

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

**December 12, 2023 – 2:00 P. M.**

The State Fiscal Accountability Authority (Authority) met at 2:00 p.m. on Tuesday, December 12, 2023, in Room 252 in the Edgar A. Brown Building with participation available by video. The following members participated in the meeting:

Governor Henry McMaster, Chair;  
Mr. Curtis M. Loftis, Jr., State Treasurer;  
Mr. Brian J. Gaines, 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; Deputy Comptroller General David Starkey, 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 Mr. Loftis, seconded by Senator Peeler, the Authority approved the minutes of the October 17, 2023, State Fiscal Accountability Authority meeting.

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

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority received the State Treasurer's Office report on the assignment of bond counsel as information in accord with Authority policy.

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 2

---

**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>
\$22,525,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Educational Facilities Revenue Bonds, Series 2023; Legion Collegiate Academy	Legion Collegiate Academy Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Burr Forman – Michael Seezen and Assatta Williams	9/25/2023
\$23,075,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2023; Southern Collegiate Academy	Southern Collegiate Academy Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Maynard Nexsen - Laurie Becker	9/25/2023
\$22,550,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2023; Oceanside Collegiate Academy	Oceanside Collegiate Academy Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Pope Flynn Group – Joe Lucas	10/16/2023
\$35,000,000; SC JEDA; Educational Facilities Revenue Bonds, Series 2023; Riverwalk Academy	Riverwalk Academy Conduit: SCJEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	10/19/2023
\$17,000,000; South Carolina State Housing Authority ("SCSHFDA") Multifamily Housing Revenue Bonds; Series 2024	573 Meeting Street Associates, LLC (573 Meeting Street Project) Conduit: SCSHFDA	Haynsworth Sinkler Boyd – Ronald T. Scott	Issuer's Counsel to SC State Housing Authority – Lee Ann Watson (General Counsel)	10/30/2023

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

***Department of Administration, Executive Budget Office: 2023 Comprehensive Permanent Improvement Plan (Regular Session Item #2)***

Section 2-47-55 of the 1976 South Carolina Code of Laws provides that all state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan to the Joint Bond Review Committee and the State Fiscal Accountability Authority. The Comprehensive Permanent Improvement Plan is a planning tool that informs decisionmakers of the permanent improvement projects state agencies and institutions of higher education plan to undertake during the next five fiscal years. Each project included in the plan must subsequently be brought forward for consideration individually. The Executive Budget Office of the South Carolina Department of Administration has 1) compiled a statewide report entitled “State of South Carolina 2023 Comprehensive Permanent Improvement Plan, Fiscal Years 2023-24 through 2027-28” from agency submissions; 2) provided the information to the Joint Bond Review Committee and the State Fiscal Accountability Authority pursuant to the statute; and 3) made accessible complete and full details of agency submissions on the Department’s website at: <https://www.admin.sc.gov/budget/cpip>.

Mr. Loftis thanked members’ staffs, SFAA staff, and JBRC staff for the work done on this item.

Upon a motion by Mr. Gaines, seconded by Representative Bannister, the Authority approved the 2023 Comprehensive Permanent Improvement Plan as requested by the Department of Administration, Executive Budget Office.

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

***Department 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).

**Minutes of State Fiscal Accountability Authority**  
**December 12, 2023 – Page 4**

(a) Project: JBRC Item 1: The Citadel  
H09.9626: 201-203 Richardson Ave Renovation/Addition

Request: Establish Phase I Pre-Design Budget to construct an addition and to renovate 201, 202 and 203 Richardson Avenue.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 2 in FY25 (estimated at \$3,600,000)  
CHE Approval: 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gift				108,000	108,000
All Sources				<u>108,000</u>	<u>108,000</u>

Summary of Work: The project will renovate units 201, 202 and 203, which total 6,791 gross square feet in the two-story building which is used for office space. A single story approximately 2,550 gross square foot addition will also be constructed at the rear of the units. A new accessible ramp and restrooms will be added to the units. The HVAC system and electrical system will be replaced. The exterior finish of the addition will be stuccoed to match the existing units. It will have hurricane-rated windows and a low-slope roof. All roofing material options will be evaluated during the Phase I process.

Rationale: Most of this building remains in its original condition. There have been minor upgrades to the first-floor areas to accommodate faculty and staff occupancy. This renovation and addition will expand the faculty and staff areas, as well as student interaction spaces. There is currently no handicapped assessable entrance or accessible restrooms in these units. The HVAC system is still in operation but is in poor condition. The old residential electrical system is at maximum capacity and needs to be replaced and expanded. The renovation and addition to Richardson Avenue facilitates the creation of a new School of Leadership and Ethics.

Facility Characteristics: 201, 202, 203 and 204 Richardson Avenue is 9,692 gross square feet and was constructed in 1936 (87 years old). It is a two-story building comprised of 4 units. Three of the 4 units, 201, 202 and 203, totaling 6,791 gross square feet will be renovated in this project. The building was originally constructed to serve as faculty housing but is currently used as office space. An approximately 2,550 gross square foot addition will also be constructed. The facility will house the administration and some

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 5

---

specialty teaching spaces that support approximately 520 undergraduate and graduate students, and approximately 21 faculty and staff.

**Financial Impact:** The project will be funded from Gift Funds (uncommitted balance \$2.7 million at September 18, 2023). The project is expected to result in an increase of \$4,530 (year 1), \$4,760 (year 2), and \$5,000 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

**Full Project Estimate:** \$3,600,000 (internal) funded by Gift Funds. The Phase I amount requested is 3.00% of the total estimated cost to complete the project and the additional funds will be used to complete schematic design work, as well as soil borings and geotechnical surveys.

**(b) Project:** JBRC Item 2: The Citadel  
H09.9627: Johnson Hagood Stadium East Stands Reconstruction

**Request:** Establish Phase I Pre-Design Budget to reconstruct the East Grandstands in the stadium.

**Included in CPIP:** Yes – 2023 CPIP Priority 2 of 2 in FY24 (estimated at \$6,000,000)  
**CHE Approval:** 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gift				137,000	137,000
All Sources				<u>137,000</u>	<u>137,000</u>

**Summary of Work:** The project will remove the temporary bleachers, complete site and utility work, and install new stadium seating, a filming booth, and public restrooms. It is estimated that the seating capacity for the new East Grandstands will be approximately 2,000 fans. The filming booth will be covered with a roof. All roofing material options for the filming booth will be evaluated during the Phase I process.

**Rationale:** The former grandstands were demolished in 2017 due to structural, environmental and financial issues. One thousand temporary stands were erected in order to offer patrons a seating option on the east side of the stadium.

**Facility Characteristics:** The proposed Johnson Hagood Stadium East Grandstands will cover approximately 24,000 square feet of property. The footprint of the grandstands is approximately 133,700 square feet. There will only be approximately 500 square feet of heated/cooled space for the family restroom and the filming booth. Other areas are ventilated only. The only area that is covered, and has a roof will be the filming booth, which will be approximately 420 square feet. The constructed Grandstands will be used for Athletic events as well as other revenue generating events like concerts, productions and shows, and other fundraising events for the college. During the fall football season, the stadium hosts up to 16,000 spectators, players, coaches and staff.

**Financial Impact:** The project will be funded from Gift Funds (uncommitted balance \$2.5 million at September 18, 2023). The project is expected to result in an increase of \$48,250 (year 1), \$52,750 (year 2), and \$53,500 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

**Full Project Estimate:** \$5,500,000 (internal) funded by Gift Funds. The Phase I amount requested is 2.50% of the total estimated cost to complete the project and the additional funds will be used to complete site and geotechnical surveys.

**(c) Project:** JBRC Item 3: The Citadel  
H09.9623: Stevens Barracks Renovation

**Request:** Establish Phase II Full Construction Budget and Revise Scope to remove the bathrooms and shower rooms and to complete this barracks renovation project.

**Included in CPIP:** No – This project was not included in the 2023 CPIP due to an agency oversight.

**Phase I Approval:** October 2021 (estimated at \$65,400,000) (SFAA)

**Revise Scope &  
Change Project Name**

**Approval:** December 2022 (estimated at \$21,700,000) (Admin)

**CHE Approval:** 11/02/23

---

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

---

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 7

FY22 Appropriated State, Proviso 118.18 (B) (10)	981,000	981,000	3,500,000 18,119,834	3,500,000 19,100,834
Other, Barracks Reserve			1,361,166	1,361,166
Other, Institutional Capital Project				
All Sources	<u>981,000</u>	<u>981,000</u>	<u>22,981,000</u>	<u>23,962,000</u>

**Summary of Work:** The project will renovate the existing cadet rooms in Stevens Barracks and will install a new chilled water HVAC system. To support this new system in the barracks, the central chiller plant is being upgraded to handle this additional building. Steam distribution piping serving the central part of campus, including Stevens Barracks, is also being replaced as part of this project. Renovation of the restrooms is being removed from this project because they were renovated in 2017 and 2018.

**Rationale:** The project will bring Stevens Barracks in-line with the cadet housing standards of the other four barracks. The Citadel considered replacement of the existing Stevens Barracks with a new barracks, however adequate funding for the project cost is unavailable. The renovations will result in a better thermal envelope for the building, which will make the building much more efficient. Addition the building HVAC to the central chilled water system will improve efficiency over the existing single room electric cooling.

**Facility Characteristics:** Stevens Barracks is 54,640 (with restrooms and shower rooms) or 39,545 (without restrooms and shower rooms) square feet and was constructed in 1942 (81 years old). The majority of the building systems were refurbished in 1977 (46 years old). An estimated 440 cadets and 4 Teach-Advise-Coach Officers utilize the building daily. It will also be used for summer housing for cadets and camps as needed by summer maintenance rotation.

**Financial Impact:** This phase of the project is funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$3.5 million at October 18, 2023), Barracks Reserve Funds (uncommitted balance \$18.12 million at October 18, 2023) and Institutional Capital Project Funds (uncommitted balance \$10.71 million at October 18, 2023). Revenue to the Barrack Reserve Fund is derived from the debt portion of the cadet room charge which is

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 8

\$1,440 per cadet per year. Revenue to the Institutional Capital Project Fund is derived from all excess debt service funds transferred to this fund by June 30 each year. The project is expected to result in a decrease of \$25,000 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$23,962,000 funded by Appropriated State (nonrecurring) and Barracks Reserve Funds. Contract execution is expected in April 2024 and completion of construction in September 2026.

(d) Project: JBRC Item 4: College of Charleston  
H15.9685: New LX Residence Hall Construction

Request: Establish Phase I Pre-Design Budget to construct a new residence hall.

Included in CPIP: Yes – 2023 CPIP Priority 7 of 10 in FY24 (estimated at \$42,000,000)  
CHE Approval: 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue				1,224,700	1,224,700
All Sources				<u>1,224,700</u>	<u>1,224,700</u>

Summary of Work: This project will construct a new residence hall to house approximately 240 students in double-occupancy rooms and will provide 39 parking spaces. All roofing material options will be evaluated during the Phase I process. The buildings will be designed to meet Two Green Globes certification standards. A one-level standalone building and a portion of the adjacent building will be demolished as part of this project.

Rationale: Real estate costs in downtown Charleston are continually escalating. These rising costs are also encountered in properties being leased by the college for student housing. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking distance of campus.

Facility Characteristics: The new LX Residence Hall to be constructed will be approximately 89,000 gross square feet and will include an approximately 18,600 gross



square foot first floor parking area. The student residential space will be built on property the college owns, replacing leased space. The new residence hall will benefit 240 general population student residents and four staff members. The new facility will benefit visitors, parents, and potential students who may attend meetings and seminars in the facility.

**Financial Impact:** This phase of the project will be funded from Housing Revenue (uncommitted balance \$2.9 million on September 13, 2023). Revenues to this fund are generated primarily from the Student Housing Fee, paid per-semester by students who reside in on-campus housing. The project is expected to result in a decrease of \$1,574,756 (year 1), \$1,653,494 (year 2), and \$1,736,168 (year 3), in annual operating expenditures. The Phase I amount is 2.50% of the estimated cost to complete the project and the additional funds will be used to procure a Construction Manager At-Risk. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$54,891,886 (internal). Phase II will be funded by State Revenue Bonds.

(e) **Project:** JBRC Item 5: College of Charleston  
H15.9678: Berry Residence Hall and Honors Program Renovation

**Request:** Revise Scope and Decrease Phase II Full Construction Budget to make this an annualized project to complete interior renovations to Berry Residence Hall.

**Included in CPIP:** No – This project was not included in the 2023 CPIP submission because it previously received Phase II approval and the total estimated cost of this project will remain at \$23,000,000.

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

**Phase II Approval:** March 2023 (estimated at \$23,000,000) (SFAA)

**CHE Approval:** 10/05/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing Revenues	475,000	18,525,000	19,000,000	(12,000,000)	7,000,000

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 10

---

Other, Capital Improvement Project	100,000	3,900,000	4,000,000		4,000,000
All Sources	<u>575,000</u>	<u>22,425,000</u>	<u>23,000,000</u>	<u>(12,000,000)</u>	<u>11,000,000</u>

---

**Summary of Work:** This annualized project will address mechanical, electrical and plumbing issues, upgrade elevators, interior refresh, and replace roofs and windows. The scope revision will divide the project into four portions of construction. The first portion will complete a complete redesign of the first floor Honors Center and public areas, replace the roof, exterior brick and stucco repairs, window resealing and landscaping, HVAC upgrades, fire/life safety and security system upgrades, technology cabling, new signage, furniture and appliances. The ground floor will be renovated to centralize and expand Honors College classrooms, programming, and supporting administrative offices, releasing space elsewhere on campus. 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. The remaining portions of the project which will address floors two through six, will be added in future fiscal years. These portions will update Student suites with new paint, flooring, lighting, millwork, plumbing fixtures, appliances, furniture, and signage. Floors two and three will house Honors College students. Floors four through six will house general student population.

**Rationale:** Revising the scope and decreasing the budget will unencumber funds for other campus housing projects. 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 \$7.27 million at October 12, 2023), and Capital

Improvement Project Funds (uncommitted balance \$22.10 million at October 12, 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 \$166,025 (year 1), \$171,006 (year 2), and \$176,136 (year 3), in annual operating expenditures. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$11,000,000 funded by Auxiliary Housing Revenue and Capital Improvement Project Funds. The total estimated cost to complete all portions of this project is \$23,000,000. Contract execution for this portion of the project is expected in May 2023 and completion of construction in July 2024.

(f) Project: JBRC Item 6: College of Charleston  
H15.9686: 81 Wentworth Street Land Purchase

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of a 1.13-acre parcel and vacant parking garage at the corner of St. Philip and Wentworth Streets in downtown Charleston.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 10 in FY24 (estimated at \$78,000,000 – this component estimated at \$6,000,000)

CHE Approval: 11/02/23

---

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

---

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 12

---

	Amount	Original Budget	Budget
Other, Auxiliary Parking Revenues	20,000		20,000
All Sources	<u>20,000</u>		<u>20,000</u>

---

**Rationale:** As part of a property exchange with the City of Charleston, the college seeks to acquire this large one-block-long parcel, adjacent to main campus, because it provides a rare opportunity for strategic mixed-use redevelopment. The parcel has been leased by the college from the City of Charleston since the early 1980's as part of a joint parking development. In turn, the college will transfer a .69-acre parcel with a 601-space parking garage, subject to a long-term ground lease, to the City. The deed transfer of the parcel being divested is a condition of the agreement with the City of Charleston that enables the College to affordably purchase the larger Wentworth Garage parcel without incurring additional debt. The College intends to construct a mixed-use development consisting of parking, student housing, offices, and retail. The parcel is currently underbuilt with only five floors. Zoning permits six floors, and the College intends to seek a variance for a seventh floor to maximize density and return on investment. The City of Charleston no longer allows stand-alone parking garages with street frontage. Therefore, parking spaces on the ground level must be "screened" with office or retail space to activate street frontage. Exact use of the retail/office space is not determined. It could be space that is affiliated with the College or revenue generating leased space. Priority will be placed on maximizing available parking on the ground level. Unlike the parking structure to be demolished, the proposed parking facility will only serve College of Charleston students, faculty, and staff. The ratio of parking spaces versus student housing units has not been determined.

**Characteristics:** The 1.13-acre property to be acquired contains a vacant 515-space structurally deficient parking garage which will be demolished by college as part of a separate project after acquisition of the property.

**Financial Impact:** The property is offered by the City Council of Charleston for the proposed purchase price of \$2,500,000. The estimated value of the property to be acquired is \$12,500,000 million and the estimated value of the property to be disposed is \$7,000,000. The \$3,000,000 difference in value that the college would owe for the land swap is being contemplated as a conveyance for the demolition of the garage. The estimated \$3,000,000 for demolition is not a firm cost since the college has not solicited bids or entered into a contract for demolition. However, a conceptual budget was

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 13

---

received in February 2023 from Trident Construction that estimated demolition to be about \$2.6M. The due diligence activities will be funded from Auxiliary Parking Revenue Funds (uncommitted balance \$4.18 million on June 30, 2023). Revenue to this fund is derived from parking fees paid by individuals who apply for and receive parking. The project is expected to result in a decrease of \$41,000 (years 1 thru 3), in annual operating expenditures. If the property is acquired, a new mixed-use development project will be established for approximately \$75,480,000 that will provide approximately 294 spaces for parking, and housing for 350-400 students. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$2,520,000 (internal) funded by Auxiliary Parking Revenues.

(g) Project: JBRC Item 7: Lander University  
H21.9565: Student Dining Hall Renovation

Request: Establish Phase I Pre-Design Budget to renovate the dining hall in the Grier Student Center.

Included in CPIP: No – The project was not included in the 2023 CPIP submission due to an oversight by the university, as well as the project was estimated to cost less than \$2,000,000.

CHE Approval: 09/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Aramark Contract Requirement				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: This project will remove the existing food preparation and serving venues, and replace with upgraded, versatile venues where the equipment and appliances allow the preparation of a wide variety of menu items.

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 14

---

Upgrades to the dining hall aesthetics such as ceiling, lighting, flooring, and furnishings, are also included. The project may also reroute the infrastructure to service the new equipment.

Rationale: The university entered into a contract with Aramark in August 2023. As part of the required deliverables, the vendor agreed to invest in infrastructure updates.

Facility Characteristics: Grier Student Center is a 3-story, 61,000 square foot building constructed in 1978 (45 years old). The student dining hall is on the bottom floor of the building and is 19,300 square feet. Due to continued increases in enrollment, the dining hall footprint was expanded and renovated in 2007. Approximately 3,600 students and 180 faculty, staff, visitor, and guests, utilize the dining hall each day.

Financial Impact: The project will be funded from an Aramark Contractual Requirement (uncommitted balance \$4 million at August 23, 2023). 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. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$2,500,000 (internal) funded by Aramark Contract Requirement Funds.

(h) Project: JBRC Item 8: University of South Carolina - Columbia  
H27.6152: Green and Garnet I - Energy Optimization

Request: Establish Phase II Full Construction Budget to implement energy conservation measures on five campus buildings.

Included in CPIP: Yes – 2023 CPIP Priority 15 of 16 in FY24 (estimated at \$10,000,000)  
Phase I Approval: August 2023 (10,000,000) (SFAA)  
CHE Approval: 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance Reserve	150,000		150,000	8,550,000	8,700,000
All Sources	<u>150,000</u>		<u>150,000</u>	<u>8,550,000</u>	<u>8,700,000</u>

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 15

---

**Summary of Work:** The project will make improvements that will enhance the insulation of building envelopes, integrate lighting controls, install new low-flow plumbing fixtures, and replace obsolete mechanical systems with new more efficient systems.

**Rationale:** These are large campus buildings with minimal insulation, aged plumbing fixtures, and obsolete HVAC systems. Rising utility costs of these resources compel the campus to seek improvements that will reduce consumption and provide a reasonable return on the investment of capital funds. It is anticipated that the project will reduce the consumption of energy, water, and wastewater.

**Facility Characteristics:** The Close-Hipp Building is 340,979 gross square feet and was constructed in 1973 (50 years old). The Thomas Cooper Library is 283,595 gross square feet and was constructed in 1959 (64 years old). The 1600 Hampton Street Building is 261,981 gross square feet and was constructed in 1968 (55 years old). The Swearingen Engineering Center is 217,466 gross square feet and was constructed in 1987 (36 years old). The Jones Physical Sciences Center is 192,503 gross square feet and was constructed in 1967 (56 years old). These buildings house instruction, academic support, student services, and institutional support and are utilized by 2,300 to 35,000 students, faculty and staff.

**Financial Impact:** This project will be funded from Other, Maintenance Reserve Fund (uncommitted balance \$12.58 million at October 27, 2023). Revenue to the fund is generated from the Facilities Management operating budget which is allocated annually from a portion of student tuition and fees. The project is expected to result in a decrease of \$272,000 (year 1), \$502,000 (year 2), and \$727,000 (year 3), in annual operating expenditures. No student fees or tuition will be increased because 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 2019-2020 to 2023-2024.

**Full Project Estimate:** \$8,700,000 funded by Maintenance Reserve Funds. Contract execution is expected in January 2024 and completion of construction in December 2025.

(i) **Project:** JBRC Item 9: University of South Carolina - Columbia  
H27.6149: River Property Land Acquisition

**Request:** Establish Final Land Acquisition to acquire four parcels of land totaling 585+/- acres in Richland County.

**Included in CPIP:** Yes – 2023 CPIP Priority 6 of 16 in FY24 (estimated at \$3,000,000)

**Minutes of State Fiscal Accountability Authority**  
**December 12, 2023 – Page 16**

Phase I Approval: June 2023 (estimated at \$3,000,000 to 3,300,000) (SFAA)  
 CHE Approval: 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional/Land Reserve	20,000		20,000	2,880,000	2,900,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>2,880,000</u>	<u>2,900,000</u>

**Rationale:** Acquisition of the property will complete a long-term plan to use the proceeds from a previous sale of surplus land (The Wedge Property). Per the university, this property will more effectively serve the university mission. The property can support agricultural and archeological research, future recreation fields, passive forms of recreation such as hiking and camping, and land for other future development opportunities.

**Characteristics:** The four contiguous parcels are 543.2+/-acres, 5+/-acres, 25+/-acres and 12+/-acres, and are contiguous with, and surrounded by university property. There are no buildings located on the property.

**Financial Impact:** The 5-acre, 12-acre and 25-acre parcels are offered by the USC Development Foundation as a donation. The 543.2+/- acre parcel is offered by the USC Development Foundation for \$2,880,000. The acquisition will be funded from Institutional Funds/Land Reserve Funds (uncommitted balance \$3.38 million at October 27, 2023). Revenue to this fund is derived from tuition and fees, sales and services activities, and other miscellaneous sources. The project is expected to result in an increase of \$85,000 (year 1), and \$130,000 (years 2 thru 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$320 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. An appraisal was completed in August 2023 for the 543.2+/- acres and valued the property at \$2,880,000. A Phase I Environmental Site Assessment was completed in March 2023 for the 585 +/- acres and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no



**Minutes of State Fiscal Accountability Authority**  
**December 12, 2023 – Page 17**

buildings located on the property. Letters of support have been received from Richland County Council and Richland County School District One authorizing the property to be removed from the tax rolls.

Full Project Estimate: \$2,900,000 funded by Institutional/Land Reserve Funds. The acquisition will be completed by February 2024.

(j) Project: JBRC Item 13: Department of Administration  
D50.6134: DOA - Repoint and Clean Exterior Façade

Request: Establish Phase I Pre-Design Budget for the repair and maintenance of the exterior veneer of the Brown Building, Calhoun Building, Dennis Building, and Wade Hampton Building.

Included in CPIP: Yes – 2023 CPIP Priority 28 of 38 in FY24 (estimated at \$500,000), Priority 29 of 38 in FY24 (estimated at \$450,000), Priority 30 of 38 in FY24 (estimated at \$500,000), Priority 31 of 38 in FY24 (estimated at \$500,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				33,000	33,000
All Sources				<u>33,000</u>	<u>33,000</u>

Summary of Work: The project will include re-pointing the mortar joints, as needed, and cleaning the exterior building envelope of each facility.

Rationale: There is evidence of mortar deterioration in the veneer, which must be addressed to prevent moisture infiltration and further deterioration of the building envelope.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1976 (47 years old). The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (97 years old). The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (73 years old). The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The Brown Building is utilized by Administrative Law Clerk,

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 18

---

Attorney General, Commission for the Blind, Department of Public Safety, Department of Administration, Judicial Branch, Medical University of South Carolina, Parks, Recreation & Tourism, Secretary of State, State Board of Financial Institutions, Procurement Review Board, Senate and Education Oversight. The building is utilized by approximately 150 employees and various visitors daily. The Dennis Building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily. The Calhoun Building is utilized by SC Judicial Branch. The building is utilized by 190 employees and various visitors daily. The Wade Hampton Building is utilized by Commission on Prosecution Coordination, Governor's Office, Office of State Treasurer, Office of the Comptroller General, Department of Administration, Department of Agriculture, the State Fiscal Accountability Authority, Bureau of Protective Services and Adjutant General. The building is utilized by 275 employees and various visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$8.21 million on September 18, 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: \$1,950,000 (internal) funded by Depreciation Reserve Funds.

(k) Project: JBRC Item 14: Office of the Adjutant General  
E24.9852: Armory Revitalizations 2024-2025

Request: Establish Phase I Pre-Design Budget for this annualized project to prepare designs for Clemson and Seneca Readiness Centers for this project that will complete repairs and replacements at Clemson, Seneca, Andrews and Saluda Readiness Centers.

Included in CPIP: Yes – 2023 CPIP priority 2 of 15 FY25 (estimated at \$11,000,000)  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State,				110,377	110,677

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 19

---

Operating		
	110,376	110,676
Federal, National Guard Bureau		
All Sources	<u>220,753</u>	<u>220,753</u>

---

Summary of Work: The project will complete significant repairs and replacements at the Clemson, Seneca, Andrews, and Saluda Readiness Centers. These items include roofing systems, windows, doors, water, sewer, HVAC, electrical, telecom systems, sidewalks, parking and road replacement and expansion. This phase of the project will prepare the design for Clemson and Seneca.

Rationale: In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities if there is a federally recognized unit assigned to the facilities.

Facility Characteristics: The Clemson Readiness Center is 27,794 square feet and was constructed in 1958 (65 years old). The Seneca Readiness Center is 15,793 square feet and was constructed in 1954 (69 years old). Approximately 150 individuals utilize these readiness centers.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3. million on September 22, 2023), and National Guard Bureau Funds (uncommitted balance \$11 million on October 1, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$500 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$11,000,000 (internal) to complete the Clemson and Seneca Readiness Centers funded by Appropriated State, Operating and Federal, National Guard Bureau Funds. The total estimated cost to complete all four readiness centers is \$22,000,000.

(I) Project: JBRC Item 15: Office of the Adjutant General  
E24.9853: SCEMD (Pine Ridge Armory) Building Expansion

Request: Establish Phase I Pre-Design Budget to expand the State Emergency Operations Center, to include the SC National Guard's Joint Operations Center, the SC Emergency Management Division, and increased facility parking.

**Minutes of State Fiscal Accountability Authority**  
**December 12, 2023 – Page 20**

Included in CPIP: Yes – 2023 CPIP priority 9 of 15 FY25 (estimated at \$20,000,000)  
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Emergency Operations Center Grant Program				315,000	315,000
All Sources				<u>315,000</u>	<u>315,000</u>

**Summary of Work:** The project will construct an approximately 29,000 square foot addition to the current SC Emergency Management Division (SCEMD) facility, and includes associated design, and modifications to the existing HVAC and electrical systems. The facility expansion will increase square footage from 37,000 square feet to approximately 66,000 square feet. The project will expand the State Emergency Operations Center (SEOC), add space for the National Guard’s Joint Operation Center (JOC), increase media briefing room space, and add 134 workspaces for emergency personnel. All roofing material options will be evaluated during the Phase I process for the addition.

**Rationale:** The SEOC and JOC provide the locations for the coordination of state level responses to emergencies and disasters affecting the state and its residents. The facility renovation ensures the SEOC is capable of supporting staff requirements to continuously respond to large disasters, enhances the JOC’s ability to support the National Guard’s ever-changing role in emergency response operations, and provides the SCEMD staff with adequate space to support daily recovery, mitigation, and preparedness actions. Currently, the lack of space in the SEOC and JOC during disasters has a detrimental effect on the ability of the SERT to effectively coordinate the state’s response and to provide support to the counties. Given the increased number of personnel serving on the SERT, the expanded size of the SCEMD staff, and the frequency of disaster response, there is a need to increase the SEOC size and capabilities, and associated parking. SEOC and JOC operations requires space for up to 500+ SERT members. The JOC also requires sleeping facilities to support continuous staffing and additional staff workspaces during long-term response operations.

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 21

---

Facility Characteristics: The SCEMD facility is currently approximately 37,000 square feet and was constructed in 1994 (29 years old). Approximately 10,000 square feet of this facility will be renovated in this project. An approximately 29,000 square foot addition will be added. The South Carolina Emergency Management Division (Pine Ridge Armory) is currently occupied by approximately 100+ personnel during normal day to day operations. During State EOC activations the SCEMD facility can have up to 500-600 people in the building coordinating State-level responses to emergencies and disasters.

Financial Impact: This phase of the project will be funded from Federal, Emergency Operations Center Grant Program Funds (uncommitted balance \$7.5 million at September 30, 2023). The project is expected to result in an increase of \$109,560 (year 1), \$113,942 (year 2), and \$118,500 (year 3), in annual operating expenditures.

Full Project Estimate: \$20,751,000 (internal). Phase II will be funded by \$7,185,000 in Emergency Operations Center Grant Program, \$7,000,000 in Federal, Congressional Earmark, and \$6,251,000 in FY25 Appropriated State Funds to be requested during the FY24-25 budget process.

(m)Project: JBRC Item 16: Department of Mental Health  
J12.9859: State Veterans' Nursing Home Construction

Request: Establish Phase I Pre-Design Budget to construct a Veterans Nursing Home in Lexington.

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

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				1,500,000	1,500,000
All Sources				<u>1,500,000</u>	<u>1,500,000</u>

**Minutes of State Fiscal Accountability Authority**  
**December 12, 2023 – Page 22**

---

**Summary of Work:** The project will construct a new Veterans' Nursing Home consisting of 129 beds that will serve the needs of the western midlands, replacing 90 beds at the Stone Pavilion facility in Columbia, and exhausting the remaining 39 beds available by the US Department of Veterans Affairs through its census. The overall design will be based off the current Veterans Nursing Home construction project in Sumter County as the Department prepares the Veterans Administration (VA) State House Construction grant application to be submitted prior to April 15, 2024, deadline.

**Rationale:** Based on the history of past congressional appropriations for the VA State Home Construction Grant Program, the Department projects that federal funding could become available by federal fiscal year 2033, if included in the VA's 2025 VA priority one list.

**Facility Characteristics:** The Veterans Nursing Home to be constructed will be approximately 134,000 square feet. It will be occupied by 129 Veteran Nursing Home patients and approximately 120 staff.

**Financial Impact:** The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$5.33 million at September 1, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of \$15,365,864 (year 1), \$15,826,840 (year 2), and \$16,301,644 (year 3), in annual operating expenditures.

**Full Project Estimate:** \$111,700,000 (internal) funded by Capital Improvement & Maintenance Funds.

**(n) Project:** JBRC Item 26: Department of Parks, Recreation & Tourism  
P28.9831: Property Acquisition – Paris Mountain Hughes Tract

**Request:** Establish Final Land Acquisition to purchase approximately 150 acres in Greenville County.

**Included in CPIP:** Yes – 2023 CPIP Priority 24 of 29 in FY24 (estimated at \$1,020,000)  
**Phase I Approval:** August 2023 (estimated at \$1,020,000) (SFAA)  
**CHE Approval:** N/A

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38(a))				500,000	500,000
				500,000	500,000
Federal, LWCF	20,000		20,000		20,000
Other, Park Revenue					
All Sources	<u>20,000</u>		<u>20,000</u>	<u>1,000,000</u>	<u>1,020,000</u>

Rationale: Acquisition of the property will provide protection, public education, and public access to a popular state park in SC. This property will provide more recreational opportunities for people as well as reduce the impact on the current property and allow more people to access the park, as the park is regularly filled to capacity.

Characteristics: The Hughes tract is undeveloped property adjacent to Paris Mountain State Park. The tract has a flat portion for future parking and trail access.

Financial Impact: The property is offered by Naturaland Trust for \$1,000,000. The acquisition will be funded by FY24 Appropriated State (nonrecurring) (uncommitted balance \$2.5 million at September 30, 2023), and Federal, Land & Water Conservation Funds (\$500K reimbursable grant). The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in September 2023 and valued the property at \$2,400,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property.

Full Project Estimate: \$1,020,000 funded by FY24 Appropriated State (nonrecurring), Land and Water Conservation Grant, and Park Revenue Funds.

Other: Both the Conservation Bank and the Department of Parks, Recreation and Tourism have confirmed that the requirements of Part IB Proviso 117.182 of the 2023-2024 Appropriations Act have been satisfied for the proposed

Minutes of State Fiscal Accountability Authority  
December 12, 2023 – Page 24

acquisition.

(o) Project: JBRC Separate Item: Department of Commerce  
P32.9536: Project Samurai – ED Bonds

Request: Establish Phase II Full Construction Budget for an economic development project that will utilize economic development bond proceeds.

Included in CPIP: No  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Economic Development Bonds				120,000,000	120,000,000
All Sources				<u>120,000,000</u>	<u>120,000,000</u>

Summary of Work: The project will construct a training facility, make road improvements, and ensure water and sewer infrastructure is in place.

Rationale: The \$810 million investment will create new jobs and will support the company's multi-year partnership with the BMW Group.

Facility Characteristics: Envision AESC, a Japanese electric vehicle battery technology company, will build a state-of-the-art battery cell gigafactory in Florence County. The new facility will create 1,170 new jobs.

Financial Impact: The project will be funded from Other, Economic Development Bonds (\$121,000,000 to be issued). The Coordinating Council for Economic Development, after review and comment by the Joint Bond Review Committee, awarded a \$135 million Closing Fund grant to Florence County to assist with costs related to the project.

Full Project Estimate: \$120,000,000 funded from Economic Development Funds.

Upon a motion by Senator Peeler, seconded by Mr. Gaines, the Authority approved permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office. All items have been reviewed



favorably by the Joint Bond Review Committee.

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

***Office of Executive Director: Permanent Improvement Projects Approved by Governing Board Pursuant to Proviso 117.140 (FY 2022-2023) (Regular Session #4)***

For Fiscal Year 2022-2023, the General Assembly exempted public institutions of higher learning from the process for approval of Permanent Improvement Projects set forth in Section 2-47-50 if the cost of those projects fell below certain thresholds. Specifically, 2022 Proviso 117.140 exempts projects “where the cost is at least one million dollars but not greater than five million dollars for public research universities and not greater than two million dollars for all other public institutions of higher learning . . .”

The proviso granting this exemption requires that all such projects be reported to the SFAA by November 15th. Each institution’s report regarding projects approved between July 1, 2022, and June 30, 2023, and a summary table are attached.

Upon a motion made by Senator Peeler, seconded by Mr. Loftis, the Authority received as information each institution’s report of the permanent improvement projects approved pursuant to the legislative exemption created by 2022 Proviso 117.140.

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

***Medical University of South Carolina: Final Land Acquisition to acquire College of Health Professions A, B, Ashley Rutledge Garage and 12 additional properties and Conveyance of nine (9) properties to the Medical University Hospital Authority (MUHA) (Regular Session #5)***

The Medical University of South Carolina (MUSC) requested approvals regarding two transactions involving 16 parcels of real property in Charleston.

MUSC intends to acquire 13 parcels from the Medical University of South Carolina Foundation (MUSC Foundation), one of which includes the College of Health Professions Buildings, A, B, and Ashley Rutledge Garage. MUSC has leased all these parcels from MUSC Foundation for the last 6 to 25 years, depending on the parcel.

Subsequent to this acquisition, MUSC intends to convey 6 of the acquired parcels, plus 3 parcels it already owns, to the Medical University Hospital Authority (MUHA).

**Permanent Improvement Project**

Establish Phase II Authorization for Final Land Acquisition of 13 parcels of real property on 9.249 acres in Charleston. The property includes the College of Health Professions Buildings and the Ashley Rutledge Garage, all of which are situated on 1.95 acres located at 151 Rutledge Ave. The College of Health Professions Buildings and the Garage are being offered to MUSC by MUSC Foundation for \$14,810,216, an amount equal to MUSC Foundation's outstanding debt on all 13 parcels. The remaining 12 parcels, including the improvements, are being offered to MUSC by MUSC Foundation as a donation.

MUSC intends to retain the 1.95 acre lot that includes the College of Health Professions Buildings and Ashley Rutledge Garage, as well as 6 of the donated parcels. MUSC has no current plans to make further improvements to these parcels. MUSC will continue to use these properties for academic, administrative and faculty office space and parking.

**Real Property Conveyances from MUSC to MUHA**

Assuming the acquisitions were approved, MUSC is sought approval to convey 6 of the donated parcels, and 3 parcels already owned by MUSC, to MUHA for the appraised value of \$10,470,000. MUHA intends to use the conveyed property for the construction of a medical office building at the corner of Bee Street and Courtenay Drive. MUSC has no involvement in the development, financing, design, or subsequent leasing of the proposed medical buildings. The Medical Buildings will be solely a MUHA project.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority:

1. Approved final land acquisition by the Medical University of South Carolina of the College of Health Professions A, B, Ashely Rutledge Garage and 12 additional properties as requested by the Department of Administration, Executive Budget Office.

2. Approved the real property conveyances from the Medical University of South Carolina to the Medical University Hospital Authority as recommended by the Department of Administration, Facilities Management and Property Services.

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: South Carolina Forestry Commission (SCFC) Easement (Regular Session #6)***

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

County Location:	Chesterfield
From:	Department of Administration on behalf of South Carolina Forestry Commission (SCFC)
To:	Duke Energy Progress, LLC
Consideration:	\$700 administrative fee \$108,000
Description/Purpose:	To grant a 28.626± acre non-exclusive easement for right of way access and to construct, operate and maintain poles and lines for the transmission of electric power and associated vegetation management on property of the Sand Hills State Forest controlled by the South Carolina Forestry Commission. In 1943, the U.S. Department of Interior granted Carolina Power & Light Company (Duke Energy's predecessor) right of way for the construction, operation and maintenance of an electric transmission line in the Carolina Sandhills Wildlife Management Area. The property was transferred to the Forestry Commission on or about November 21, 1991. This prior agreement expired on December 31, 1991. Duke submitted an easement request to expand the prior easement area based on the understanding that they had a prescriptive easement. After being advised that there was no easement in effect, Duke Energy submitted this easement request. The term of the easement will be fifty (50) years. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. Consideration is the appraised value plus \$700 administrative fee. SCFC 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.

Upon a motion by Mr. Gaines, seconded by Mr. Loftis, the Authority approved the referenced easement, as recommended by the Department of Administration, Facilities Management and Property Services.

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: College of Charleston Lease of 61 Vanderhorst Street, Charleston SC 29403 (Regular Session #7)***

The College of Charleston (College) requested approval to lease one-hundred and one (101) bedrooms at 61 Vanderhorst Street, Charleston, SC from Vanderhorst Realty, LLC.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 1, 3, 5, 7 and 10-year terms. Three responsive offers were received in response to the solicitation. The selected location was the lowest offer.

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

The rent for the first year of the term will be \$1,499,850.00 for an annual average cost per bed of \$14,850.00 to the College. The College currently plans to charge students \$5,562.00 per bed per semester, which is what they currently charge students for similar space. However, they anticipate an increase in student housing charges in the near future.

The rental rate shall escalate by 5% annually over the initial and extended terms, if any. The maximum total rent to be paid will be \$8,287,618.04. This lease includes all operating and maintenance costs with the exception of janitorial consumables (which will be provided by the College) and includes all furniture, housewares, and appliances.

<b>INITIAL TERM</b>	<b><u>PERIOD: FROM - TO</u></b>	<b><u>ANNUAL RENT</u></b>	<b><u>MONTHLY RENT</u></b>	<b><u>AVERAGE ANNUAL RENT PER BED</u></b>
YR 1	August 1, 2024 – July 31, 2025	\$1,499,850.00	\$124,987.50	\$14,850.00
YR 2	August 1, 2025 – July 31, 2026	\$1,574,842.50	\$131,236.88	\$15,592.50
YR 3	August 1, 2026 – July 31, 2027	\$1,653,584.63	\$137,798.72	\$16,372.13

<b>EXTENDED TERM</b>	<b><u>PERIOD: FROM - TO</u></b>	<b><u>ANNUAL RENT</u></b>	<b><u>MONTHLY RENT</u></b>	<b><u>AVERAGE ANNUAL RENT PER BED</u></b>
YR4	August 1, 2027-July 31, 2028	\$1,736,263.86	\$144,688.65	\$17,190.73
YR5	August 1, 2028- July 31, 2029	\$1,823,077.05	\$151,923.08	\$18,050.27

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

<b>Tenant</b>	<b>Location</b>	<b>Annual Rate per Bed</b>
Independent Renters	363, 364, 365, 367, 369 King Street, Charleston*	\$22,701.17
Independent Renters	595 King Street, Charleston*	\$15,405.30
Independent Renters	930 Morrison Drive, Charleston*	\$15,863.75

\*Offers were received in response to this solicitation and are subject to base rent and/or operating expense escalations.

The lease provides for the use of up to 32 parking spaces in the surface lot surrounding the premises for an additional cost of \$185 per space per month that the College would make available for student rental at the approved College rental rate which is currently \$550 per semester. One additional reserved parking space will be provided to the College free of charge for the Initial and Extended Term for College staff. Students shall also have full access to and use of bike parking in or adjacent to the premises.

The College has adequate funds for the lease according to a Budget Approval Form approved October 18, 2023. Lease payments will be funded through student housing funds. The lease was approved by the College of Charleston's Board of Trustees on October 31, 2023, the Commission on Higher Education on November 2, 2023, and JBRC on December 5, 2023. No option to purchase the property is included in the lease.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority approved the proposed three-year student housing lease with two extensions of one year each for the College of Charleston for 101 beds at 61 Vanderhorst Street, Charleston, SC from Vanderhorst Realty, LLC, as recommended by the Department of Administration, Facilities Management and Property Services.

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: Medical University of South Carolina (MUSC), Lease out at Strom Thurmond Research Building, 112-116 Doughty Street, Charleston, SC (Regular Session #8)***

The Medical University of South Carolina (MUSC) requested approval to amend their current lease to continue leasing  $\pm$  46,857 square feet of hospital and medical office space in the Strom Thurmond Research Building at 112-116 Doughty Street, Charleston SC 29425 to the US Department of Veterans Affairs (VA). The VA has leased this space from MUSC since January 15, 1997, and currently pays \$1,572,154.38 annually or \$33.55 per square foot. The term of the current lease will expire on January 14, 2024.

MUSC and the VA jointly occupy the 150,000 square foot facility and have a long history of collaboration. Most of the VA attending physicians are MUSC faculty and all of the doctors- in-training are MUSC residents. The two organizations also share extensive research information.

The requested amendment will extend the lease term, commencing January 15, 2024, for three (3) years with two (2) additional 1-year renewal options. Rent for the first year will be charged at a rate of \$34.56 per square foot or \$1,619,377.92 (rounded). Thereafter, the rental rate shall escalate by 3% annually. The maximum total rent that could be paid over the extended and optional terms would be \$8,596,385.22 (rounded).

<b>INITIAL TERM</b>	<b>PERIOD: FROM – TO</b>	<b>ANNUAL RENT</b>	<b>MONTHLY RENT</b>	<b>RENTAL RATE</b>
Year 1	1/15/2024 – 1/14/2025	\$1,619,377.92	\$134,948.16	\$34.56
Year 2	1/15/2025 – 1/14/2026	\$1,667,640.63	\$138,970.05	\$35.59
Year 3	1/15/2026 – 1/14/2027	\$1,717,777.62	\$143,148.14	\$36.66
<b>EXTENDED TERMS</b>	<b>PERIOD: FROM – TO</b>	<b>ANNUAL RENT</b>	<b>MONTHLY RENT</b>	<b>RENTAL RATE</b>
Year 4	1/15/2027 – 1/14/2028	\$1,769,320.32	\$147,443.36	\$37.76
Year 5	1/15/2028 – 1/14/2029	\$1,822,268.73	\$151,855.73	\$38.89

No option to purchase the property is included in the lease.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
MUSC	125 Doughty St.	\$33.71
MUSC	22 WestEdge	\$38.77
MUSC	261 Calhoun	\$36.79

\*Above rates subject to operating expenses and/or base rent escalations.

The lease amendment was approved by the Joint Bond Review Committee at its December 5, 2023, meeting and by the MUSC Board of Trustees at its December 8, 2023, meeting. Commission on Higher Education approval is not required as this is a lease-out.

Upon a motion by Senator Peeler, seconded by Representative Bannister, under authority of SC Consolidated Procurement Code Section 11-35-2030(5), the Authority approved the proposed three-year lease out with two optional one-year extensions from MUSC to the VA for ±46,857 square feet, as recommended by the Department of Administration, Facilities Management and Property Services.

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

***Department of Disabilities and Special Needs: Legal – Approval of Personnel Settlement of McKever vs. South Carolina Department of Disabilities and Special Needs, 4:22-cv-00599-JD (Regular Session #9)***

The South Carolina Department of Disabilities and Special Needs (DDSN) submitted for approval a personnel settlement that was negotiated on October 18, 2023, which will release DDSN from all future claims and additional expenses in the matter of McKever v. South Carolina Department of Disabilities and Special Needs; C.A. No. 4:22-cv-00599-JD-KDW. The Department of Administration, Division of State Human Resources, recommended that the Authority approve DDSN's request based on their assertion that the agreement will result in the dismissal of the pending lawsuit and that this settlement will alleviate the Department from time consuming and expensive litigation.

Upon a motion by Mr. Gaines, seconded by Mr. Loftis, The Authority approved the

personnel settlement in the matter of McKeever v. South Carolina Department of Disabilities and Special Needs; C.A. No. 4:22-cv-00599-JD-KDW that was negotiated on October 18, 2023.

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

***South Carolina Department of Commerce: Not Exceeding \$121,000,000 State General Obligation Economic Development Bonds of the State of South Carolina (Regular Session #10)***

The Authority was asked to adopt an amended resolution making provision for the issuance and sale of not exceeding \$121,000,000 State General Obligation Economic Development Bonds of the State of South Carolina for Project Samurai.

This amends a resolution adopted by the State Fiscal Accountability Authority on October 18, 2022, for the AESC EV battery project in Florence Co. The company has made an additional commitment of new jobs and investment and the Department of Commerce has offered additional bond funds.

Upon a motion by Representative Bannister, seconded by Mr. Loftis, The Authority adopted an amended resolution making provision for the issuance and sale of not exceeding \$121,000,000 General Obligation State Economic Development Bonds of the State of South Carolina for Project Samurai.

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

***Executive Director: Bank Account Transparency and Accountability (Regular Session #11)***

Proviso 117.79 (GP: Bank Account Transparency and Accountability) of the Fiscal Year 2023-24 Appropriations Act requires agencies with composite reservoir bank accounts or other accounts which are not included in the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted from this requirement. The proviso also provides for an agency to petition the State Fiscal Accountability Authority for an exemption from the detailed reporting requirements if release of the information would be detrimental to the state or agency. Agencies



exempted from the detailed transaction reporting by action of the former Budget and Control Board must provide the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.

The SFAA Office of Executive Director requested state agencies to provide the required reports by October 1, 2023. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on its website. Attached is a list of agencies which submitted a report in accordance with Proviso 117.79 of the FY 2023-24 Appropriations Act.

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

- a) Received as information the list of agencies which have submitted reports in accordance with Proviso 117.79, concerning bank account transparency and accountability.
- b) Requested the State Auditor's Office to continue to include a review of agency composite accounts when performing audits of agencies.

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

***Executive Director: Qualified Public Educational Facilities (2023 Volume Cap Carryforward) (Regular Session #12)***

Internal Revenue Code Section 26 U.S.C. Section 142(k) for qualified public educational facilities and Section 142(a)(13) were added by Section 422(a) and (b) of P.L. 107-16 in 2001. Section 142(k) provides a separate and independent volume cap for qualified public educational facilities to be used for the issuance of bonds for public educational facilities. These bonds are not subject to the general volume limitation under Code Section 146 but are subject to a separate volume limitation set forth in Code Section 142(k). No regulations for this provision have been promulgated.

The volume cap for qualified public educational facilities is governed by Section 142(k)5. That Section provides, in part, the following:

- (B) **Allocation rules.**

....

(ii) **Rules for carryforward of unused limitation.** A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of Section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).

The volume cap for calendar year 2023 is \$52,826,340 and has been unused. The Authority is asked to elect to carryforward the entire volume cap for 2023 to be used for the issuance of bonds for qualified public educational facilities as described in Section 142(a)(13) and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation. Pursuant to Section 142(k)(5)(B)(ii) the carryforward will be valid for the next three calendar years.

Upon a motion by Mr. Loftis, seconded by Representative Bannister, the Authority approved the carryforward of the unused volume cap allocation for qualified public educational facilities for calendar year 2023 to be used for the issuance of such bonds and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation to be valid for the next three calendar years.

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

***Executive Director: Request for Carryforward Allocation of 2023 Private Activity Bond Ceiling (Regular Session #13)***

South Carolina State Housing Finance and Development Authority requests that the State Fiscal Accountability Authority grant it a carryforward allocation of that portion of the State's 2023 Private Activity Bond Ceiling ("Bond Ceiling") that remains unallocated at the end of the calendar year.

Upon a motion by Representative Bannister, seconded by Mr. Loftis, the Authority approved the request of the South Carolina State Housing Finance and Development Authority for a carryforward allocation of that portion of the State's 2023 Private Activity Bond Ceiling that remains unallocated at the end of the calendar year.

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

***Executive Director: Request for Carryforward State Ceiling Allocation - Jobs-Economic Development Authority (Regular Session #14)***

The State Fiscal Accountability Authority (SFAA) approved a current year allocation for the Bonds in an amount equal to \$63,300,000 to MycoWorks at its meeting on October 17, 2023. Since SFAA's approval of the Allocation, the underwriting team at Wells Fargo Securities has been working diligently to market and sell the Bonds to investors on a compressed timeline. In addition to an already shortened time frame to issue the Bonds, the recent Israeli-Palestinian conflict has caused extreme disruption in an already volatile bond market. The federal reserve's continued interest rate increases have only worsened the outlook. Although the underwriting team is experienced and equipped to sell the Bonds in a difficult market, they have expressed concern over current market conditions and the ability to sell and close the Bonds by December 31, 2023.

The South Carolina Jobs-Economic Development Authority requested that SFAA designate the allocation for the MycoWorks project as carryforward allocation in the amount of \$63,300,000 that was approved for the project at SFAA's October 17, 2023, meeting.

Upon a motion by Senator Peeler, seconded by Mr. Loftis, the Authority designated the ceiling allocation of \$63,300,000 that was approved for JEDA for the MycoWorks project at the Authority's October 17, 2023, meeting, as carryforward and authorized the filing of a carryforward election with the Internal Revenue Service in connection with such allocation to be valid for the next three calendar years.

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

***Executive Director: Amendment to the 2023 and 2024 South Carolina State Ceiling Allocation Plan (Regular Session #15)***

Pursuant to Act 202 of 2022, the State Fiscal Accountability Authority (State Authority) adopted a State Ceiling Allocation Plan in August 2022 for calendar year 2023 and in August 2023 for calendar year 2024. In May 2023, Governor McMaster signed

Act 88 of 2023, a joint resolution which authorized supplemental financial support to address escalations and other costs for certain multifamily housing developments.

Pursuant to Act 88, the State Housing Finance and Development Authority developed a Supplemental Allocation Plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available to certain multifamily housing projects.

Projects receiving supplemental financial support pursuant to Act 88 may also involve either a request for an allocation of state ceiling or a request for issuance approval regarding a project using carryforward from prior years. In order to facilitate the intent of Act 88, State Housing has asked the State Authority to create an exemption to the State Ceiling Allocation Plan for any original and supplemental allocations of state ceiling in the amount reflected within State Housing's Supplemental Allocation Plan; provided that this exemption expires once the bonds for any project qualified for the exemption have been issued. This request requires an amendment to the State Plan.

In order to approve the proposed amendment to the 2023 and 2024 State Ceiling Allocation Plan, the Authority, pursuant to 1-11-520(B), must make a finding that the above facts presented by State Housing create exceptional and compelling circumstances warranting amendment.

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

1. Found the enactment of Act 88 of 2023 creates exceptional and compelling circumstances warranting the proposed amendments of the 2023 and 2024 State Ceiling Allocation Plans.
2. Approved the proposed Amendments to the 2023 and 2024 State Ceiling Allocation Plan.

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

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #16)***

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$17,000,000 Multifamily Housing Revenue Bonds

Allocation Needed: \$3,000,000 of ceiling allocation carryforward will be used  
Name of Project: 573 Meeting Street Project  
Employment Impact: n/a  
Project Description: finance the acquisition, construction, furnishing and equipping of 573 Meeting Street, a 70-unit affordable rental housing facility to be constructed on an approximately 0.5 acre site located at 573 Meeting Street, Charleston, South Carolina.  
Bond Counsel: Ronald T. Scott, Haynsworth Sinkler Boyd, P.A.  
**Note: This item was previously approved on January 25, 2022, for issuance of not exceeding \$14,000,000 Multifamily Housing Revenue Bonds. Because of increased costs of construction, the financing has been delayed, and additional bond financing is needed in the amount of \$3,000,000.**

- b. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$300,000,000 Mortgage Revenue Bonds, Series 2024A and B  
Allocation Needed: \$300,000,000 of 2022 ceiling allocation carry forward to be used  
Name of Project: Mortgage Revenue Bonds Series 2024A and B  
Employment Impact: n/a  
Project Description: Single Family Mortgage Revenue Bonds  
Bond Counsel: Rion D. Foley, Burr Forman McNair

Upon a motion by Mr. Loftis, seconded by Representative Bannister, the Authority adopted the resolutions approving the referenced proposals to issue revenue bonds for the State Housing Finance and Development Authority.

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

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #17)***

Upon a motion by Senator Peeler, seconded by Mr. Loftis, the Authority agreed to meet at 9:30 a.m. on Tuesday, January 30, 2024, in Room 252, Edgar A. Brown Building.

***Adjournment***

The meeting was adjourned at 2:12 p.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 Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 2:15 p.m. on Friday, December 8, 2023.]