020, for award of small Construction Contracts up to \$100,000.<sup>1</sup>

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of SCFC to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. DPS found SCFC's system of internal controls over procurement were not adequately documented in its internal procurement procedure manual to ensure compliance with the Procurement Code as described in the audit report and made recommendations for improvement. SCFC has either implemented or initiated implementation of the recommended corrective actions, and with completion of implementation, SCFC's system of internal controls over procurement will be adequate to ensure compliance with the Procurement Code as described in the audit report.

Per S.C. Code Ann. §11-35-1210, South Carolina Forestry Commission requested that the Authority reauthorize it to make direct procurements for Supplies & Services, Major Fire Fighting Equipment, Information Technology, and Construction Services.

<sup>1</sup> \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

Upon a motion by Mr. Loftis, seconded by Mr. Eckstrom, the Authority approved the South Carolina Forestry Commission to make direct procurements at the following limits for

three years from date of approval:

	<u>Certification Limits</u>
Supplies and Services <sup>2</sup>	*\$ 200,000 per commitment
Major Fire Fighting Equipment <sup>3</sup>	*\$1,000,000 per commitment
Information Technology <sup>4</sup>	*\$ 100,000 per commitment
Construction Contract Award	*\$ 100,000 per commitment

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

Require SCFC to submit a report of its periodic independent audit of its P-Card Program for the 2022 calendar year to DPS by May 1, 2023.

<sup>2</sup> Supplies and Services includes non-IT consulting services.

<sup>3</sup> For commodity codes 065, 071, 072, 073, 760, & 765

<sup>4</sup> Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

***Division of Procurement Services: Procurement Exemption for the South Carolina Departments of Mental Health, Juvenile Justice, Social Services, and Disabilities and Special Needs (Departments) for Acquisition of Certain Client Services. (Regular Session Item #16)***

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the “Authority”) to “exempt specific supplies, services, information technology, or construction from the purchasing procedures” of the South Carolina Consolidated Procurement Code. The Departments (Mental Health, Juvenile Justice, Social Services, and Disabilities and Special Needs) requested that the Authority grant them an exemption for the acquisition of services, including placement and transportation where appropriate, for children, adolescents, and adults that meet the criteria of the Diagnoses on the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (Neurodevelopmental), Head Injury, Spinal Cord Injury and/or other medically related developmental disorders of childhood, adolescence and adults when needed services cannot be met or provided by existing contracted providers, including situations where existing providers do not have adequate capacity or expertise or otherwise decline to serve the client, and the urgency of the need for the services does not permit the delay necessary to conduct a regular procurement, or when a court orders one or more of the Departments to provide services by a provider identified by name in a court order.

Upon a motion by Mr. Loftis, seconded by Mr. Eckstrom, the Authority approved the exemption from purchasing procedures of the Consolidated Procurement Code the Departments' acquisition of services, including placement and transportation where appropriate, for children, adolescents, and adults that meet the criteria of the Diagnoses on the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (Neurodevelopmental), Head Injury, Spinal Cord Injury and/or other medically related developmental disorders of childhood, adolescence and adults when needed services cannot be met or provided by existing contracted providers, including situations where existing providers do not have adequate capacity or expertise or otherwise decline to serve the client, and the urgency of the need for the services does not permit the delay necessary to conduct a regular procurement, or when a court orders one or more of the Departments to provide services by a provider identified by name in a court order, under authority of SC Consolidated Procurement Code Section 11-35-710.

Further, the Authority:

- 1) Excluded from the scope of this exemption the reissuance of the solicitations identified in Exhibit C,
- 2) Required the Departments to submit procedures for acquiring services exempted by this exemption to the Division of Procurement Services (Division) for the Division's approval,
- 3) Required the Departments to use the procedures approved by the Division for the acquisition of services pursuant to this exemption,
- 4) Required the Departments to submit quarterly reports of their acquisitions under this exemption to the Division of Procurement Services; and
- 5) Required that this exemption shall sunset in five years unless reauthorized by the Authority.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

***Division of Procurement Services: Waiver to Extend the Maximum Time on a Multi-Term Contract for Clemson University (Regular Session Item #17)***

Section 11-35-2030(5), of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum



potential duration. Clemson University sought Authority approval to solicit two contracts, each with a maximum potential duration of up to ten years. One contract is for a Licensing Agent and the other is for a Licensing and Campus Apparel Retail contract. The University believes that soliciting these two contracts at the same time with the same end date will allow both vendors to work closely together during the term of the contracts to maximize the revenue they generate and the return to the University.

The Licensing Agent contract will include management of a primary model apparel program. University officials have conducted market research and believe a ten-year term will result in better proposals with appropriate up-front investment in a primary apparel program and higher and more consistent revenue share than under the current five-year model the University has been using. The University has also determined that a ten-year term is consistent with its peer institution for this type of contract.

The Licensing and Campus Apparel Retail contract is for the retail of exclusively licensed products at Clemson University. The University believes that a contract for a ten-year term will allow the vendor to amortize its upfront investment over a longer term, reduce year to year revenue fluctuations and create a more stable licensing and retail program, all while increasing total revenue.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved Clemson's request for multi-term contracts for both a Licensing Agent contract and a Licensing and Campus Apparel Retail contract and authorize the solicitation of proposals and award of contracts with a maximum potential duration of ten years for each, under authority of SC Consolidated Procurement Code Section 11-35-2030(5). Governor McMaster, Mr. Eckstrom, Senator Peeler, and Representative Bannister voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

***Division of Procurement Services: Waiver to Extend the Maximum Time on a Multi-term Contract for the Department of Social Services (Regular Session Item #18)***

Section 11-35-2030(5), of the SC Consolidated Procurement Code limits the maximum potential duration for any contract to seven years unless the Authority approves a longer maximum potential duration. The Department of Social Services (DSS) sought Authority approval to solicit a contract with a potential term of 12 years for the Design, Development, Implementation and Maintenance and Operations of an Economic Services System Application Modernization (ESSAM) System.

This proposed system is the core application needed for the eligibility determination and administration of the Supplemental Nutrition Assistance Program (SNAP) (formerly known as Food Stamps program) and Temporary Assistance for Needy Families (TANF) Program for the State of South Carolina. Together, the two programs serve approximately 630,000 South Carolina citizens. DSS proposes to implement a solution that may include Software as a Service (SaaS) or some version of a commercially available product that may include Vendor Application Hosting.

The proposed SNAP and TANF System includes functionality for Citizen Self-Service, Eligibility and Enrollment Determination, Integrated Case Management, and Reporting with Analytics. DSS currently manages the SNAP and TANF Programs using seven disparate systems and the core Eligibility back-end system is a 34-year-old outdated mainframe system.

DSS, with the aid of Gartner Consulting, expects the implementation of the functionality needed for the ESSAM solution to be 2-4 years. DSS requested approval to solicit and award a contract with a potential duration of 12 years.

DSS's research has shown that a 12-year contract would have the following benefits:

1. Realization of cost savings by amortizing the initial investment over a longer time period.
2. Alignment of the contract with the expected life of the solution.
3. An improved ability to negotiate contract terms more favorable to DSS.
4. Incentivize the vendor to meet quality and service-level agreements.
5. Reduce the disruption of day-to-day business activities of both the DSS and the vendor involved during "steady state" maintenance and operations of the solution.

Mr. Loftis stated that he wanted the new faces in the room to know that although there has not been a lot of discussion of the items during the meeting there has been hours of discussion regarding the items.

Upon a motion by Representative Bannister, seconded by Mr. Peeler, the Authority

approved the Department of Social Services' request for a multi-term contract for an Economic Services System Application Modernization (ESSAM) System with a maximum potential duration of 12 years, under authority of SC Consolidated Procurement Code Section 11-35-2030(5).

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #19)***

Upon a motion by Representative Bannister, seconded by Mr. Loftis, the Authority agreed to meet at 10:00 a.m. on Tuesday, May 23, 2023, in Room 252, Edgar A. Brown Building.

***Adjournment***

The meeting was adjourned at 9:56 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted near the Authority Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 8:45 a.m. on Monday, March 27, 2023.]