
AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Retirement System Investment Commission Lease of 1201 Main Street,
Columbia

The SC Retirement System Investment Commission (RSIC) requests approval to lease nineteen thousand seven hundred (19,700) square feet of office space at 1201 Main Street in Columbia from Hamilton Capitol Center, LLC (Landlord). RSIC has leased space at this location since September 2010. Their current lease is \$18.03/SF and expires on August 31, 2025.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for various terms. Seven offers were received in response to the solicitation, one of which had insufficient space. Of the remaining offers, the selected location is the second least expensive.

The requested lease term is seven (7) years commencing September 1, 2025.

Rent for the first year of the term will be \$20.32 per square foot. The rental rate shall escalate thereafter by 2.75% annually. This a full gross lease and includes all operating expenses. The following chart sets forth the rent (rounded) over the term.

<u>TERM</u>	<u>MONTHLY RENT</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$33,358.67	\$400,304.00	\$20.32
YEAR 2	\$34,276.03	\$411,312.36	\$20.88
YEAR 3	\$35,218.62	\$422,623.45	\$21.45
YEAR 4	\$36,187.13	\$434,245.59	\$22.04
YEAR 5	\$37,182.28	\$446,187.35	\$22.65
YEAR 6	\$38,204.79	\$458,457.50	\$23.27
YEAR 7	\$39,255.42	\$471,065.08	\$23.91

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Retirement System Investment Commission Lease of 1201 Main Street, Columbia

The total rent to be paid over the term is \$3,044,195.34 (rounded). The lease meets the state space standard of 210 SF/person with a density of approximately 200 SF/person.

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

Tenant	Location	Annual Rate per SF
Vacant	607 Bush River+**+++	\$19.50
Vacant	700 Gervais+**	\$22.50
Vacant	1333 Main Street+**	\$21.50
Vacant	200 Center Point Circle+**	\$22.50
Vacant	1600 Williams Street+**	\$23.50
Vacant	1441 Main Street+**++	\$23.50

+ Received in response to solicitation.

** Subject to rent escalations.

++ Rate is subject to operating expense escalations.

+++ Tenant to reimburse Landlord for its pro-rate share of increases in property taxes over the base year.

RSIC will have access to up to 9 reserved parking spaces and up to 35 unreserved parking spaces in the garage adjoining the building. RSIC will pay for parking directly to the City of Columbia at an estimated maximum cost of \$30,000.00 per year.

The Agency has adequate funds for the lease according to a Budget Approval Form approved by the Capital Budgeting Office on February 20, 2025. Lease payments will be funded primarily through Commission Operating Funds. No option to purchase the property is included in the lease.

AUTHORITY ACTION REQUESTED:

Approve the proposed seven-year lease for the SC Retirement System Investment Commission for 19,700 square feet of office space at 1201 Main Street in Columbia from Hamilton Capitol Center, LLC, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: **April 1, 2025**

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: SC Retirement System Investment Commission Lease of 1201 Main Street, Columbia

3. Summary Background Information:

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4. What is the Authority asked to do? Approve the proposed seven-year lease for RSIC for 19,700 square feet of office space at 1201 Main Street in Columbia from Hamilton Capitol Center, LLC.

5. What is recommendation of the submitting agency involved? Approve the proposed seven-year lease for RSIC for 19,700 square feet of office space at 1201 Main Street in Columbia from Hamilton Capitol Center, LLC.

6. Private Participant Disclosure – Check one:

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

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

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

requested approval.

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from RSIC
- (b) Map and Street View of premises

February 25, 2025

State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Dear Committee and Authority Members:

The South Carolina Retirement System Investment Commission (“Commission”) requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority during the March meetings, of a lease with Hamilton Capitol Center for approximately 19,700 square feet of rentable office space at 1201 Main Street in Columbia.

The Department of Administration (“DOA”) issued an RFP for lease proposals for office space of 18,000–20,000 square feet for the Commission. DOA and RSIC received seven proposals for a preferred 7-year term, criteria. Staff closely reviewed all supporting documentation and site tours, as needed, were conducted. One proposal (700 Gervais) was for less than 18,000 square feet and was excluded from final consideration. Another proposal (607 Bush River) did not meet the Commission’s needs in terms of the space configuration or location and would have required substantial renovation and upfitting and was also excluded from consideration. Some of the agency’s considerations for selection of a proposal included: the cost of the lease (including the potential cost of upfitting a space to meet agency needs); proximity of location to the State House Complex and numerous state agencies with which the Commission interacts regularly; the estimated additional cost of moving to the location, if applicable; the associated loss of productivity to coordinate and complete a move; and the availability of an adequate conference room onsite for the agency’s statutorily required public meetings which allow for substantial stakeholder and general public attendance.

After a thorough review of the proposals, the Commission requests approval to stay in its current location, and to enter into a lease with Hamilton Capitol Center, for 19,700 rentable square feet for a 7-year period. The selection is based on the following factors:

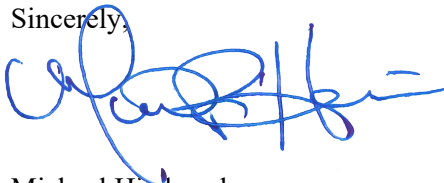
- The proposed lease with Hamilton Capitol Center is the lowest total cost versus the remaining other proposals for a seven-year term, excluding parking, which the Commission is currently paying outside of the lease. Parking costs are currently around \$30,000 per year. At a rate of \$30,000 per year, the total cost of Hamilton Capitol Center is still the lowest cost versus the remaining other proposals. Additionally, the total cost over the life of the lease is reasonable and in the best interest of the Commission when factoring in the following things:
 - The cost for moving is estimated to exceed \$20,000, and the cost for furniture is estimated to be at least \$50,000. Additionally, the cost to install and implement the Commission’s IT systems is estimated to run between \$50,000 and \$150,000, depending on the requirements of all the other proposed locations. A move to any of the other locations would require such cost of at least \$120,000.

- Given the significant cost of moving premises and the total cost of the Hamilton Capital Center lease, we believe that remaining in the current location is in the best interest of the agency, even after factoring in the cost for parking
- Relocating to the other proposals' locations would require closing the agency during the move, which would impact staff productivity, incur substantial moving costs, and require substantial planning to ensure business continuity for prudent management of the investments and assets of the Trust. Some matters that would require careful planning and additional resources include setup and coordination with the providers for IT support, connection, network access and data lines and port installation; telephone and conference lines, video conference and facsimile lines and connections; essential systems transfers including Bloomberg terminals and leased office equipment transfers; and security system including cameras and access key installation.
- The current location includes a conference room suite required for the agency's high volume of meetings with outside entities, including a large conference room used to host the Commission's statutorily required public meetings. The large conference room allows for increased stakeholder and public attendance as well as attendance by the Commission staff, who play an integral role in preparing meeting material and participating throughout the meetings, as well as third-party consultants and other outside speakers. The largest conference room offered in the current location is significantly larger than the conference rooms available in the other proposed locations of comparable cost.

Therefore, given the aforementioned reasons, we respectfully request the approval of the lease for the Commission to remain at its present location.

Thank you for your assistance in this process and for your consideration of our request.

Sincerely,



Michael Hitchcock
Chief Executive Officer

