

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, August 25, 2015 -- 1:10 P. M.

Room 252, Edgar A. Brown Building

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STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, August 25, 2015 -- 1:10 P. M.
Room 252, Edgar A. Brown Building

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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1.	State Fiscal Accountability Authority	Personnel Matters (Discuss and Consider Qualifications and Suitability of Various Individuals for Potential Offer(s) of Employment for Position(s) of Responsibility within the Authority)
2.	State Fiscal Accountability Authority	Return to Regular Session (Offer(s) of Employment, if appropriate)

AGENCY: Public Employee Benefit Authority, Employee Insurance Program

SUBJECT: State Health Plan Benefits and Contribution Rates Effective January 1, 2016

As part of the Appropriations Act of 2015, the General Assembly enacted Proviso 108.6 setting out the premium increases for the 2016 State Health Plan and setting parameters for possible changes to other provisions of the Plan:

“108.6. (PEBA: FY 2016 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2016 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 4.5 percent and a subscriber premium increase of zero percent for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2016. Co-payments for participants of the State Health Plan in Plan Year 2016 shall not be increased. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2016 to ensure the fiscal stability of the Plan.”

At its meeting on July 15, 2015, pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the PEBA Board of Directors approved the State Health Plan for 2016 in compliance with Proviso 108.6. Accordingly, the PEBA Board approved an employer contribution rate increase of 4.5 percent with no increase for subscribers for each tier of the Plan as set out in Attachment 2. Furthermore, as set out in Attachment 3, the PEBA Board approved no increases in co-pays or deductibles. The increase in employer premiums is necessary to offset increases in health expenditure growth.

Under S.C. Code Ann. Section 9-4-45, coverage changes and contribution determinations of the Public Employee Benefit Authority for the State Health Plan are subject to approval by the State Fiscal Accountability Authority. The State Fiscal Accountability Authority is asked to approve the 2016 contribution rates in Attachment 2 and the program changes in Attachment 1.

AUTHORITY ACTION REQUESTED:

Approve the contribution rates and plan changes presented on Attachments 1 (Proposed program changes effective January 1, 2016) and 2 (State Health Plan monthly contribution rates by level of coverage effective January 1, 2016) of this agenda item as recommended by the Public Employee Benefit Authority.

ATTACHMENTS:

Agenda item worksheet; Proposed program changes effective January 1, 2016; State Health Plan monthly contribution rates by level of coverage effective January 1, 2016; State Health Plan/Standard Plan Benefit Cost; Code Ann. Sections 1-11-710 and 9-4-45

Proposed program changes effective January 1, 2016

All health plans

- Employer contribution increase of 4.5 percent
- No enrollee contribution increase
- Composite contribution increase of 3.4 percent
- Amount funded by General Assembly in fiscal 2016 Appropriations Act and memorialized in Proviso 108.6 of Act

State Health Plan

- Elimination of patient cost sharing for covered contraceptives (mandated in Proviso 108.13 of fiscal 2016 Appropriations Act)
- Patient-Centered Medical Home (PCMH) incentive: Patient incentives for services obtained at practices participating in BCBSSC PCMH program will be provided in the form of waiver of the \$12 Physician Office per occurrence deductible, and provision of Plan coinsurance at 90 percent (rather than 80 percent at other network providers). (Coinsurance differential in Standard and Savings plans; waiver of office deductible in Standard plan only—no such provisions exists in Savings plan)
- VBID services: The following services will be provided with no patient liability (Standard and Savings Plans):
 - Colonoscopies: This procedure, including the consultation and associated anesthesia during the procedure, will be provided at no cost to the member at in-network providers for both diagnostic services and routine services within specified age ranges. (US Preventive Services Task Force A recommendation)
 - Adult vaccinations: Adult vaccinations within CDC-recommended intervals will be covered at no cost to the member (as is currently the case with childhood immunizations) at in-network providers.
 - Tobacco cessation pharmaceuticals: Prescription medication related to tobacco cessation (Chantix, generic Zyban (bupropion)) will be provided at no cost to the member.
 - Diabetes education: Diabetes education services will be provided at no cost to the member at in-network providers.

MUSC Health Plan

- Increase Specialist Copay to \$45/visit (from \$35/visit)

Flexible benefits (MoneyPlus)

- Eliminate one-year waiting period for employee to establish a Medical Spending Account.
- Establish \$1500 limit for 2016 on Dependent Care Account for highly-compensated employees in order to address passage of federal non-discrimination test.

State Health Plan monthly contribution rates by level of coverage effective January 1, 2016

4.5 percent increase for employers/no increase for enrollees

2016 employer rates for all health plans

	2015	2016
Enrollee only	\$344.58	\$360.10
Enrollee/spouse	\$682.54	\$713.26
Enrollee/child	\$528.88	\$552.68
Full family	\$854.58	\$893.04

2016 employee rates (no change from 2015)

Savings Plan

Enrollee only	\$9.70
Enrollee/spouse	\$77.40
Enrollee/child	\$20.48
Full family	\$113.00

Standard Plan/Medicare Supplement

Enrollee only	\$97.68
Enrollee/spouse	\$253.36
Enrollee/child	\$143.86
Full family	\$306.56

Tobacco users will pay a \$40 (enrollee only) or \$60 (enrollee plus coverage) per month surcharge in addition to health premiums.

State Health Plan | Standard Plan

Benefit cost

	General fund	Premium increase – employer (PEPM)	Premium increase – employee (PEPM)
Employer only	\$35.734M	\$21.88	\$0.00

Benefit structure

	2016	2015	2014
Deductible	\$445/\$890	\$445/\$890	\$420/\$840
Coinsurance maximum	\$2,540/\$5,080	\$2,540/\$5,080	\$2,400/\$4,800
Physician copayment	\$12	\$12	\$12
Emergency room copayment	\$159	\$159	\$150
Outpatient hospital copayment	\$95	\$95	\$90
Pharmacy copayment	\$9/\$38/\$63	\$9/\$38/\$63	\$9/\$36/\$60

S.C. Code Ann. Sections 1-11-710 and 9-4-45

SECTION 1-11-710. Board to make insurance available to active and retired employees; Insurance Reserve Fund to provide reinsurance; cost to be paid out of appropriated and other funds.

(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1 11 705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

(4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one half months' claims must be maintained in the accounts.

(B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria

plan program, as authorized by Section 9 1 60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.

(C) Notwithstanding Sections 1 23 310 and 1 23 320 or any other provision of law, claims for benefits under any self insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1 23 380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1 11 705(H).

SECTION 9-4-45. Policy determinations.

(A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

(B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

AGENCY: Department of Administration, Division of General Services

SUBJECT: College of Charleston Lease Amendment – Harbor Walk (formerly Fountain Walk)

The College requests approval to amend an existing lease to lease an additional 3,104 rentable square feet (RSF) at Harbor Walk, formerly Fountain Walk, located at 360 Concord Street, Charleston, from R.E.R. Investments, Limited Company. The College currently leases 41,000 RSF for office, classroom and lab space and is seeking additional space, totaling 44,104 RSF to accommodate new faculty research grants in the Department of Computer Science. This space will directly benefit students as they work closely with the faculty on these grants.

The original lease granted Tenant an option to lease additional space as it became available on the same terms. The Lease will be amended effective the date the College occupies the space which will be upon final lease approval for suite 106 and approximately November 1, 2015 for suite 105. The termination date of the Lease will remain the same with the initial term ending on December 31, 2020, with on renewal period of five additional years. As the CPI-U for April was -0.2, the cost per rentable square foot will remain at \$31.50 per square foot during the remainder of the first fiscal year of this Amendment. The quarterly instalments are to be paid in advance on or before the tenth (10th) day of each consecutive quarter subject to an annual increase as of July 1 of each year for any change in the U. S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediate preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. Additionally, the landlord has agreed to provide \$30/SF in up fit costs to the additional space for a total of \$93,120.00. Up fit work will be done during class breaks and scheduled at the convenience of the College.

Lease payments will be funded with College fees. The College has indicated that no fee increase will be associated with this lease amendment. Based on the NTE (Not to Exceed) data, the total estimated lease cost, as the lease is amended, over the remaining term is \$7,996,026.78.

Year	Basic Rent PSF (Rounded)	Maximum Basic Semi-Annual Rent for	Maximum Basic Semi-Annual Rent for	Maximum Basic Semi-Annual Rent Total Leased Space as	Basic Rent PSF Previously Approved (Rounded)	Maximum Basic Semi-Annual Rent Previously Approved
8/15/15-	\$31.50	\$25,060.28	\$484,312.5	\$509,372.78	\$32.45	\$498,936.75
1/1/16-	\$31.50	\$48,888.00	\$645,750.0	\$694,638.00	\$32.45	\$665,225.00

AGENCY: Department of Administration, Division of General Services

SUBJECT: College of Charleston Lease Amendment -- Harbor Walk (formerly Fountain Walk)

7/1/16-	\$32.45	\$50,362.40	\$665,225.0	\$715,587.40	\$33.42	\$685,110.00
1/1/17-	\$32.45	\$50,362.40	\$665,225.0	\$715,587.40	\$33.42	\$685,110.00
7/1/17-	\$33.42	\$51,867.84	\$685,110.0	\$736,977.84	\$34.42	\$705,610.00
1/1/18-	\$33.42	\$51,867.84	\$685,110.0	\$736,977.84	\$34.42	\$705,610.00
7/1/18-	\$34.42	\$53,419.84	\$705,610.0	\$759,029.84	\$35.45	\$726,725.00
1/1/19- 6/30/19	\$34.42	\$53,419.84	\$705,610.0 0	\$759,029.84	\$35.45	\$726,725.00
7/1/19- 12/31/19	\$35.45	\$55,018.40	\$726,725.0 0	\$781,743.40	\$36.52	\$748,660.00
1/1/20- 6/30/20	\$35.45	\$55,018.40	\$726,725.0 0	\$781,743.40	\$36.52	\$748,660.00
7/1/20- 12/31/20	\$36.52	\$56,679.04	\$748,660.0 0	\$805,339.04	\$37.61	\$771,005.00
Total		\$551,964.2 8	\$7,444,062 .50	\$7,996,026.78		\$7,667,376.75
Average	\$33.73				\$34.74	

The College has adequate funds for the lease, as amended, according to a Budget Approval Form, which also includes a multi-year plan.

The lease amendment was approved by the staff of the Commission on Higher Education (CHE) April 24, 2015.

The lease amendment was approved by JBRC on July 28, 2015.

AUTHORITY ACTION REQUESTED:

Approve the proposed amendment to the lease for the College of Charleston at Harbor Walk (formerly Fountain Walk) in Charleston as requested by the Department of Administration, Division of General Services.

ATTACHMENTS:

Agenda item worksheet; Letter from the College of Charleston dated June 17, 2015; SC Code of Laws Section 1-11-55 and 1-11-56

SFAA AGENDA ITEM
WORKSHEET

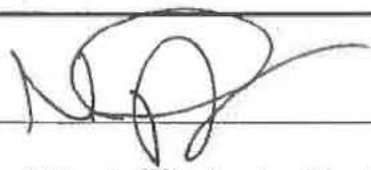
Meeting Scheduled for: August 25, 2015

REGULAR AGENDA

1. **Submitted by:**

(a) Agency: Department of Administration,
Division of General Services

(b) Authorized Official Signature:


Nolan L. Wiggins, Jr., Director

2. **Subject:** College of Charleston Lease Amendment-Harbor Walk (formerly Fountain Walk)

3. **Summary Background Information:**

The College requests approval to amend an existing lease to lease an additional 3,104 rentable square feet (RSF) at Harbor Walk, formerly Fountain Walk, located at 360 Concord Street, Charleston from R.E.R. Investments, Limited Company. The College currently leases 41,000 RSF for office, classroom and lab space and is seeking additional space, totaling 44,104 RSF to accommodate new faculty research grants in the Department of Computer Science. This space will directly benefit students as they work closely with the faculty on these grants.

The original lease granted Tenant an option to lease additional space as it became available on the same terms. The Lease will be amended effective the date the College occupies the space which will be upon final lease approval for suite 106 and approximately November 1, 2015 for suite 105. The termination date of the Lease will remain the same with the initial term ending on December 31, 2020, with one renewal period of five additional years. As the CPI-U for April was -0.2, the cost per rentable square foot will remain at \$31.50 per square foot during the remainder of the first fiscal year of this Amendment. The quarterly installments are to be paid in advance on or before the tenth (10th) day of each consecutive quarter subject to an annual increase as of July 1 of each year for any change in the U.S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediate preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. Additionally, the landlord has agreed to provide \$30/SF in up fit costs to the additional space for a total of \$93,120.00. Up fit work will be done during class breaks and scheduled at the convenience of the College.

Lease payments will be funded with College fees. The College has indicated that no fee increase will be associated with this lease amendment. Based on the NTE (Not to Exceed) data, the total estimated lease cost, as the lease is amended, over the remaining term is \$7,996,026.78.

Year	Basic Rent PSF (Rounded)	Maximum Basic Semi-Annual Rent for Additional Leased Space	Maximum Basic Semi-Annual Rent for Initial Space	Maximum Basic Semi-Annual Rent Total Leased Space as Amended	Basic Rent PSF Previously Approved (Rounded)	Maximum Basic Semi-Annual Rent Previously Approved
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7/1/17-12/31/17	\$33.42	\$51,867.84	\$685,110.00	\$736,977.84	\$34.42	\$705,610.00
1/1/18-6/30/18	\$33.42	\$51,867.84	\$685,110.00	\$736,977.84	\$34.42	\$705,610.00
7/1/18-12/31/18	\$34.42	\$53,419.84	\$705,610.00	\$759,029.84	\$35.45	\$726,725.00
1/1/19-6/30/19	\$34.42	\$53,419.84	\$705,610.00	\$759,029.84	\$35.45	\$726,725.00
7/1/19-12/31/19	\$35.45	\$55,018.40	\$726,725.00	\$781,743.40	\$36.52	\$748,660.00
1/1/20-6/30/20	\$35.45	\$55,018.40	\$726,725.00	\$781,743.40	\$36.52	\$748,660.00
7/1/20-12/31/20	\$36.52	\$56,679.04	\$748,660.00	\$805,339.04	\$37.61	\$771,005.00
Total		\$551,964.28	\$7,444,062.50	\$7,996,026.78		\$7,667,376.75
Average	\$33.73				\$34.74	

The College has adequate funds for the lease, as amended, according to a Budget Approval Form, which also includes a multi-year plan.

The lease amendment was approved by the staff of the Commission on Higher Education (CHE) April 24, 2015.

The lease amendment was approved by JBRC on July 28, 2015.

4. **What is SFAA asked to do?** Approve the proposed amendment to lease for College of Charleston at Harbor Walk (formerly Fountain Walk) in Charleston.

5. **What is recommendation of the Division of General Services?** Recommend approval of the proposed amendment to lease for College of Charleston at Harbor Walk (formerly Fountain Walk) in Charleston.

6. **List of Supporting Documents:**

- Letter from College of Charleston dated June 17, 2015
- SC Code of Laws Section 1-11-55 and 1-11-56

June 17, 2015

Mr. Scott Capell
Program Manager, General Services
South Carolina Budget and Control Board
1200 Senate Street
460 Wade Hampton Building
Columbia, SC 29201

RE: Harbor Walk/360 Concord Street Lease Amendment

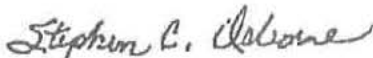
Dear Mr. Capell:

The College requests approval to amend its current lease at 360 Concord Street to add 3,104 SF of space, which includes Suite 105 consisting of 1,763 SF and Suite 106 consisting of 1,341 SF. This additional space is needed to accommodate new faculty research grants in the Department of Computer Science, which is located at Harbor Walk. Students have a direct benefit as they work closely with the faculty on these grants.

The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. The Landlord will provide an upfit allowance of \$30 per square foot for the additional space. Rent shall commence on the date which the College takes occupancy of the additional space after current tenant leases expire and reconfiguration of the space is completed. Suite 105 is expected to be available for occupancy on or around October 1, 2015, and Suite 106 is expected to be available for occupancy on or around December 1, 2015.

We respectfully request your assistance in obtaining JBRC and Budget and Control Board approval of this lease amendment.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

SC Code of Laws Section 1-11-55, effective July 1, 2015.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to non-state lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

Credits

HISTORY: 1997 Act No. 153, § 2; 2002 Act No. 333, § 1; 2002 Act No. 356, § 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, § 13, eft August 1, 2011; 2013 Act No. 31, § 1, eft May 21, 2013; 2014 Act No. 121 (S.22), Pt V, § 7.A, eft July 1, 2015.

SC Code of Laws Section 1-11-56, effective July 1, 2015.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a non-appropriation for the renting agency;
 - (b) a dissolution of the agency; and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with non-state entities whether or not the state or its agencies or departments is the lessee or lessor:

Credits

HISTORY: 1997 Act No. 153, § 2; 2014 Act No. 121 (S.22), Pt V, § 7.B, eff July 1, 2015.

AGENCY: Department of Administration, Division of General Services

SUBJECT: SC Department of Social Services Lease - Columbia

The SC Department of Social Services (DSS) requests approval to lease 38,500 rentable square feet (RSF) located on the first floor at 1628 Browning Road in Columbia from Browning Office Investment, LLC, a South Carolina based company. The agency currently leases 38,500 RSF for their Information Technology Services division, Child Support Systems Development and Cybersecurity personnel. This space is currently leased by DSS thus eliminating any downtime or relocation costs.

A solicitation was conducted and four (4) responses were received, of which the selected location represents the lowest bid. The term of the Lease will be five (5) years beginning on November 1, 2015. Rent for each year will be charged at a rate of \$13.75 per rentable square foot for a total of \$529,375 per year.

The agency will not be responsible for any operating expenses and the lease includes free surface lot parking sufficient for staff and customers. The Landlord is providing improvements as specified in construction drawings as agreed to by Tenant.

The following table represents comparable lease rates of similar business space in the Columbia area. Additionally, the Colliers International 2015 First Quarter Market Report indicates an average lease rate per square foot of \$16.20 in the Columbia area.

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF	Max Potential Excess Operating Costs	Other
University of South Carolina	220 Stoneridge Drive	7/11/11-6/30/16	\$14.50	\$16.10	\$13,264 Over 5 years	
Office of the Inspector General	111 Executive Center Drive	10/1/13-9/30/18	\$13.75	\$13.75	\$0.00	
Department of Revenue Boulevard	300 Outlet Pointe	11/1/13-12/31/22	\$11.82	\$13.86	0.00	\$282,136.61*

*DOR pays annual utilities annually adding approximately \$1.77/SF to the rate each year. Dollar amount here represents 2014 utility cost.

AGENCY: Department of Administration, Division of General Services

SUBJECT: SC Department of Social Services Lease - Columbia

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency.

The lease was approved by JBRC on July 28, 2015.

AUTHORITY ACTION REQUESTED:

Approve the proposed 5 year lease for the Department of Social Services at 1628 Browning Road in Columbia as requested by the Department of Administration, Division of General Services.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

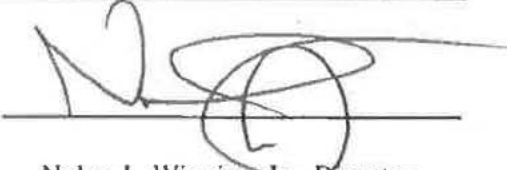
SFAA AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 25, 2015

REGULAR AGENDA

1. Submitted by:

- (a) Agency: Department of Administration,
Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: SC Department of Social Services Lease - Columbia

3. Summary Background Information:

The SC Department of Social Services (DSS) requests approval to lease 38,500 rentable square feet (RSF) located on the first floor at 1628 Browning Road in Columbia from Browning Office Investment, LLC, a South Carolina based company. The agency currently leases 38,500 RSF for their Information Technology Services division, Child Support Systems Development and Cybersecurity personnel. This space is currently leased by DSS thus eliminating any downtime or relocation costs.

A solicitation was conducted and four (4) responses were received, of which the selected location represents the lowest bid. The term of the Lease will be five (5) years beginning on November 1, 2015. Rent for each year will be charged at a rate of \$13.75 per rentable square foot for a total of \$529,375 per year.

The agency will not be responsible for any operating expenses and the lease includes free surface lot parking sufficient for staff and customers. The Landlord is providing improvements as specified in construction drawings as agreed to by Tenant.

The following table represents comparable lease rates of similar business space in the Columbia area. Additionally, the Colliers International 2015 First Quarter Market Report indicates an average lease rate per square foot of \$16.20 in the Columbia area.

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF	Max Potential Excess Operating Costs	Other
University of South Carolina	220 Stoneridge Drive	7/11/11-6/30/16	\$14.50	\$16.10	\$13,264 Over 5 years	
Office of the Inspector General	111 Executive Center Drive	10/1/13-9/30/18	\$13.75	\$13.75	\$0.00	
Department of Revenue	300 Outlet Pointe	11/1/13-12/31/22	\$11.82	\$13.86	0.00	\$282,136.61*

Boulevard

*DOR pays annual utilities annually adding approximately \$1.77/SF to the rate each year. Dollar amount here represents 2014 utility cost.

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency.

The lease was approved by JBRC on July 28, 2015.

4. **What is SFAA asked to do?** Approve the proposed 5 year lease for DSS at 1628 Browning Road in Columbia.

5. **What is recommendation of the Division of General Services?** Recommend approval of the proposed 5 year lease for DSS at 1628 Browning Road in Columbia.

6. **List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56

SC Code of Laws Section 1-11-55, effective July 1, 2015.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to non-state lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

Credits

HISTORY: 1997 Act No. 153, § 2; 2002 Act No. 333, § 1; 2002 Act No. 356, § 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, § 13, eft August 1, 2011; 2013 Act No. 31, § 1, eft May 21, 2013; 2014 Act No. 121 (S.22), Pt V, § 7.A, eft July 1, 2015.

SC Code of Laws Section 1-11-56, effective July 1, 2015.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a non-appropriation for the renting agency;
 - (b) a dissolution of the agency; and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with non-state entities whether or not the state or its agencies or departments is the lessee or lessor:

Credits

HISTORY: 1997 Act No. 153, § 2; 2014 Act No. 121 (S.22), Pt V, § 7.B, eff July 1, 2015.

SC Code of Laws Section 1-11-55, effective July 1, 2015.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to non-state lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

Credits

HISTORY: 1997 Act No. 153, § 2; 2002 Act No. 333, § 1; 2002 Act No. 356, § 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, § 13, eff August 1, 2011; 2013 Act No. 31, § 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, § 7.A, eff July 1, 2015.

SC Code of Laws Section 1-11-56 effective July 1, 2015.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a non-appropriation for the renting agency;
 - (b) a dissolution of the agency; and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with non-state entities whether or not the state or its agencies or departments is the lessee or lessor:

Credits

HISTORY: 1997 Act No. 153, § 2; 2014 Act No. 121 (S.22), Pt V, § 7.B, eff July 1, 2015.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

State Fiscal Accountability Authority approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 7-1-2016: JBRC Item 2. Clemson University
Project: 9926, East Campus Water Tower Construction
Funding Source: \$70,000 Other, Maintenance and Stewardship funds, which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period.
Request: Establish project and budget for \$70,000 (Other, Maintenance and Stewardship Funds) to begin design work to construct the East Campus Water Tower at Clemson University. The scope would include constructing a new water tower on the east campus. The new water tower will be a one million gallon elevated storage tank that will replace the existing Kite Hill water tank and provide for the growth needs of the University's water distribution system. The new water tower will be constructed on the site of the Kite Hill tank on the east campus, which will be demolished when the new tower is completed. The University's water distribution system is a state licensed water system serving the entire campus population with drinking water and fire protection. The Kite Hill water tank is more than 56 years old and does not meet the needs of the east campus. Campus population and facility growth on this system will require water storage capacity improvements by 2018 to meet state regulations for storage reserve required for peak hour water usage and fire protection. Replacing this aging tank will increase the overall usable water storage needed to satisfy the University's water storage requirements beyond 2030. It will also provide a long-term solution to back-up pressurization and capacity requirements for the licensed water distribution system and meet current and future needs.
- (b) Summary 1-2016: JBRC Item 3. University of South Carolina
Project: 6112, North Energy Plant Expansion and Chilled Water Loop Extension
Funding Source: \$177,750 Other, Institutional Funds, which are funds available to the university from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.
Request: Establish project and budget for \$177,750 (Other, Institutional Funds) to begin design work to renovate and construct the North Energy Plant expansion and

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

chilled water loop extension at the University of South Carolina. The scope would include increasing the chilled water capacity for the western portion of the campus by adding a 3,000 ton chiller and cooling tower to the North Energy Plant. The plant will be expanded to accommodate the new equipment and include space and electrical/piping infrastructure for a second 3,000 ton chiller/cooling tower to support construction in the West Campus District. Also included in this project is the installation of new underground chilled water piping to allow the North Energy Plant to provide emergency backup cooling to the West Energy Plant chilled water loop and also backup portions of the East Energy Plant chilled water loop. The expansion will provide additional capacity and backup cooling for facilities in the west area of the campus and provides a critical emergency backup cooling source for the core campus and portions of the east campus. The chilled water line extension will provide emergency backup for campus buildings served by the West Energy Plant, especially in summer months, and increase system efficiency in the winter months by allowing the West Energy Plant to shut down.

(c) Summary 1-2016: JBRC Item 4. University of South Carolina

Project: 6113, Emergency Generators for Critical Research

Funding Source: \$22,500 Other, Institutional Funds, which are funds available to the university from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.

Request: Establish project and budget for \$22,500 (Other, Institutional Funds) to begin design work to renovate research facilities at the University of South Carolina. The scope would include installation of emergency generators at three critical research facilities. An existing 800KW generator at the Coker Life Sciences building will be relocated to the Swearingen Engineering building. A new, larger 1000KW generator will be installed at the Coker Life Sciences building, and a new 500KW generator will be installed at the Earth and Water Sciences building. The project will integrate the generators with the buildings' electrical systems and include automatic transfer switches for immediate power transfer switching. The generators will be sized to supply power to the entire building electrical system to allow uninterrupted operation of research, mechanical, ventilation, lighting, teaching and administrative activities. The generators will provide 100% automatic backup power with automatic switching. The generator will also serve a life safety function by maintaining negative pressurization at hoods within labs during a power loss while also preventing the potential loss of expensive and critical research data.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Summary 1-201: JBRC Item 6. Department of Mental Health
Project: 9746, Santee Wateree Mental Health Center Construction
Funding Source: \$150,000 Other, Capital Improvement and Maintenance Funds, which are which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
- Request: Establish project and budget for \$150,000 (Other, Capital Improvement and Maintenance Funds) to begin design work construct a 40,000 square foot mental health center, in the Sumter area, in order to provide comprehensive mental health services to clients in Sumter County. This request is related to DMH's goal to provide sufficient mental health services, in communities, to minimize consumers' need for hospitalization by having greater access to treatment services. The current Santee Wateree Mental Health Center facility, constructed in 1972, is 13,318 square feet and is located on a two acre tract of land. It is no longer suitable for current client volume and treatment programs and is currently in need of substantial maintenance, including a new roof and HVAC system. The Department of Mental Health is purchasing land to allow for the construction of this new facility. The new facility, which will house 85 staff and serve approximately 2,670 clients annually, will be able to house both the existing Mental Health Center programs, as well as two additional Department of Mental Health offices currently occupying 11,682 square feet of leased space. This consolidation will eliminate the need for leased space for one of these office locations. The new facility and consolidation will allow for a more seamless transition between various programs for clients and provide greater security and safety. The new facility will provide the following services: Adult Outpatient Services, Assertive Community Treatment, Elder Services, Crisis Services, Child/Adolescent and Family Services, Rehabilitation Psychosocial Services, Employment Services, Day Treatment, Administration, and Training and Facility Support. Construction would also include parking for 140 vehicles and landscaping improvements.

Establish Construction Budget

- (e) Summary 1-2016: JBRC Item 9. Clemson University
Project: 9917, Student Activities Center Renovation
Funding Source: \$3,000,000 which includes \$1,911,000 Other, Dining Improvement

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

funds, which are funds resulting from bond-covenant required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues, and \$1,089,000 Other, private gift funds, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.

Request: Increase budget to \$3,000,000 (add \$2,900,000 - \$1,911,000 Other, Dining Improvement and \$989,000 Other, Private Gift Funds) to perform renovations on the Sheep Barn facility for use as a student-centered activity center at Clemson University. This project was established for design work in April 2014, which is now complete. The facility is a 7,000 square foot vacated central campus agriculture building that is currently used for material storage. Due to its open floor plan, the renovated facility will include large meeting and lecture rooms and spaces for student and academic-related functions. The renovation will include making structural improvements to the facility, adding mechanical and electrical systems, and upgrading the building envelope to provide a comfortable, energy-efficient environment. Care will be taken to preserve the character of the facility and maintain its status on the National Register of Historic Places. The 7,000 square foot building is centrally located adjacent to numerous large housing facilities on the east campus and offers a unique and highly accessible venue for hosting variety of student activities, entertainment, food options, informal social interactions, and other programs that foster student engagement. The facility will provide a new alternative, especially for students who live or commute on the east side of the campus, to connect with the campus and enrich their Clemson experience, enhancing Clemson's ability to retain the best and brightest students. The agency reports total projected cost of this project is \$3 million, and additional annual operating costs between \$157,210 and \$166,784 are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is December 2015 and the projected date for completion of construction is December 2016. (See attachment 1 for additional annual operating costs.)

- (f) Summary 1-2016: JBRC Item 10. State Board for Technical and Comprehensive Education
Project: 6099, Horry-Georgetown - Conway - Advanced Manufacturing Center Construction
Funding Source: \$6,333,732 Other, College funds, which are excess revenues from a

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

variety of sources acquired over time to address capital improvements and maintenance needs.

Request: Increase budget to \$6,333,732 (add \$6,243,732 Other, College Funds) to construct a 25,000 square foot commercial prefabricated metal building in the business park across from the Horry Georgetown Technical College's Conway campus. This project was established for design work in January 2015, which is now complete. The land for the proposed construction has been donated to the College by Horry County. The building will be used to house the College's Advanced Manufacturing Programs which includes the CNC/Machine Tool, Welding, Robotics and Mechatronics programs. The College has outgrown its existing academic space for these programs, and desperately needs additional instructional space to support growing these programs to meet increased industry demands. With the construction of this facility, the College intends to increase Welding and Machine Tool enrollment from 50 to more than 175 students. Graduates from these programs have starting salaries well in advance of local averages and are marketable throughout the state and in a variety of industries. The agency reports total projected cost of this project is \$6,333,732, and additional annual operating costs of \$60,000 are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is March 2016 and the projected date for completion of construction is December 2016. (See attachment 2 for additional annual operating costs.)

(g) Summary 7-2015: JBRC Item 11. Department of Administration

Project: 9951, PEBA - HVAC Modifications

Funding Source: \$2,381,948 Other, PEBA funds which are funds that PEBA is allowed to use for the administration of the agency from the SC Retirement System and Employee Insurance Program trust funds.

Request: Increase budget to \$2,381,948 (add \$2,347,698 Other, PEBA funds) to renovate the HVAC system at the Gressette Collins Building in Columbia, which houses the Public Employee Benefits Authority (PEBA). The project was established for pre-design in April 2015, which is now complete. The 62,500 square foot facility serves 203 staff with 79 water source HVAC units located in the building above the ceilings. These units are original to the building, which is 27 years old, and are in need of replacement. As these systems are all reaching the end of their useful life, General Services and the agency are looking at a comprehensive overhaul of the system to make it more efficient and to eliminate problems with the flow of water throughout the

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

system and contaminants in the cooling water. These contaminants have impacted both the water source units and the two cooling towers installed in 2008. The scope of the project will involve modifications to the ceilings and ceiling lighting, as well as the installation of new piping and duct work throughout the building. The project will also include the installation of a new heat exchanger and related tower pumps. The agency reports the total projected cost of this project is \$2,381,948.40, and operating savings of \$28,000 per year are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is September 2015 and the projected date for completion of construction is September 2016. (See attachment 3 for additional annual operating cost savings.)

Establish Project for Preliminary Land Studies

- (h) Summary 1-2016: JBRC Item 14. Clemson University
Project: 9927, Emerging Technology Center Building Acquisition
Funding Source: \$25,000 Other, Self-Generated Revenue funds, which are revenues derived from fees and amounts derived from routine operations of a land-grant research university, including grants and contracts revenues, sales and services of educational activities, investment income and other operating revenues which do not include student fees or state appropriations.
Request: Establish project and budget for \$25,000 (Other, Self-Generated Revenue funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Clemson University is considering acquiring a 49,380 square foot office warehouse facility on 6.94 acres of land at the Clemson Research Park in Anderson. The property is owned by the Clemson University Research Foundation (CURF) and will be acquired for continued use as an off-campus storage site for the Clemson libraries, for other Clemson units needing permanent storage space for records and materials, and for offices for staff associated with the monitoring and access of the space. The Phase I budget will fund procurement of an appraisal a Phase I environmental survey and a Phase I building condition assessment. Clemson currently leases this facility from the CURF for off campus storage and related offices. The facility is used for the University's Library Depot, which houses the University Records Center, libraries' off-site shelving, technical services, collection management unit, and digital imaging labs. CURF is focusing more on its

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

research initiatives and is eliminating its real estate activities. As a result, CURF wants to sell the facility. Clemson currently leases the building and by acquiring the facility would save on the lease payments it currently pays to CURF and still meeting its library storage and related needs.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9917 Name Student Activities Center Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-18	\$157,210.00	\$	\$	\$157,210.00
2) 2018-19	\$161,926.00	\$	\$	\$161,926.00
3) 2019-20	\$166,784.00	\$	\$	\$166,784.00

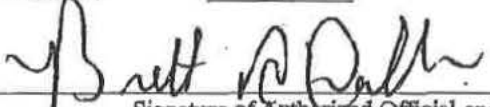
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$18,550.00</u>
2. <u>Maintenance</u>	<u>\$22,260.00</u>
3. <u>Custodial Services</u>	<u>\$12,000.00</u>
4. <u>Fulltime Personnel (Salary and Fringes)</u>	<u>\$54,400.00</u>
5. <u>Student Personnel/Interns</u>	<u>\$50,000.00</u>
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$157,210.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 1

9. Submitted By:  6/29/15
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H59 Name Horry Georgetown Technical College

2. PROJECT Project # 6099 Name Construction of Advanced Manufacturing Center - Conway

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015-16	\$ 0.00	\$	\$	\$ 0.00
2) 2016-17	\$ 60,000.00	\$	\$	\$ 60,000.00
3) 2017-18	\$ 60,000.00	\$	\$	\$ 60,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities (electric, gas, and water)</u>	<u>\$60,000.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$60,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By *David Hawley* VP - CFO 6/29/15
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code F03 Name: SC Budget and Control Board / Division of General Services

2. PROJECT
Project # _____ Name: SC Public Benefit Authority- Modification to the Existing HVAC

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015 - 2016	\$	\$	\$	\$
2) 2016 - 2017	\$	\$	\$28,000	\$21,000
3) 2017 - 2018	\$	\$	\$28,000	\$28,000

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

SAVINGS: There will be savings in maintenance costs and energy costs. No savings will be estimated for 2015/2016 because the current project schedule projects a completion date of September 2016 with a reduced savings for 2016/2017 also based on the completion date.

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Higher SEER Rating on New Water Source Heat Pumps</u>	<u>\$10,000.00</u>
2. <u>Pump Energy Saving From Decreased Restriction</u>	<u>\$6,000.00</u>
3. <u>Improved Efficiency From Increased Flow</u>	<u>\$12,000.00</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$28,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. Not applicable.

9. Submitted By: Nolan L. Wiggins Jr. Director, General Services Division

Signature of Authorized Official and Title

6/25/15

Date

**Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects**

Item (e) – Clemson University

Student Activities Center Renovation

The sources of funds for construction total \$3,000,000 which includes:

\$1,911,000 Other, Dining Improvement funds, which are funds resulting from bond-covenant required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues, and

\$1,089,000 Other, private gift funds, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.

The University reports that no increase in any student fee or tuition will be associated with this project.

Item (f) – Horry Georgetown Technical College

Conway Advanced Manufacturing Center Construction

The construction budget of \$6,333,732 will be funded by Other, College funds, which are excess revenues from a variety of sources acquired over time to address capital improvements and maintenance needs. Specifically, revenues from a 1 cent local sales tax that assist with college infrastructure needs will fund about half of the cost of construction.

The University reports that no increase in any student fee or tuition will be associated with this project.

Permanent Improvement Project Information for August 18, 2015 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H12-9926	Clemson University - East Campus Water Tower Construction	\$70,000 for pre-design	8/18/15	\$70,000	8/18/15	No	To Be Determined
H27-6112	University of South Carolina - North Energy Plant Expansion and Chilled Water Loop Extension	\$177,750 for pre-design	8/18/15	\$177,750	8/18/15	CPIP 2015 Year 1	To Be Determined
H27-6113	University of South Carolina - Emergency Generators for Critical Research	\$22,500 for pre-design	8/18/15	\$22,500	8/18/15	CPIP 2015 Year 1	To Be Determined
J12-9746	Department of Mental Health - Santee Wateree Mental Health Care Construction	\$150,000 for pre-design	8/18/15	\$150,000	8/18/15	CPIP 2015 Year 1	To Be Determined
H12-9917	Clemson University - Student Activities Center Renovation	\$100,000 for pre-design	4/30/14	\$100,000	4/30/14	CPIP 2014 Year 1	\$3,000,000
H59-6099	Horry-Georgetown - Conway - Advanced Manufacturing Center Construction	\$90,000 for pre-design	1/27/15	\$90,000	1/27/15	CPIP 2014 Year 2	\$6,333,732
D05-9951	Department of Administration - PEBA - HVAC Modifications	\$34,250.30 for pre-design	4/28/15	\$34,250.30	4/28/15	No	\$2,381,948
H12-9927	Clemson University - Emerging Technology Center Building Acquisition	\$25,000	8/18/15	\$25,000	8/18/15	No	To Be Determined

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Department of Disabilities and Special Needs – Excess Debt Service Funds

The Department of Disabilities and Special Needs (DDSN) is seeking approval to use \$4.8 million of excess debt service funds to meet various improvement needs of the agency. Section 44-20-1170 of the South Carolina Code of Laws establishes a debt service fund for DDSN that is funded with revenue from the agency. Monies from the special fund must be applied by the State Treasurer to the payment of principal and interest on outstanding state capital improvement bonds. Currently all outstanding bonds dependent on the fund have been repaid and the balance in the debt service fund as of August 11, 2015 is \$6,644,881.45. The Department of Disabilities and Special Needs will submit a report to the State Fiscal Accountability Authority by August 1, 2016 listing the projects and amounts on which the funds have been expended.

BOARD ACTION REQUESTED:

Approve the Department of Disabilities and Special Needs request to use up to \$4.8 million of excess revenue in the debt service subfund for improvement needs of the agency. Require the Department of Disabilities and Special Needs to submit a report due August 1, 2016 detailing, by project, how the funds have been expended.

ATTACHMENTS:

Agenda item worksheet; Letter from DDSN, Dated August 6, 2015; FY 2015-16 Transfer from Excess Debt Service; Code Section 44-20-1170; FY 2015-16 Capital Improvement Project List

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 25, 2015

Regular Agenda

1. **Submitted By:**

(a) Agency: Department of Administration
(b) Authorized Official Signature: Brenda Hart
Brenda Hart, Director, Executive Budget Office

2. **Subject: Department of Disabilities and Special Needs – Excess Debt Service Funds**

3. **Summary:**

The Department of Disabilities and Special Needs (DDSN) is seeking approval to use \$4.8 million of excess debt service funds to meet various improvement needs of the agency. Section 44-20-1170 of the South Carolina Code of Laws establishes a debt service fund for DDSN that is funded with revenue from the agency. Monies from the special fund must be applied by the State Treasurer to the payment of principal and interest on outstanding state capital improvement bonds. Currently all outstanding bonds dependent on the fund have been repaid and the balance in the debt service fund as of August 11, 2015 is \$6,644,881.45. The Department of Disabilities and Special Needs will submit a report to the State Fiscal Accountability Authority by August 1, 2016 listing the projects and amounts on which the funds have been expended.

4. **What is the Board asked to do?**

Approve the Department of Disabilities and Special Needs request to use up to \$4.8 million of excess revenue in the debt service subfund for improvement needs of the agency. Require the Department of Disabilities and Special Needs to submit a report due August 1, 2016 detailing, by project, how the funds have been expended.

5. **What is the recommendation of the Executive Budget Office?**

Consider approval of DDSN's request to use excess revenue in the debt service subfund for the proposed projects.

6. **Recommendation of other Division/Agency (as required)?**

(a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. **List of Supporting Documents:**

Attached:

1. Letter from DDSN, Dated August 6, 2015
2. FY 2015-16 Transfer from Excess Debt Service
3. Code Section 44-20-1170
4. FY 2015-16 Capital Improvement Project List

Beverly A. H. Buscemi, Ph.D.
State Director
David A. Goodell
Associate State Director
Operations
Susan Kreh Beck
Associate State Director
Policy
Thomas P. Waring
Associate State Director
Administration



COMMISSION
William O. Danielson
Chairperson
Fred Lynn
Vice Chairman
Eva R. Ravenel
Secretary
Mary Ellen Barnwell
Katherine W. Davis
Gary C. Lemel
Vicki A. Thompson

3440 Harden Street Ext (29203)
PO Box 4706, Columbia, South Carolina 29240
803/898-9600
Toll Free: 888/DSN-INFO
Website: www.ddsn.sc.gov

August 13, 2015

Ms. Brenda Hart
Director, Executive Budget Office
SC Department of Administration
1205 Pendleton Street, Suite 529
Columbia, South Carolina 29201

Dear Ms. Hart:

The SC Department of Disabilities and Special Needs is seeking approval from the State Fiscal Accountability Authority (SFAA) to utilize excess debt service funds to meet necessary improvement needs of the department. Section 44-20-1170 of the SC Code of Laws allows the department, upon approval of SFAA, previously upon approval of the Budget and Control Board, to transfer excess funds to meet improvement needs of the department. The department is seeking approval to use up to \$4.8 million of excess special funds to meet the department's obligation to ensure the health and safety of individuals and comply with Federal and State requirements.

Attached is a worksheet that documents the funds requested to be transferred to meet the improvement needs of the department. The department currently has approximately \$6.6 million in excess debt service funds available to meet the improvement needs identified on the worksheet. A copy of Section 44-20-1170 is attached for your review.

The Commission of the Department of Disabilities and Special Needs approved the agency's Comprehensive Permanent Improvement Plan for FY 2015-2016 on May 21, 2015. Other projects were previously approved. The use of the excess debt service funds to meet the improvements, as shown on the attached worksheet, enables the department to have a positive financial position for the 2016 fiscal year.

We respectfully request this matter be placed on the August 18, 2015, agenda of the State Fiscal Accountability Authority. Thank you for your consideration. Please contact us if you need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Beverly A.H. Buscemi P.D.". The signature is written in black ink.

Beverly A.H. Buscemi, Ph.D.
State Director

BAHB/sd

Attachments

DISTRICT I

DISTRICT II

P.O. Box 239
Clinton, SC 29325-5328
Phone: (864) 938-3497

Midlands Center - Phone: 803/935-7500
Whitten Center - Phone: 864/833-2733

9995 Miles Jamison Road
Summerville, SC 29485
Phone: 843/832-5576

Coastal Center - Phone: 843/873-5750
Pee Dee Center - Phone: 843/664-2600
Saleeby Center - Phone: 843/332-4104

South Carolina Department of Disabilities and Special Needs

FY 2015-2016 – Transfer from Excess Debt Service

Capital Projects for the repair and maintenance, replacement and/or improvement of DDSN sites, facilities and infrastructure \$4,500,000

Emergency Capacity to respond in emergency situations to ensure the health and safety of consumers, staff and the public. DDSN owns in excess of \$100 million worth in buildings and improvements and must maintain compliance with Federal and State requirements. \$300,000

Total Transfer from Excess Debt Service \$4,800,000

August 13, 2015

South Carolina Code of Laws

Excerpt

SECTION 44-20-1170. Special funds; disposition of revenues; withdrawal of funds.

(A) Following the execution and delivery of its obligations, the commission shall remit to the State Treasurer all its revenues, including accumulated revenues not applicable to prior obligations, for credit to a special fund. The special fund must be applied to meet the sums due by the commission under its obligations. These monies from the special fund must be applied by the State Treasurer to the payment of the principal of and interest on outstanding state capital improvement bonds.

(B) If the accumulation of revenues of the commission in the special fund exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year, the State Budget and Control Board may permit the commission to withdraw the excess and apply it to improvements that have received the approval of the board or to transfer the excess out of the special fund for contract awards to local disabilities and special needs boards for needed improvements at the local level and for nonrecurring prevention, assistive technology, and quality initiatives at the regional centers and local boards.

FY 2015-2016 CAPITAL IMPROVEMENT PROJECT LIST

Approved by the Commission at the May 21, 2015 Meeting

1	<u>Midland Center - Campus wide- Preventive Maintenance</u>	\$ 225,000.00
	The project scope includes life cycle repair and replacement of various building components in dormitories and other buildings at Midland Center campus. The work will include bathroom renovation to upgrade aging fixtures and finishes, and to improve functionality for resident specific disabilities. In addition to renovations to dormitory bathrooms, aging floor coverings and base will be replaced; doors, frames, and hardware will be repaired; walls and ceilings will be repaired and painted as required to provide safe, healthy, and pleasant environment for individuals with disabilities.	
2	<u>Whitten Center - Campus wide - Preventive Maintenance</u>	\$ 212,500.00
	Project funds will be used to install building communications at Hallet School Day Program Building; replacement of doors and frames at Sloan & Unit 201 Buildings, dormitory kitchen retrofit to eliminate existing ranges; storm hazard mitigation including fence clearing and tree trimming; and other identified needs that enhance the safety and welfare of Whitten Center residents with disabilities.	
3	<u>Coastal Center -Highlands 510 Roof Replacement</u>	\$ 249,000.00
	Project funds will be used to replace the existing shingle and low-slope roofing with new roofing at Highlands 510 residential unit. The existing roof is more than 23 years old, and with continuous leaks. Attempts to patch/repair are no longer containing the issue.	
4	<u>Coastal Center - Campus wide - Preventive Maintenance</u>	\$ 195,000.00
	The project scope includes replacement of grease trap in Central kitchen; emergency replacement of equipment, refrigerators, etc. with new, more energy efficient equipment at run-to-failure demise.	
5	<u>Pee Dee - Pecan Dorms & Other Support Buildings - Roof Repair & Replacement</u>	\$ 350,000.00
	Project funds will be used to make repairs and replace damaged areas low-slope and shingle roofs at the five Pecan Dorms, Administration Building, Health Services Building, and Warehouse/Kitchen/ Cafeteria. The low-slope areas are exhibiting minor issues. Some minor repairs for sealant, broken shingles, pipe boots, etc. are needed for the shingle dorm roofs. Overflow drainage must be addressed at one of the small roof areas over the loading dock at the warehouse. These roofing issues must be addressed to prevent damage to these buildings that are home for individuals with disabilities. These roofs were last repaired in 2001.	
6	<u>Pee Dee/Saleeby - Campus wide - Preventive Maintenance</u>	\$ 240,000.00
	Project funds will be used to cover the anticipated replacement of aging water heaters and inefficient HVAC units that past their life expectancy; replacement of two (2) commercial refrigerators/thaw boxes at Saleeby Center; and resurfacing of the PD Gym floor; . Maintenance needs at Pee Dee Center, Saleeby Center, and Pee Dee region community residences continue to mount and require attention, as well as other miscellaneous preventive maintenance repairs.	
7	<u>Statewide - Community Facilities Preventive Maintenance</u>	\$ 240,000.00
	Project funds will be used to make life cycle repairs at the 65 DDSN-owned community facilities statewide. This work includes window replacement, HVAC replacement, life safety system replacement, and other important life safety needs. These repairs must be made to maintain the building in code compliance status.	
8	<u>Statewide - Emergency Generators</u>	\$ 230,000.00
	Project funds will be used to repair, replace, and maintain aging emergency generators statewide, in order to provide reliable emergency power.	
9	<u>Regional Centers-Energy Management Controls Replacement (Yr. 3 of 5 - J16-9868)</u>	\$ 245,000.00
	Project funds will be used to replace existing energy management systems that are failing due to obsolete hardware and software. These systems reduce energy consumption and provide safety at regional centers by controlling HVAC equipment, water temperatures, emergency generators weekly exercise, etc. This project will be procured as a 5 year contract consisting of five one-year optional renewals. This request represents year three of potential five year funding not to exceed \$1,225,000.	

Total \$ 2,186,500.00

CAPITAL IMPROVEMENT PROJECT LIST

Approved by the Commission Pre-FY 2015-2016

1	9868 - Statewide - Regional Centers - Energy Management Controls System Replacement	\$	241,325
2	Whitten Center - Sloan Building Adaptive Reuse	\$	90,000
3	Whitten Center - Demolition of Regional Office Building	\$	151,000
4	Whitten Center - Consumer Life Improvements Preventive Maintenance	\$	248,000
5	9883 - Coastal Center - HVAC Replacement - Centerview, B-2, Dining Room- Phase II	\$	245,795
6	9884 - Coastal Center- Consumer Life Improvements Preventive Maintenance- Phase II	\$	198,970
7	9882 - Statewide - Accessible Bathing Equipment - Phase II	\$	211,775
8	Statewide- Emergency Generators	\$	225,000
9	Coastal Center - Preventive Maintenance	\$	250,000
10	Coastal Center - Dental Clinic Renovations	\$	250,000
11	9868 - Regional Centers - Energy Management Controls System Replacement - Yr 2 of 5	\$	245,000
		\$	2,356,865



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

August 13, 2015

To: Brenda Hart

From: Robert Macdonald

Re: DDSN Excess Debt Service Funds Request

The Department of Disabilities and Special Needs seeks excess debt service funds in the amount of \$4,800,000.00 For the purpose of meeting the improvements needed by the department.

The primary source of fees pledged to the debt service fund is room and board fees collected from the DDSN's consumers. The majority of the fees collected are derived from government payment the consumers receive monthly from Social or Supplemental Security Income.

The balance of the debt service fund as of August 13, 2015 is \$6,644,881.45. The department's last repayment obligation matured on June 1, 2009 and no longer carries any principal or interest obligation from the debt service fund. There are no remaining obligations to the debt service fund.

Based on the foregoing, we conclude that the department's request for an amount of \$4,800,000.00 to be transferred from excess debt service funds may be accommodated for the department to address the current need they have identified.

Please advise if you need further information from us.

A handwritten signature in cursive script that reads "Robert E. Macdonald".

Robert E. Macdonald, CPA

Cc: The Honorable Curtis M. Loftis, Jr.
Kevin Kibler
Allyn Powell

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 25, 2015

REGULAR SESSION
ITEM NUMBER 6

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$30,500,000 Aggregate Principal Amount Higher Education Refunding Revenue Bonds of the University of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$30,500,000 Aggregate Principal Amount Higher Education Refunding Revenue Bonds of the University of South Carolina In One or More Series of the State of South Carolina.

The proceeds of the bonds will be used to (i) pay the costs of refunding all or a portion of the University's Higher Education Facilities Revenue Bonds, 2005 Refunding Series A, outstanding in the aggregate principal amount of \$29,420,000; (ii) provide for the Series 2015A Reserve Requirement, if any; (iii) pay certain costs and expenses related to the issuance of the Series 2015A Bonds, and (iv) provide for credit enhancement with respect to the Series 2015A Bonds, if any.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$30,500,000 Aggregate Principal Amount Higher Education Refunding Revenue Bonds (Issued on Behalf of the University of South Carolina.

ATTACHMENTS:

Lipsitz 7/17/15 letter; Summary of Refinancing Proposal; Resolution

July 17, 2015

BY HAND DELIVERY

Mr. Delbert Singleton
State Fiscal Accountability
Authority of South Carolina
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: University of South Carolina Higher Education Refunding Revenue
Bonds, Series 2015A

Dear Delbert:

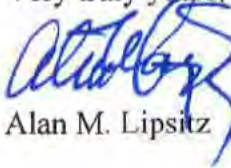
Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

Enclosed please find six (6) duplicate originals of a Resolution for consideration by the State Fiscal Accountability Authority approving the issuance and sale of not exceeding \$30,500,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and three (3) copies of the Series Resolution adopted by the Board of Trustees of the University of South Carolina on June 19, 2015 authorizing the issuance of the Series 2015A Bonds. The proceeds of the Series 2015A Bonds shall be used to (i) pay the costs of refunding all or a portion of the University's Higher Education Facilities Revenue Bonds, 2005 Refunding Series A, outstanding in the aggregate principal amount of \$29,420,000 (the "Refunded Bonds"); (ii) provide for the Series 2015A Reserve Requirement, if any; (iii) pay certain costs and expenses related to the issuance of the Series 2015A Bonds; and (v) provided for credit enhancement with respect to the Series 2015A Bonds, if any. Also enclosed is a Summary of Refinancing Proposal with respect to the Series 2015A Bonds. Please place this Resolution on the agenda for the State Fiscal Accountability Authority's meeting scheduled for August 11, 2015.

Mr. Delbert Singleton
State Fiscal Accountability
Authority of South Carolina
July 17, 2015
Page 2

Please advise me at your earliest convenience of any additional requirements or documentation that may be necessary to assist the State Fiscal Accountability Authority in considering and approving this request on August 11, 2015.

Very truly yours,



Alan M. Lipsitz

AML/ssc

cc: Charles D. FitzSimons w/enclosures, via email
Kevin Kibler w/enclosures, via email
Robert McDonald w/enclosures, via email

Summary of Refinancing Proposal for
University of South Carolina
Related to
Higher Education Refunding Revenue Bonds, Series 2015A

PRELIMINARY – SUBJECT TO CHANGE

July 15, 2015

Outstanding bonds proposed to be refinanced All or portions of certain maturities due June 1, 2016 through June 1, 2030 totaling \$29,420,000 of an original issuance of \$43,140,000 Higher Education Refunding Revenue Bonds, Series 2005A of the University of South Carolina

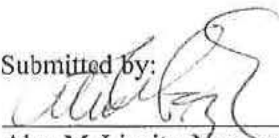
Average interest rate of bonds refinanced	4.39%
Projected average interest rate of refinancing bonds	2.83%
True interest cost of refinancing bonds	2.83%
Projected net present value savings (net of costs)	\$2,483,000
Projected net present value savings as a percentage of the bonds refinanced	8.44%

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)

Underwriting	\$105,000 (0.40% / 4.23%)
Legal fees – bond, disclosure and general counsel	\$46,000 (0.18% / 1.85%)
Rating agency fees	\$40,000 (0.15% / 1.61%)
Advisory fees	N/A
Bond trustee/registrar	\$5,000 (0.02% / 0.20%)
Accounting and verification	\$1,000 (0.00% / 0.04%)
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	\$15,000 (0.06% / 0.61%)
Total	\$212,000 (0.81% / 8.54%)

Prepared by: Barclays Capital Inc.
Date: July 15, 2015

Submitted by:


Alan M. Lipsitz, Nexsen Pruet, LLC,
as Bond Counsel

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF NOT EXCEEDING \$30,500,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO TITLE 59, CHAPTER 147 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO REFUND ALL OR A PORTION OF THE UNIVERSITY'S OUTSTANDING HIGHER EDUCATION FACILITIES REVENUE BONDS, 2005 REFUNDING SERIES A; AND OTHER MATTERS RELATED THERETO.

BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITLY AUTHORITY, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the State Fiscal Accountability Authority (the "State Authority") finds:

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act"), to issue revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvements of land, buildings, and other improvements to real property and equipment for the purposes of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University.

(b) On June 21, 1996, the Board of Trustees adopted a resolution entitled, "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (as amended, the "Bond Resolution"), as a means of providing for the issuance from time to time of Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees provided all conditions required by the

Bond Resolution are met. Such Bonds are payable solely from the Net Revenues and Additional Funds.

(c) The Board of Trustees has been advised under present market conditions, there would be a substantial financial savings to the University if it were to refund all or a portion of the University's Higher Education Facilities Revenue Bonds, 2005 Refunding Series A, outstanding in the aggregate principal amount of \$29,420,000 (the "Refunded Bonds").

(d) In order to refund the Refunded Bonds, pursuant to the Bond Resolution, the Board of Trustees adopted at its regularly scheduled meeting on June 19, 2015, a Series Resolution entitled, "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO BE DESIGNATED SERIES 2015A REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$30,500,000; AND OTHER MATTERS RELATING THERETO" (the "Series 2015A Resolution"), authorizing the issuance of not exceeding \$30,500,000 aggregate principal amount Higher Education Refunding Revenue Bonds, in one or more series (the "Series 2015A Bonds"), subject to the approval of the State Authority, for the following purposes: (i) refunding the Refunded Bonds, (ii) providing for the Series 2015A Reserve Requirement, if any, (iii) paying certain costs and expenses related to the issuance of the Series 2015A Bonds, and (iv) providing for credit enhancement with respect to the Series 2015A Bonds, if any.

Section 1.02

The Bond Resolution and the Series 2015A Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Authority.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2015A Bonds, including those required by the Bond Resolution, the Series 2015A Resolution and the Enabling Act, will be met upon the issuance of the Series 2015A Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2015A Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2015A BONDS

Section 2.01

The State Authority hereby approves and authorizes the issuance and sale of the Series 2015A Bonds in the aggregate principal amount not exceeding \$30,500,000, at public or private

sale, including a negotiated sale for public reoffering as authorized by the Board of Trustees in Article III, Section 6.01 and Section 9.01 of, and in the manner and under the conditions prescribed in, the Series 2015A Resolution.

Section 2.02

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: August 25, 2015

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 25, 2015

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Clemson University

SUBJECT: Not Exceeding \$8,000,000 Higher Education Revenue Bonds, Series 2015A, of
Clemson University

The Authority is asked to adopt a resolution making provision for the issuance and sale Not Exceeding \$8,000,000 Higher Education Revenue Bonds, Series 2015A, of Clemson University.

The proceeds of the bonds will be used to plan, develop, construct and equip additional student housing facilities on the campus of Clemson University, as well as dining, bookstores, retail, and other auxiliary facilities and services related to the Douthit Hill project.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding not exceeding \$8,000,000 Higher Education Revenue Bonds, Series 2015 of Clemson University.

ATTACHMENTS:

Pope 7/2/15 letter; Summary of Financing; Resolution



POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

Gary T. Pope, Jr. Pope Flynn, LLC
Attorney 1411 Gervais St., Suite 300
gpope@popeflynn.com Post Office Box 11509 (29211)
DIRECT 803 354.4917 Columbia, SC 29201
FAX 803 354.4899 www.popeflynn.com

July 22, 2015

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re Not exceeding \$8,000,000 of Higher Education Revenue Bonds of Clemson University, South Carolina (the "Bonds")

Dear Delbert:

On behalf of Clemson University, in connection with the authorization of the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 18, 2015, we respectfully enclose the following for consideration by the Authority:

1. A copy of a bond resolution adopted by the Board of Trustees of Clemson University on December 1, 1997, providing for the issuance and sale of revenue bonds of the University;
2. A copy of an amending series resolution adopted by the Board of Trustees of Clemson University on July 17, 2015, amending a series resolution dated April 12, 2013 to provide for the issuance of the Bonds; and
3. A proposed form of resolution of the Authority regarding the issuance of the Bonds.

Please let us know if you need anything further or if you have any questions or concerns.

Best regards,

Gary T. Pope, Jr.

Enclosures

- c. Steven H. Crump, Associate Vice President and University Controller, Clemson University
Kevin Kibler, Assistant State Treasurer

Summary of Financing Proposal for

CLEMSON UNIVERSITY

PRELIMINARY – SUBJECT TO CHANGE

August 18, 2015

Bonds proposed to be financed	Not Exceeding \$191,000,000* Clemson University Higher Education Revenue Bonds Series 2015
Average interest rate of bonds (to be refunded)	N/A
Projected average interest rate of bonds	3.50%**
Projected true interest cost of bonds	4.10%**
Estimated costs (costs as a percentage of bonds)	
Underwriting	\$ 915,000 (0.48%)**
Legal fees – bond, disclosure and general counsel	286,500 (0.15%)
Rating agency fees	297,500 (0.16%)
Advisory fees	191,000 (0.10%)
Bond trustee/registrar	10,000 (0.01%)
Accounting and verification	2,000 (0.00%)
Credit enhancement/bond insurance	-
Publication, printing, contingencies and all other expenses	17,500 (0.01%)
Total	\$ 1,719,000 (0.90%)

Prepared by: Pope Flynn, LLC, bond counsel, and First Southwest Company, financial advisor to
Clemson University.

Date: July 31, 2015

* The proposed authorization to issue not exceeding \$8,000,000 of Higher Education Revenue Bonds of Clemson University is an amendment to an existing authorization to issue not exceeding \$183,000,000 of Higher Education Revenue Bonds to finance a portion of what is known as the Douthit Hills Project. There is no increase in the total Douthit Hills Project budget. The request for additional revenue bond authorization reflects the University's determination to issue more revenue bonds and fewer State Institution Bonds. No bonds have been issued pursuant to the existing authorization. If approved, the not exceeding \$8,000,000 of Higher Education Revenue Bonds would be issued as part of a not exceeding \$191,000,000 of Higher Education Revenue Bonds, which the University anticipates undertaking in late fall of 2015.

** For illustrative purposes only. The bonds will be sold at a competitive sale and awarded on the basis of lowest interest cost (TIC or NIC); the actual underwriter's compensation will not be known until the time of sale.

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$8,000,000 HIGHER EDUCATION REVENUE BONDS, SERIES 2015A, OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina State Fiscal Accountability Authority (the "Authority") finds:

Section 1.01

(a) The Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University, South Carolina (the "University"), is authorized by Chapter 147, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), to make provision for the issuance of revenue bonds ("Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of the acquisition, construction, reconstruction, renovation and improvement of land and certain facilities identified under the Enabling Act (the "Facilities") on the campus of the University. The Board of Trustees is authorized by the Enabling Act to secure the Revenue Bonds from certain revenues of the Facilities and a pledge of the proceeds of a special fee charged to all persons in attendance at any regular or summer session and who are enrolled in any course or class for which credit is given for any degree offered by the University.

(b) On December 1, 1997, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain Outstanding (i) \$2,755,000 of the original principal amount \$22,130,000 Improvement and Refunding Revenue Bonds, Series 2005 (the "Series 2005 Bonds"), (ii) \$17,820,000 of the original principal amount \$21,200,000 Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), (iii) \$90,285,000 of the original principal amount \$90,285,000 Higher Education Revenue Bonds, Series 2015 (the "Series 2015 Bonds," and together with the Series 2005 Bonds and the Series 2012 Bonds, the "Outstanding Bonds").

(c) On April 12, 2013, the Board of Trustees adopted a series resolution entitled “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING ONE HUNDRED EIGHTY THREE MILLION DOLLARS (\$183,000,000) AND OTHER MATTERS RELATING THERETO” (the “2013 Series Resolution”) authorizing the issuance of Higher Education Revenue Bonds, Series 2013 (the “Series 2013 Bonds”) for the purpose of providing funds necessary to plan, develop, construct and equip additional student housing facilities on the campus of the University, as well as dining, bookstore, retail, and other auxiliary facilities and services related thereto (collectively, the “Douthit Hills Project”).

(d) Since the adoption of the 2013 Series Resolution, the University has determined that a change in funding sources is advisable and that a decrease in State Institution Bonds is appropriate in connection with projects associated with the Douthit Hills Project and an increase in the amount of Revenue Bonds authorized for the Douthit Hills Project is necessary to achieve the goals and objectives of the University. Accordingly, on July 17, 2015, the Board of Trustees adopted “A RESOLUTION AMENDING THAT RESOLUTION ENTITLED ‘A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING ONE HUNDRED EIGHTY-THREE MILLION DOLLARS (\$183,000,000) AND OTHER MATTERS RELATING THERETO’ ADOPTED APRIL 12, 2013, TO AUTHORIZE THE ISSUANCE AND SALE OF AN ADDITIONAL NOT EXCEEDING EIGHT MILLION DOLLARS (\$8,000,000) OF HIGHER EDUCATION REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO” (the “Amended 2015 Series Resolution”). The Amended 2015 Series Resolution amended the 2013 Series Resolution to provide for an additional \$8,000,000 in principal amount of Revenue Bonds for the Douthit Hills Project (together with the Series 2013 Bonds, the “Series 2015A Bonds”), subject to Authority approval. By coincident separate resolution of the Board of Trustees, it was further requested that the Authority reduce certain State Institution Bond authorization associated with projects supporting the Douthit Hills Project.

(e) The Amended 2015 Series Resolution does not affect any matters addressed in the 2013 Series Resolution except the authorized principal amount of Revenue Bonds authorized.

Section 1.02

The Bond Resolution and the Amended 2015 Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

Section 1.03

The Board of Trustees represents that all conditions precedent to the issuance of the Series 2015A Bonds, including those required by the Bond Resolution, the Amended 2015 Series Resolution, and the Enabling Act, will be met upon the issuance of the Series 2015A Bonds.

Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the Bond Resolution and the Amended 2015 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2015A BONDS

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2015A Bonds in the principal amount, and in the manner and under the conditions prescribed by the Amended 2015 Series Resolution and the Bond Resolution.

Section 2.02

On the basis of the foregoing, and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: August 25, 2015

AGENCY: Clemson University

SUBJECT: Request to Reduce Existing Authorization to Issue General Obligation State Institution Bonds to be issued on behalf of Clemson University from \$13,000,000 to \$6,500,000

On August 12, 2014, the State Budget and Control Board adopted a resolution to provide for the issuance and sale of Not Exceeding \$13,000,000 Principal Amount of General Obligation State Institution Bonds (issued on behalf of Clemson University), Series 2014 of the State of South Carolina and Notes in anticipation of the issuance thereof; to prescribe the purposes for which the proceeds shall be expended; to provide for the payment thereof; and other matters relating thereto" authorizing the bonds for the purposes described in the requesting resolution.

The Board of Trustees of Clemson University has determined that given available resources, certain costs of permanent improvement to the University should be financed with revenue bonds of the University. In the judgement of the Board of Trustees a reduction in the amount of bonds necessary for the project is appropriate.

The Authority is asked to reduce existing authorization to issue General Obligation State Institution Bonds to be issued on behalf of Clemson University from \$13,000,000 to \$6,500,000.

AUTHORITY ACTION REQUESTED:

Adopt a resolution to reduce existing authorization of the resolution adopted on August 12, 2014, by the Budget and Control Board to issue General Obligation State Institution Bonds to be issued on behalf of Clemson University from \$13,000,000 to \$6,500,000.

ATTACHMENTS:

Pope 7/22/15 letter; Resolution; Summary of Financing



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COLUMBIA | CHARLOTTE | SPARTANBURG

Gary T. Pope, Jr. **Pope Flynn, LLC**
Attorney 1411 Gervais St., Suite 300
gpope@popeflynn.com Post Office Box 11509 (29211)
DIRECT 803 354.4917 Columbia, SC 29201
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July 22, 2015

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re Request to reduce existing authorization to issue General Obligation State Institution Bonds (to be issued on behalf of Clemson University) from \$13,000,000 to \$6,500,000 (the "Bonds")

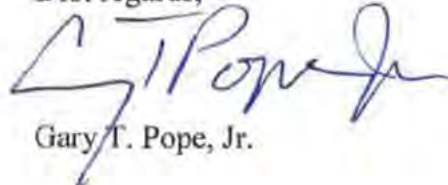
Dear Delbert:

On behalf of Clemson University, in connection with the authorization for the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 18, 2015, we respectfully enclose the following for consideration by the Authority:

1. A copy of a resolution adopted by the Board of Trustees of Clemson University on July 17, 2015, requesting that the Authority reduce the authorized not exceeding amount of the Bonds to \$6,500,000; and
2. A proposed form of resolution of the Authority regarding reducing the authorized not exceeding amount of the Bonds.

Please let us know if you need anything further or if you have any questions or concerns.

Best regards,



Gary T. Pope, Jr.

Enclosures

- c. Steven H. Crump, Associate Vice President and University Controller, Clemson University
Kevin Kibler, Assistant State Treasurer, Office of State Treasurer

A RESOLUTION

LIMITING THE PRINCIPAL AMOUNT OF BONDS THAT MAY BE ISSUED PURSUANT TO "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTEEN MILLION DOLLARS (\$13,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA AND NOTES IN ANTICIPATION OF THE ISSUANCE THEREOF; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" ADOPTED AUGUST 12, 2014.

Adopted August 25, 2015

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A RESOLUTION

LIMITING THE PRINCIPAL AMOUNT OF BONDS THAT MAY BE ISSUED PURSUANT TO "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTEEN MILLION DOLLARS (\$13,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA AND NOTES IN ANTICIPATION OF THE ISSUANCE THEREOF; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" ADOPTED AUGUST 12, 2014.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of the Bond Resolution (hereinafter defined).

Section 1.01 General Findings of Authorization.

(a) The South Carolina Budget and Control Board (the "State Board") was authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including Clemson University (the "University"), the proceeds of which may be used for any one or more of the following purposes:

- (i) to construct, reconstruct, maintain, improve, furnish and refurbish the buildings and other permanent improvements for the Institutions,
- (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,
- (iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or
- (iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(b) Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on February 7, 2014 (the "Board Resolution"), the Board of Trustees requested the State Board to authorize the Governor and the State Treasurer (each as defined therein) to issue State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$13,000,000 to: (i) construct, reconstruct, maintain, improve, furnish, and refurbish the buildings of and other permanent improvements to the University, including a water tower and utility infrastructure on the campus of the University; (ii) defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of the University; (iii) reimburse the University for expenses incurred in anticipation of the issuance of such bonds ((i)-(iii), collectively, the "Project"); and (iv) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board

Resolution constituted the application to the State Board required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the State Board to approve the application and authorize the issuance of such State Institution Bonds.

(c) The State Board reviewed the Board Resolution and determined to authorize not exceeding Thirteen Million Dollars (\$13,000,000) principal amount of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2014, of the State of South Carolina (the "Bonds"), or one or more BANs in anticipation thereof, for the purposes described in paragraph (b) above, and adopted "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTEEN MILLION DOLLARS (\$13,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" on August 12, 2014 (the "Bond Resolution").

(d) Pursuant to a resolution of the Board of Trustees adopted on July 17, 2015 (the "Limiting Request"), the Board of Trustees has formally requested the Authority (as successor to the State Board), to limit the aggregate principal amount of Bonds authorized to be issued under the Bond Resolution to \$6,500,000, to reflect that certain costs of the Project are planned to be funded through the issuance of revenue bonds of the University rather than through the issuance of State Institution Bonds.

(e) The Authority, pursuant to Section 59-107-50 of the Enabling Act may modify applications for the issuance of State Institution Bonds. The Authority accepts the Limiting Request and is now minded to modify the authorization provided by the Bond Resolution as requested.

ARTICLE II LIMITATION ON PRINCIPAL AMOUNT OF BONDS

Section 2.01 Determination of Amount of Bonds Herein Authorized.

The Authority hereby limits the aggregate principal amount of Bonds authorized by the Bond Resolution to the aggregate principal amount of not exceeding \$6,500,000.

ARTICLE III MISCELLANEOUS

Section 3.01 Effect on Bond Resolution.

The Bond Resolution remains in full force and effect, except that the aggregate principal amount of the Bonds authorized thereby is limited as stated in Section 2.01 above.

Section 3.02 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings filed for each Series of Bonds), and with the offices of each Paying Agent and Registrar for each Series of Bonds.

Section 3.03 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 3.04 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 3.05 Repeal of Inconsistent Resolutions.

All resolutions of the Authority, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 3.06 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 25, 2015

REGULAR SESSION
ITEM NUMBER 9

AGENCY: Clemson University

SUBJECT: Request to Rescind Authorization for Not Exceeding \$23,700,000 of General Obligation State Institution Bonds (to have been issued on behalf of Clemson University)

The Authority is asked to rescind authorization for a resolution adopted by the Budget and Control Board on October 31, 2013, for Not Exceeding \$23,700,000 of General Obligation State Institution Bonds to have been issued on behalf of Clemson University.

AUTHORITY ACTION REQUESTED:

Adopt a resolution to rescind authorization for a resolution adopted by the Budget and Control Board on October 31, 2013, for Not Exceeding \$23,700,000 of General Obligation State Institution Bonds to have been issued on behalf of Clemson University.

ATTACHMENTS:

Pope 7/22/15 letter; Resolution



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July 22, 2015

Mr. Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
South Carolina State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re Request to rescind authorization for not exceeding \$23,700,000 of General Obligation State Institution Bonds (to have been issued on behalf of Clemson University) (the "Bonds")

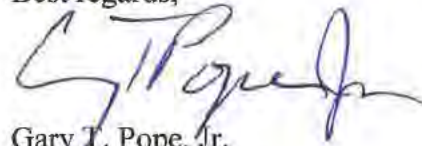
Dear Delbert:

On behalf of Clemson University, in connection with its request to rescind authorization for the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for August 18, 2015, we respectfully enclose the following for consideration by the Authority:

1. A copy of a resolution adopted by the Board of Trustees of Clemson University on July 17, 2015, requesting that the Authority rescind authorization for the Bonds; and
2. A proposed form of resolution of the Authority regarding rescinding authorization for the Bonds.

Please let us know if you need anything further or if you have any questions or concerns.

Best regards,



Gary T. Pope, Jr.

Enclosures

- c. Steven H. Crump, Associate Vice President and University Controller, Clemson University
Kevin Kibler, Assistant State Treasurer, Office of State Treasurer

A RESOLUTION

RESCINDING THAT RESOLUTION ENTITLED "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$23,700,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA AND NOTES IN ANTICIPATION OF THE ISSUANCE THEREOF; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" ADOPTED OCTOBER 31, 2013.

Adopted August 25, 2015

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A RESOLUTION

RESCINDING THAT RESOLUTION ENTITLED "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$23,700,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA AND NOTES IN ANTICIPATION OF THE ISSUANCE THEREOF; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" ADOPTED OCTOBER 31, 2013.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of the Bond Resolution (hereinafter defined).

Section 1.01 General Findings of Authorization.

(a) The South Carolina Budget and Control Board (the "State Board") was authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including Clemson University (the "University"), the proceeds of which may be used for any one or more of the following purposes:

- (i) to construct, reconstruct, maintain, improve, furnish and refurbish the buildings and other permanent improvements for the Institutions,
- (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,
- (iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or
- (iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(b) Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on October 18, 2013 (the "Board Resolution"), the Board of Trustees requested the State Board to authorize the Governor and the State Treasurer (each as defined therein) to issue State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$23,700,000 to provide funds to: (i) plan, develop, and construct the Spaulding Paolozzi Center/Clemson Architecture Center in Charleston, South Carolina, an academic facility anticipated to house the Architecture, Historic Preservation, Landscape Architecture, Urban Design, and Architecture + Health programs; (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the State Board required by Section 59-107-40 of the Enabling Act and the provisions thereof

contained all information necessary for the State Board to approve the application and authorize the issuance of such State Institution Bonds.

(c) The State Board reviewed the Board Resolution and determined to authorize not exceeding Twenty Three Million Seven Hundred Thousand Dollars (\$23,700,000) principal amount of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2013, of the State of South Carolina (the "Bonds"), or one or more BANS in anticipation thereof, for the purposes described in paragraph (b) above, and adopted "A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$23,700,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 2014 OF THE STATE OF SOUTH CAROLINA AND NOTES IN ANTICIPATION OF THE ISSUANCE THEREOF; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO" on October 31, 2013 (the "Bond Resolution").

(d) Pursuant to a resolution of the Board of Trustees adopted on July 17, 2015 (the "Rescission Request"), the Board of Trustees has formally requested the Authority (as successor to the State Board), to rescind the Bond Resolution to reflect the determination of the Board of Trustees that the Project is not practicable.

(e) The Authority, pursuant to Section 59-107-50 of the Enabling Act may modify applications for the issuance of State Institution Bonds. The Authority finds that no Bonds have been issued pursuant to the Bond Resolution, and accepts the Rescission Request and is now minded to rescind the authorization provided by the Bond Resolution as requested.

ARTICLE II RESCISSION OF BOND RESOLUTION

Section 2.01 Rescission of Bond Resolution.

The Authority hereby rescinds the Bond Resolution. The Bond Resolution is hereby null and void, and of no legal effect.

ARTICLE III MISCELLANEOUS

Section 3.01 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Authority.

Section 3.02 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 3.03 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 3.04 Repeal of Inconsistent Resolutions.

All resolutions of the Authority, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 3.05 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 25, 2015

REGULAR SESSION
ITEM NUMBER 10

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, October 27, 2015, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2015

Tuesday, October 27
Tuesday, December 15

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, October 27, 2015, in Room 252, Edgar A. Brown Building.

ATTACHMENTS:

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 25, 2015

Regular Agenda

1. **Submitted By:**

(a) Agency: Department of Administration

(b) Authorized Official Signature:



Brenda Hart, Director, Executive Budget Office

2. **Subject: Permanent Improvement Projects**

3. **Summary Background Information:**

Establish Project for A&E Design

(a) Summary 7-1-2016: JBRC Item 2. Clemson University

Project: 9926, East Campus Water Tower Construction

Funding Source: \$70,000 Other, Maintenance and Stewardship funds, which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period.

Request: Establish project and budget for \$70,000 (Other, Maintenance and Stewardship Funds) to begin design work to construct the East Campus Water Tower at Clemson University. The scope would include constructing a new water tower on the east campus. The new water tower will be a one million gallon elevated storage tank that will replace the existing Kite Hill water tank and provide for the growth needs of the University's water distribution system. The new water tower will be constructed on the site of the Kite Hill tank on the east campus, which will be demolished when the new tower is completed. The University's water distribution system is a state licensed water system serving the entire campus population with drinking water and fire protection. The Kite Hill water tank is more than 56 years old and does not meet the needs of the east campus. Campus population and facility growth on this system will require water storage capacity improvements by 2018 to meet state regulations for storage reserve required for peak hour water usage and fire protection. Replacing this aging tank will increase the overall usable water storage needed to satisfy the University's water storage requirements beyond 2030. It will also provide a long-term solution to back-up pressurization and capacity requirements for the licensed water distribution system and meet current and future needs.

(b) Summary 1-2016: JBRC Item 3. University of South Carolina

Project: 6112, North Energy Plant Expansion and Chilled Water Loop Extension

Funding Source: \$177,750 Other, Institutional Funds, which are funds available to the university from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.

Request: Establish project and budget for \$177,750 (Other, Institutional Funds) to begin design work to renovate and construct the North Energy Plant expansion and chilled water loop extension at the University of South Carolina. The scope would include increasing the chilled water capacity for the western portion of the campus by adding a 3,000 ton chiller and cooling tower to the North Energy Plant. The plant will be expanded to accommodate the new

equipment and include space and electrical/piping infrastructure for a second 3,000 ton chiller/cooling tower to support construction in the West Campus District. Also included in this project is the installation of new underground chilled water piping to allow the North Energy Plant to provide emergency backup cooling to the West Energy Plant chilled water loop and also backup portions of the East Energy Plant chilled water loop. The expansion will provide additional capacity and backup cooling for facilities in the west area of the campus and provides a critical emergency backup cooling source for the core campus and portions of the east campus. The chilled water line extension will provide emergency backup for campus buildings served by the West Energy Plant, especially in summer months, and increase system efficiency in the winter months by allowing the West Energy Plant to shut down.

- (c) Summary 1-2016: JBRC Item 4. University of South Carolina
Project: 6113, Emergency Generators for Critical Research
Funding Source: \$22,500 Other, Institutional Funds, which are funds available to the university from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.
Request: Establish project and budget for \$22,500 (Other, Institutional Funds) to begin design work to renovate research facilities at the University of South Carolina. The scope would include installation of emergency generators at three critical research facilities. An existing 800KW generator at the Coker Life Sciences building will be relocated to the Swearingen Engineering building. A new, larger 1000KW generator will be installed at the Coker Life Sciences building, and a new 500KW generator will be installed at the Earth and Water Sciences building. The project will integrate the generators with the buildings' electrical systems and include automatic transfer switches for immediate power transfer switching. The generators will be sized to supply power to the entire building electrical system to allow uninterrupted operation of research, mechanical, ventilation, lighting, teaching and administrative activities. The generators will provide 100% automatic backup power with automatic switching. The generator will also serve a life safety function by maintaining negative pressurization at hoods within labs during a power loss while also preventing the potential loss of expensive and critical research data.
- (d) Summary 1-201: JBRC Item 6. Department of Mental Health
Project: 9746, Santee Wateree Mental Health Center Construction
Funding Source: \$150,000 Other, Capital Improvement and Maintenance Funds, which are which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Establish project and budget for \$150,000 (Other, Capital Improvement and Maintenance Funds) to begin design work construct a 40,000 square foot mental health center, in the Sumter area, in order to provide comprehensive mental health services to clients in Sumter County. This request is related to DMH's goal to provide sufficient mental health services, in communities, to minimize consumers' need for hospitalization by having greater access to treatment services. The current Santee Wateree Mental Health Center facility, constructed in 1972, is 13,318 square feet and is located on a two acre tract of land. It is no longer suitable for current client volume and treatment programs and is currently in need of substantial maintenance, including a new roof and HVAC system. The Department of Mental Health is purchasing land to allow for the construction of this new facility. The new facility, which will house 85 staff and serve approximately 2,670 clients annually, will be able to house both the existing Mental Health Center programs, as well as two additional Department of Mental Health offices currently occupying 11,682 square feet of leased space. This consolidation will eliminate the need for leased space for one of these office locations. The

new facility and consolidation will allow for a more seamless transition between various programs for clients and provide greater security and safety. The new facility will provide the following services: Adult Outpatient Services, Assertive Community Treatment, Elder Services, Crisis Services, Child/Adolescent and Family Services, Rehabilitation Psychosocial Services, Employment Services, Day Treatment, Administration, and Training and Facility Support. Construction would also include parking for 140 vehicles and landscaping improvements.

Establish Construction Budget

- (e) Summary 1-2016: JBRC Item 9. Clemson University
Project: 9917, Student Activities Center Renovation
Funding Source: \$3,000,000 which includes \$1,911,000 Other, Dining Improvement funds, which are funds resulting from bond-covenant required transfers from Dining Operations to allow for the maintenance and replacement of capital assets funded by bond issues, and \$1,089,000 Other, private gift funds, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.
Request: Increase budget to \$3,000,000 (add \$2,900,000 - \$1,911,000 Other, Dining Improvement and \$989,000 Other, Private Gift Funds) to perform renovations on the Sheep Barn facility for use as a student-centered activity center at Clemson University. This project was established for design work in April 2014, which is now complete. The facility is a 7,000 square foot vacated central campus agriculture building that is currently used for material storage. Due to its open floor plan, the renovated facility will include large meeting and lecture rooms and spaces for student and academic-related functions. The renovation will include making structural improvements to the facility, adding mechanical and electrical systems, and upgrading the building envelope to provide a comfortable, energy-efficient environment. Care will be taken to preserve the character of the facility and maintain its status on the National Register of Historic Places. The 7,000 square foot building is centrally located adjacent to numerous large housing facilities on the east campus and offers a unique and highly accessible venue for hosting variety of student activities, entertainment, food options, informal social interactions, and other programs that foster student engagement. The facility will provide a new alternative, especially for students who live or commute on the east side of the campus, to connect with the campus and enrich their Clemson experience, enhancing Clemson's ability to retain the best and brightest students. The agency reports total projected cost of this project is \$3 million, and additional annual operating costs between \$157,210 and \$166,784 are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is December 2015 and the projected date for completion of construction is December 2016. (See attachment 1 for additional annual operating costs.)
- (f) Summary 1-2016: JBRC Item 10. State Board for Technical and Comprehensive Education
Project: 6099, Horry-Georgetown - Conway - Advanced Manufacturing Center Construction
Funding Source: \$6,333,732 Other, College funds, which are excess revenues from a variety of sources acquired over time to address capital improvements and maintenance needs.
Request: Increase budget to \$6,333,732 (add \$6,243,732 Other, College Funds) to construct a 25,000 square foot commercial prefabricated metal building in the business park across from the Horry Georgetown Technical College's Conway campus. This project was established for design work in January 2015, which is now complete. The land for the proposed construction has been donated to the College by Horry County. The building will be used to house the College's Advanced Manufacturing Programs which includes the CNC/Machine Tool, Welding, Robotics and Mechatronics programs. The College has outgrown its existing

academic space for these programs, and desperately needs additional instructional space to support growing these programs to meet increased industry demands. With the construction of this facility, the College intends to increase Welding and Machine Tool enrollment from 50 to more than 175 students. Graduates from these programs have starting salaries well in advance of local averages and are marketable throughout the state and in a variety of industries. The agency reports total projected cost of this project is \$6,333,732, and additional annual operating costs of \$60,000 are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is March 2016 and the projected date for completion of construction is December 2016. (See attachment 2 for additional annual operating costs.)

- (g) Summary 7-2015: JBRC Item 11. Department of Administration
Project: 9951, PEBA - HVAC Modifications
Funding Source: \$2,381,948 Other, PEBA funds which are funds that PEBA is allowed to use for the administration of the agency from the SC Retirement System and Employee Insurance Program trust funds.
Request: Increase budget to \$2,381,948 (add \$2,347,698 Other, PEBA funds) to renovate the HVAC system at the Gressette Collins Building in Columbia, which houses the Public Employee Benefits Authority (PEBA). The project was established for pre-design in April 2015, which is now complete. The 62,500 square foot facility serves 203 staff with 79 water source HVAC units located in the building above the ceilings. These units are original to the building, which is 27 years old, and are in need of replacement. As these systems are all reaching the end of their useful life, General Services and the agency are looking at a comprehensive overhaul of the system to make it more efficient and to eliminate problems with the flow of water throughout the system and contaminants in the cooling water. These contaminants have impacted both the water source units and the two cooling towers installed in 2008. The scope of the project will involve modifications to the ceilings and ceiling lighting, as well as the installation of new piping and duct work throughout the building. The project will also include the installation of a new heat exchanger and related tower pumps. The agency reports the total projected cost of this project is \$2,381,948.40, and operating savings of \$28,000 per year are anticipated in association with this project. The agency also reports the projected date for execution of the construction contract is September 2015 and the projected date for completion of construction is September 2016. (See attachment 3 for additional annual operating cost savings.)

Establish Project for Preliminary Land Studies

- (h) Summary 1-2016: JBRC Item 14. Clemson University
Project: 9927, Emerging Technology Center Building Acquisition
Funding Source: \$25,000 Other, Self-Generated Revenue funds, which are revenues derived from fees and amounts derived from routine operations of a land-grant research university, including grants and contracts revenues, sales and services of educational activities, investment income and other operating revenues which do not include student fees or state appropriations.
Request: Establish project and budget for \$25,000 (Other, Self-Generated Revenue funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Clemson University is considering acquiring a 49,380 square foot office warehouse facility on 6.94 acres of land at the Clemson Research Park in Anderson. The property is owned by the Clemson University Research Foundation (CURF) and will be acquired for continued use as an off-campus storage site for the Clemson libraries, for other Clemson units needing permanent storage space for records and materials, and for offices for staff associated with

the monitoring and access of the space. The Phase I budget will fund procurement of an appraisal a Phase I environmental survey and a Phase I building condition assessment. Clemson currently leases this facility from the CURF for off campus storage and related offices. The facility is used for the University's Library Depot, which houses the University Records Center, libraries' off-site shelving, technical services, collection management unit, and digital imaging labs. CURF is focusing more on its research initiatives and is eliminating its real estate activities. As a result, CURF wants to sell the facility. Clemson currently leases the building and by acquiring the facility would save on the lease payments it currently pays to CURF and still meeting its library storage and related needs.

4. What is the Board asked to do?

Approve permanent improvement project establishment requests and budget revisions.

5. What is the recommendation of the Executive Budget Office?

Consider approval of the permanent improvement project establishment requests and budget revisions.

6. Recommendation of other Division/Agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of Supporting Documents:

Attached:

1. Clemson Student Activities Center additional annual operating costs.
2. Horry-Georgetown - Advanced Manufacturing Center additional annual operating costs.
3. Department of Administration - PEBA HVAC additional annual operating costs savings.
4. Permanent Improvement Project Information.

STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, August 25, 2015 -- 1:10 P. M.
Room 252, Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Department of Administration Division of General Services	Easements
3.	SC Energy Office	\$2.3 Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs- Economic Development Authority (JEDA) as Conduit Issuer
4.	Division of Procurement Services	Procurement Audits and Certifications
5.	Executive Director	Revenue Bonds

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues, other revenue issues, and special assignment for bond counsel for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$24,000,000 SC JEDA	Goodwill Industries of Lower SC, Inc. and Palmetto Goodwill	Haynsworth Sinkler Boyd	Pope Flynn

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
SC State Housing Finance & Development Authority \$16,000,000.00	State Housing Authority Sha7, LLC	Howell Linkous & Nettles
SC State Housing Finance & Development Authority \$26,000,000.00	Waters at Magnolia Bay, LP	Howell Linkous & Nettles

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$30,50,000.00 Higher Ed Rev Bds for the purpose of refunding of currently outstanding Rev Bds (2005A Refunding Bds)	University of South Carolina	Nexsen Pruitt

AUTHORITY ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for August 25, 2015 State Fiscal Accountability Authority
Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$24,000,000 SC JEDA	Goodwill Industries of Lower SC, Inc. and Palmetto Goodwill	Haynsworth Sinkler Boyd	Pope Flynn	06/16/15

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
SC State Housing Finance & Development Authority \$16,000,000.00	State Housing Authority Sha7, LLC	Howell Linkous & Nettles	07/22/15
SC State Housing Finance & Development Authority \$26,000,000.00	Waters at Magnolia Bay, LP	Howell Linkous & Nettles	07/22/15

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$30,50,000.00 Higher Ed Rev Bds for the purpose of refunding of currently outstanding Rev Bds (2005A Refunding Bds)	University of South Carolina	Nexsen Pruitt	07/24/15

AGENCY: Department of Administration, Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Aiken
From: Department of Administration
To: Ronnie R. Reiselt and Roni Rhodes Reiselt
Consideration: \$1
Description/Purpose: To release an existing access easement over land within the Aiken State Park and grant a smaller 30' wide easement across the southern tip of the Park's property for the purpose of providing ingress and egress to the Reiselt's tracts that are on both sides of the lands of the Aiken State Park. The new access easement will reduce the size of the area currently encumbered by the existing access easement. The easement will be of mutual benefit to the Department of Parks, Recreation and Tourism and the Reiselts.
- (b) County Location: Lancaster
From: Department of Administration
To: Comporium, Inc.
Consideration: \$1
Description/Purpose: To grant a 0.01 acre easement for the installation, operation and maintenance of communication lines on property of the Catawba Workforce Area Office in Lancaster. The work is to provide service upgrades and improve system reliability. The easement is being sought by the Department of Employment and Workforce for the benefit of the property.
- (c) County Location: Horry
From: Department of Natural Resources
To: Horry County
Consideration: \$1
Description/Purpose: To grant a 0.13 acre easement over land of the Little Pee Dee Heritage Preserve and Wildlife Management Area for the purpose of performing road improvements to a dirt road known as Church Landing Road and maintaining the road for public use. The road will also serve as safer access to a public boat landing. The easement will be of mutual benefit to the Department of Natural Resources and Horry County.

AUTHORITY ACTION REQUESTED: Approve granting the referenced easements as recommended by the Department of Administration, Division of General Services.

ATTACHMENTS: Agenda item worksheet and attachments

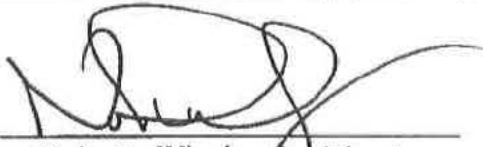
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Division of General Services
(b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject:

EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Aiken
From: Department of Administration
To: Ronnie R. Reiselt and Roni Rhodes Reiselt
Consideration: \$1
Description/Purpose: To release an existing access easement over land within the Aiken State Park and grant a smaller 30' wide easement across the southern tip of the Park's property for the purpose of providing ingress and egress to the Reiselt's tracts that are on both sides of the lands of the Aiken State Park. The new access easement will reduce the size of the area currently encumbered by the existing access easement. The easement will be of mutual benefit to the Department of Parks, Recreation and Tourism and the Reiselts.
- (b) County Location: Lancaster
From: Department of Administration
To: Comporium, Inc.
Consideration: \$1
Description/Purpose: To grant a 0.01 acre easement for the installation, operation and maintenance of communication lines on property of the Catawba Workforce Area Office in Lancaster. The work is to provide service upgrades and improve system reliability. The easement is being sought by the Department of Employment and Workforce for the benefit of the property.

(c) County Location: Horry
From: Department of Natural Resources
To: Horry County
Consideration: \$1
Description/Purpose: To grant a 0.13 acre easement over land of the Little Pee Dee Heritage Preserve and Wildlife Management Area for the purpose of performing road improvements to a dirt road known as Church Landing Road and maintaining the road for public use. The road will also serve as safer access to a public boat landing. The easement will be of mutual benefit to the Department of Natural Resources and Horry County.

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

5. What is recommendation of the Division of General Services? Recommend approval of the referenced easements.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) Ronnie R. Reiselt and Roni Rhodes Reiselt
 - (b) Comporium, Inc.
 - (c) Horry County

SOUTH CAROLINA CODE OF LAWS

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

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

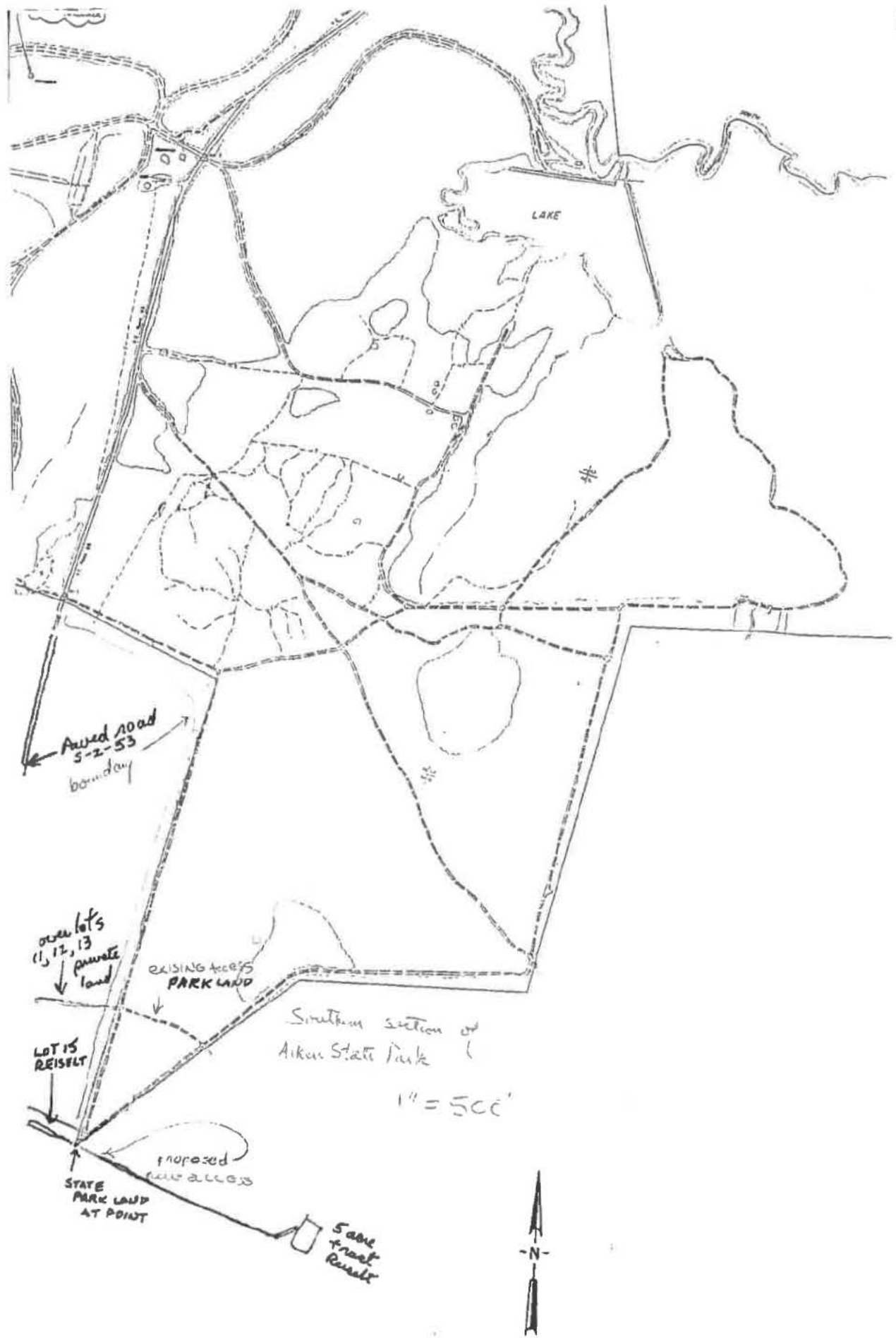
SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

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

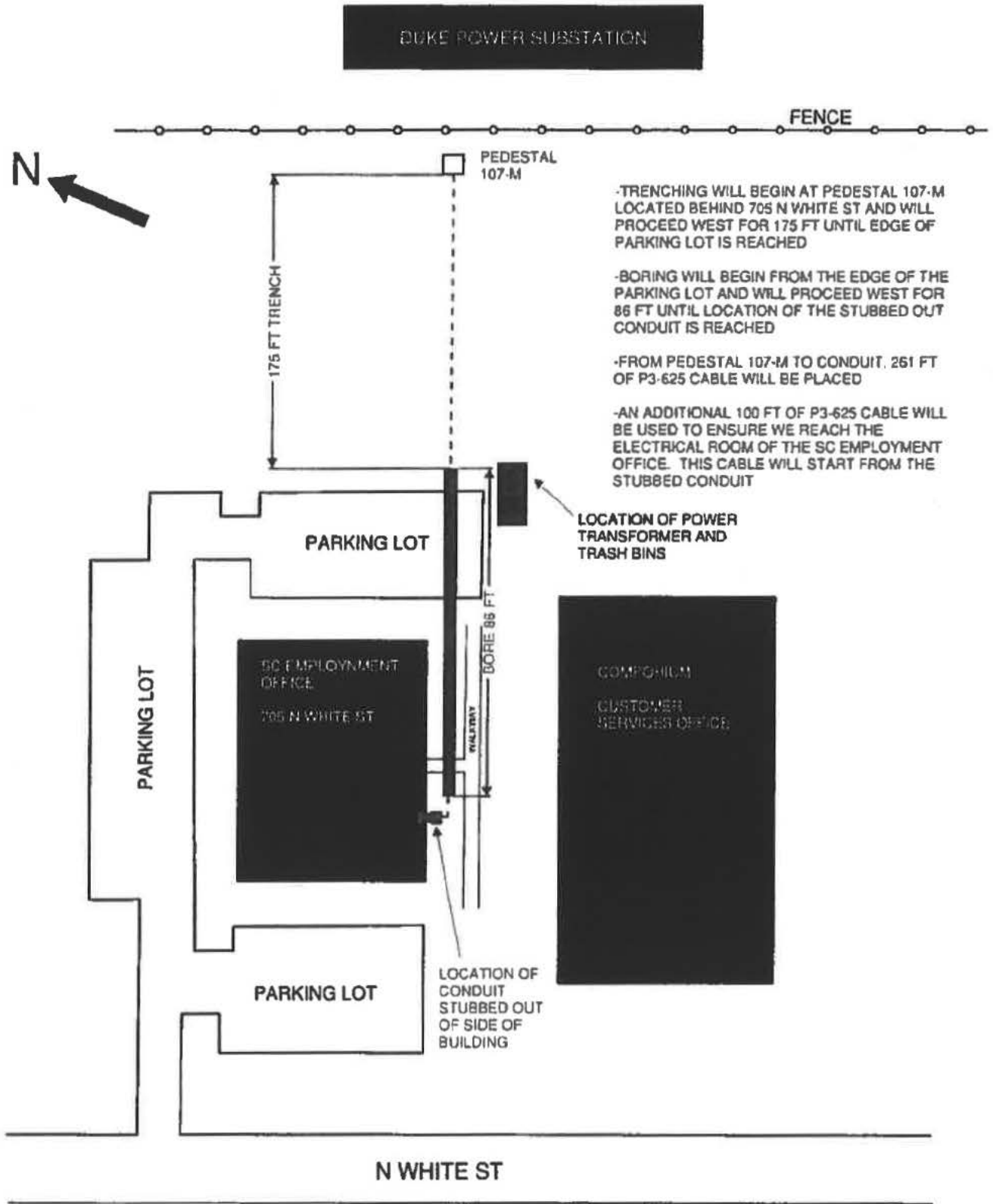
SECTION 10-1-130. Grant of easements and rights of way.

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

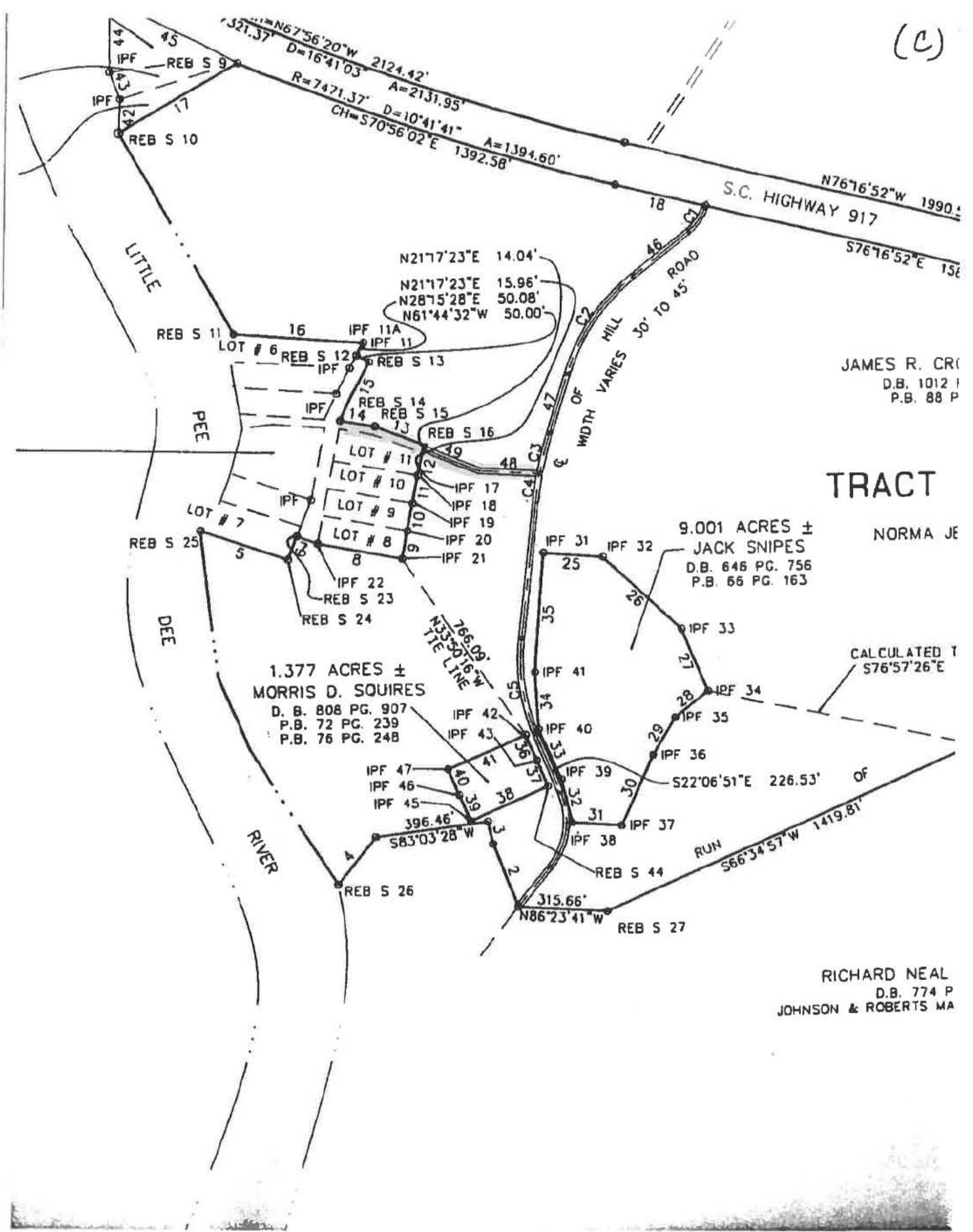
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P.B. 72 PG. 239
P.B. 76 PG. 248

9.001 ACRES ±
JACK SNIPES
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AGENCY: SC Energy Office

SUBJECT: \$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer

On May 2, 2011, the Budget and Control Board approved \$10M in QECB volume cap allocation to Abundant Power Group, LLC/SC SAVES in connection with the implementation of qualifying green community programs in Charleston. On August 13, 2013, the Budget and Control approved a scope modification to allow use of the allocation authority statewide. Abundant Power Group, LLC/SC SAVES has now exhausted all but \$2.7M of the original allocation authority and is requesting an additional \$2.3M in QECB volume cap allocation in connection with the implementation of qualifying green community programs, including an energy performance contract in Sumter County and compressed natural gas (CNG) trucks for Randolph Trucking, LLC, in Dorchester County. The total estimated cost for both projects is \$5M. SC SAVES will utilize \$2.7M of its current allocation authority and the additional \$2.3M requested to fund the projects and is amending its current bond resolution with JEDA to reflect such.

The Sumter County project consists of a performance contract encompassing energy efficiency measures on ten county buildings in the form of HVAC system upgrades and controls, envelope improvements, LED lighting retrofits, and water conservation. The Dorchester County project involves the purchase of four CNG trucks for use by Randolph Trucking, LLC. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 84 direct jobs from the capital investment and approximately 10 indirect jobs based on expected energy savings of 6,000 MWhs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECBs broadened the range of programs which qualify under the green community programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades.

Based on the application submitted, the proposed projects appear to meet the definition of a green community program and the associated bond resolution includes bond counsel opinion confirming project eligibility.

AGENCY: SC Energy Office

SUBJECT: \$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer

The QECCB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on May 12, 2015, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

AUTHORITY ACTION REQUESTED:

As requested by the SC Energy Office, approve the proposed additional \$2.3M QECCB volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with JEDA as conduit issuer, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

ATTACHMENTS:

Agenda item worksheet; QECCB Information Sheet; Abundant Power Group, LLC/SC SAVES Application for QECCB Reallocation

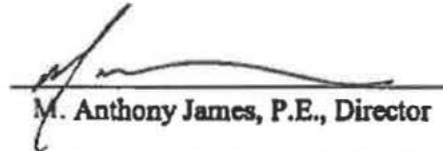
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: ORS Energy Office
- (b) Authorized Official Signature:



M. Anthony James, P.E., Director

- 2. Subject:** \$2.3M Qualified Energy Conservation Bond (QECB) volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer.
-

- 3. Summary Background Information:** On May 2, 2011, the Budget and Control Board approved \$10M in QECB volume cap allocation to Abundant Power Group, LLC/SC SAVES in connection with the implementation of qualifying green community programs in Charleston. On August 13, 2013, the Budget and Control approved a scope modification to allow use of the allocation authority statewide. Abundant Power Group, LLC/SC SAVES has now exhausted all but \$2.7M of the original allocation authority and is requesting an additional \$2.3M in QECB volume cap allocation in connection with the implementation of qualifying green community programs, including an energy performance contract in Sumter County and compressed natural gas (CNG) trucks for Randolph Trucking, LLC, in Dorchester County. The total estimated cost for both projects is \$5M. SC SAVES will utilize \$2.7M of its current allocation authority and the additional \$2.3M requested to fund the projects and is amending its current bond resolution with JEDA to reflect such.

The Sumter County project consists of a performance contract encompassing energy efficiency measures on ten county buildings in the form of HVAC system upgrades and controls, envelope improvements, LED lighting retrofits, and water conservation. The Dorchester County project involves the purchase of four CNG trucks for use by Randolph Trucking, LLC. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 84 direct jobs from the capital investment and approximately 10 indirect jobs based on expected energy savings of 6,000 MWhs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECBs broadened the range of programs which qualify under the green community programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades.

Based on the application submitted, the proposed projects appear to meet the definition of a green community program and the associated bond resolution includes bond counsel opinion confirming project eligibility.

The QECCB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on May 12, 2015, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

- 4. What is the Authority asked to do?** Approve the proposed additional \$2.3M QECCB volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with JEDA as conduit issuer, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.
-

- 5. What is recommendation of the ORS Energy Office?** Consider approval of the proposed additional \$2.3M QECCB volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with JEDA as conduit issuer, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.
-

6. List of Supporting Documents:

- QECCB Information Sheet
- Abundant Power Group, LLC/SC SAVES Application for QECCB Reallocation

Qualified Energy Conservation Bonds

The *Energy Improvement and Extension Act of 2008*, enacted in October 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used by state, local and tribal governments to finance certain types of energy projects. QECBs are qualified tax credit bonds. The October 2008 enabling legislation set a limit of \$800 million on the volume of energy conservation tax credit bonds that may be issued by state and local governments. The *American Recovery and Reinvestment Act of 2009*, enacted in February 2009, expanded the allowable bond volume to \$3.2 billion. QECBs are not subject to a U.S. Department of Treasury application and approval process. Bond volume is instead allocated to each state based on the state's percentage of the U.S. population as of July 1, 2008. Each state is then required to allocate a portion of its allocation to "large local governments" within the state based on the local government's percentage of the state's population. Large local governments are defined as municipalities and counties with populations of 100,000 or more. Large local governments may reallocate their designated portion back to the state if they choose to do so.

To develop a method for issuing allocation authority and processing reallocation requests for QECBs and other Recovery Act bonds, the General Assembly passed the South Carolina Volume Cap Reallocation Act of 2010. From this Act, a Volume Cap Advisory Committee was created which undertook a process of determining which communities were going to utilize their QECB and other bond allocations and developed a plan at the state level to reallocate unused state level authority. The Energy Office also developed an application for QECB reallocation requests.

The total state allocation included \$46,475,000 in bond authority - \$34,005,212.62 was designated for cities and counties with populations over 100,000 and \$12,469,787.38 was the balance of state. Currently local waivers have been received in the amount of \$25,126,034.53 for a total of \$37,595,821.91 in state level bond authority. This amount less the previously approved reallocation requests for \$34,500,000 delineated below leaves a balance of \$3,095,821.91 in bond authority available for reallocation. None of the approved reallocations are for private activity bonds.

Requestor	Amount	Project Description	Financing Mechanism
City of Greenville	\$4,000,000	Performance contract with Ameresco for municipal building energy efficiency retrofits	City of Greenville
JEDA/Abundant Power	\$10,000,000	Bonds to fund SC SAVES green community financing program for projects statewide	JEDA
City of Columbia	\$2,500,000	Columbia Housing Authority residential EE retrofits	Bank loan
JEDA/Abundant Power	\$15,000,000	Bonds to fund net-zero school in Denmark-Olar School District 2 of Bamberg County through SC SAVES	JEDA
JEDA/Abundant Power	3,000,000	Bonds to fund energy efficiency upgrades at Ascend Performance Materials in Greenwood	JEDA
TOTAL	\$34,500,000		

**Qualified Energy Conservation Bonds
Allocation Application
South Carolina Energy Office
408 Wade Hampton Building
1200 Senate Street
Columbia, South Carolina 29201
Phone (803) 737-8030/ Fax (803) 737-9846**

I. Applicant Information:

Please print or type clearly.

Name of Institution: South Carolina SAVES Inc. and Abundant Power Group LLC (collectively the "Applicant")

Street Address: 2201 South Blvd, Suite 300
Charlotte, NC 28203

Mailing Address: Same

Federal Tax ID#: SSC: 46-5416690 APG:26-4092146

Contact Person: W. Gregory Montgomery

Telephone #: 704-271-9889

Signatory Official: W. Gregory Montgomery

Position: Managing Member

Telephone #: 704-271-9889

Fax #: 704-271-9889

II. Type of Institution:

Please mark appropriate description:

Public School District: _____

County / City: _____

Municipality: _____

State Agency: _____

501(c)(3) Corporation: _____

Other: Specify

SCS is a South Carolina non-profit corporation;
APG is a North Carolina limited liability company

III. Bond Purpose (Type of Project):

Description of Project: (Attach additional pages as needed. Refer to 26 USC § 54D for eligible measures) To provide another \$2.3M in QECB reallocation to expand the funding capabilities of the statewide South Carolina SAVES Green Community Program (the "SC SAVES Program"), which is a green community program and thus a qualified conservation purpose under section 54D(f)(1)(A)(ii) of the Internal Revenue Code. See Exhibit A - Overview of the SC SAVES Green Community Program. The expanded funding will be used for the Sumter County project and Randolph II project.
 Project Estimated Start Date: Start using the additional funding Q2 2015
 Project Estimated Completion Date: Finish using the additional funding Q4 2015
 Estimated Number of Jobs Created: 94 (see Exhibit B attached)

IV. Location of Project:

Name of Building(s) Qualified conservation purposes, including
 Building Ownership energy efficiency, renewable energy and alternative
 Address: fuel projects throughout the State of South Carolina
(the "Qualified Projects"). Specifically with regard to
the Sumter County project, Sumter County, and the
 County of Improvements: Randolph II project, Dorchester County.
Counties throughout the State of South Carolina,
where the Qualified Projects are located.

V. Technical Analysis (Name of person or firm who completed either):

Energy Audit: Energy assessments on a per project basis.
 Or
 Architect/Engineer design: Derek McGarry, Abundant Power

VI. Project Cost Summary:

<u>Type of Energy Measures</u>	<u>Estimated Cost</u>	<u>Projected Annual Savings</u>
<u>See Exhibit C attached.</u>		

Total Project Cost: \$5,000,000 Total Savings: See Exhibit C attached

Bond Issuer: SC Jobs Economic Development Authority

Bond Counsel: McGuire Woods LP

Financing Mechanism: Private placement

VII. Allocation Information:

Requested Allocation Amount: \$2,300,000
Percentage Private Activity Bonds: 0% based on use of Green Community Program.

VIII. Accompanying Documents & Signature(s):

Note: The documents noted below must be submitted and approved prior to allocation approval. Each of the following to be provided on a per project basis for Qualified Projects funded through the SC SAVES Program.

1. Copy of Technical Analysis
2. Current Financial Statement
3. Financial Summaries For Last 3 years
4. In addition, successful projects may be required to certify compliance with Davis-Bacon, Buy American, and NEPA as appropriate.

Applicant's Signatory Official or Chief Financial Officer:

Name: W. Gregory Montgomery

Title: Managing Member

Signature: W. Gregory Montgomery

Date: May 1, 2015





South Carolina SAVES Green Community Loan Program



Technology Optimization | Financial Solutions | Performance-Based Services

WHO WE ARE



Energy Management
Technology



Financial Solutions
and Underwriting



Building Science and
Engineering

Abundant Power is an energy management services company focused on providing transformative financial and technology solutions for the built environment ecosystem.

CleanSource Capital is an affiliate established to provide design and administration of proprietary funds dedicated to energy efficiency financing.



WHO WE ARE: LEADERSHIP TEAM



Great People | Right Skills | Deep Experience



Shannon Smith
CEO

- Founder of Abundant Power
- More than 20 years of investment and project finance experience.
- BA from Wheaton College & MBA from UVA
- Boards of EDF, NCSEA, AEE



Greg Montgomery
Managing Director

- Broad financial expertise : 25 years in investment banking and law.
- Licensed attorney, registered securities representative.
- JD/MBA from Tulane University & BA in Environmental Sciences from UVA



Derek McGarry
Chief Engineer

- More than 12 years of HVAC engineering, retro-commissioning and energy efficiency retrofit experience.
- BS in Cornell University in Mechanical Engineering.
- LEED Accredited Professional.



Trey Davis
Director of Analytics

- Extensive systems engineering background
- Adept user of Metrix software, able to conduct highly sophisticated analytics and tracking of energy performance.
- BA from Wake Forest University and BS from UNC Charlotte in Systems Engineering.

EXPERIENCE WITH ENERGY EFFICIENCY PROGRAMS



AP designs and manages energy efficiency financing programs nationwide, enabling more than \$350 million in energy efficiency implementation.

ALABAMA SAVES™
Sustainable and Verifiable Energy Savings

alabama wise
Sustainable and Verifiable Energy Savings

ST. LOUIS COUNTY SAVES™
Sustainable and Verifiable Energy Savings

SOUTH CAROLINA SAVES™
Sustainable and Verifiable Energy Savings

DC
PACE COMMERCIAL
an energy finance solution

EPX™
ENERGY PERFORMANCE
COMMISSION

Leveraged Revolving Loan Fund (RLF)

- AlabamaSAVES™ – \$65MM Med/Large C&I, Non-profits
- AlabamaWISE™ – Pilot program for residential retrofits

Qualified Energy Conservation Bonds (QECB's)

- St. Louis County SAVES™ – \$10.3MM Residential, C&I, Non-profits
- South Carolina SAVES™ – \$30MM Government, C&I, Non-profits
- NC Ag Finance Authority - \$20MM Renewable Energy

Property Assessed Clean Energy (PACE)

- DC Green Forward – \$250MM C&I

Energy Management Services Agreements (EMSA)

- EPX™ – 12 million SF Small/Med Commercial

CLEAN  SOURCE

SAVES PLATFORM OVERVIEW



SAVES™ (Sustainable and Verifiable Energy Savings) is Abundant Power's proprietary, core energy financing platform for designing and administering programs:

- Credit and financial underwriting standards incorporating multiple security instruments and repayment mechanisms.
- Established origination and servicing standards designed to create transparency and meet requirements of secondary markets.
- Energy underwriting protocols, including prescriptive and performance options to maximize energy savings and optimize cash flows.
- Energy measurement and verification, including QA/QC protocols, as well as contractor and auditor standards and monitoring and overall process management.

CleanSource is the affiliate Abundant has established to expand the SAVES program into other jurisdictions using Qualified Energy Conservation Bonds as the funding mechanism.

- Of the \$3.2B authorized nationally, the 13 Southeastern/Gulf states alone have \$900MM in QECB allocations remaining unused as of end of 2013.



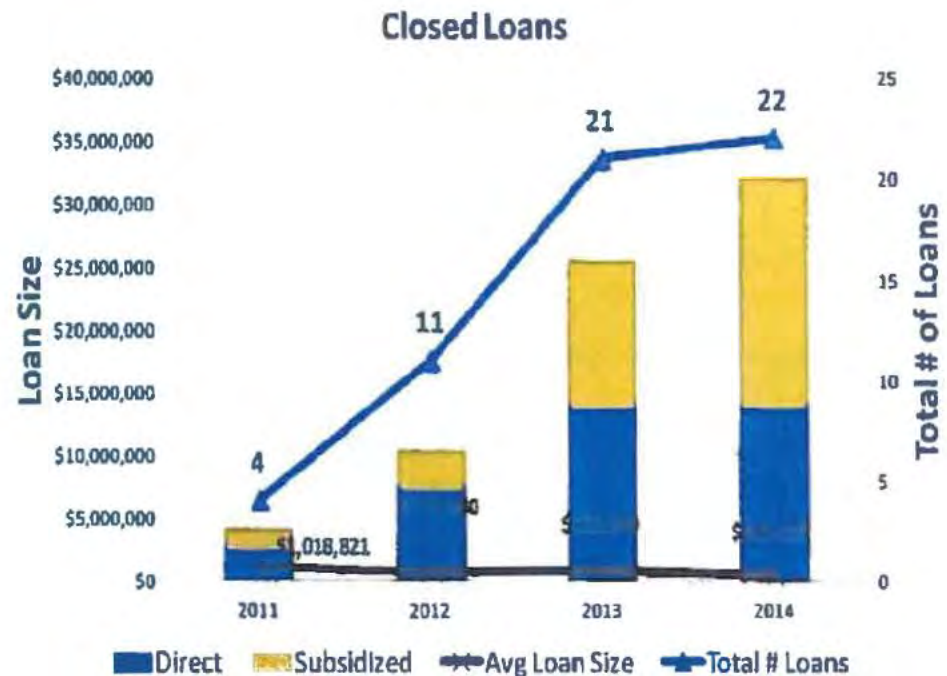
ALABAMASAVES™ PROGRAM



ADECA – Energy Division of Alabama – Program Sponsor
Abundant Power – Program Administrator and Primary Originator

Enabling Alabama businesses to achieve operational savings through energy efficiency

- \$65M revolving loan fund based on \$25M SEP grant
- Secure financing as low as 2% for direct funding and 1% for subsidized
- Industrial, commercial, and non-profit
- Purchase and install energy efficiency equipment, renewable-energy systems and alternative fuel projects
 - 10 year or better simple payback or “above and beyond” building code
 - Loan Size: \$50,000-\$4,000,000
- Trend has been towards subsidized lending and smaller transaction sizes



ALABAMASAVES™ RESULTS



Key elements of success for the Program to date:

ALABAMASAVES™
Sustainable and Verifiable Energy Savings

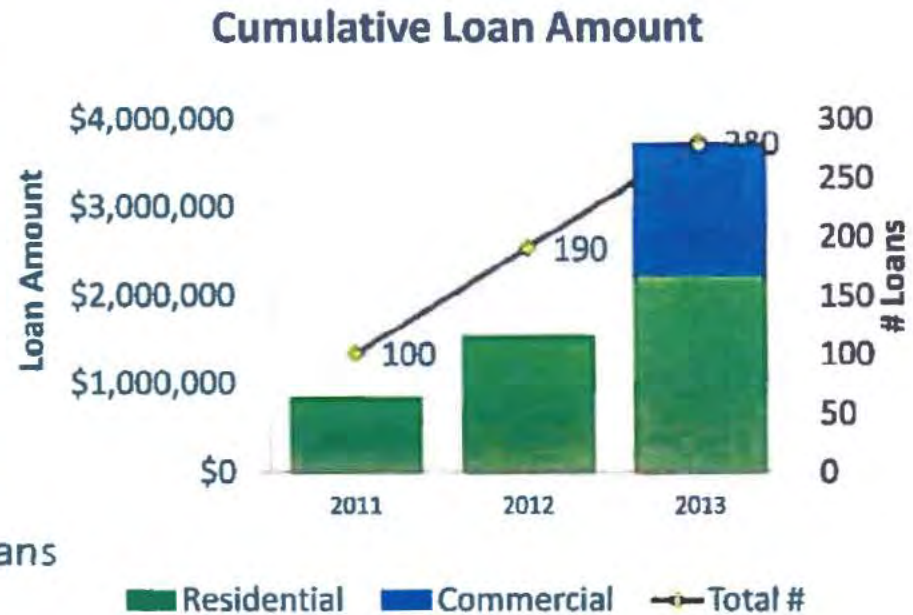
- Funding commitments for 64 agricultural, commercial and industrial loans totaling \$40.7M
- Average loan size of \$641k
- Energy efficiency in 132 commercial and industrial buildings representing 11.3M SF
- Private capital participation for 51 loans, resulting in 5:1 leverage of Program funds
- Diverse project finance across all geographic areas of the state and all commercial sectors
- Energy conservation measures financed – lighting, mechanical, industrial processes, solar
- Estimated annual savings of 72M kWh = 79M lbs of coal avoided = reduction of 130,600 metric tons of CO₂ = 14,790 cars off the road
- Superior asset performance with no defaults to date
- Transparent and consistent Program processes and structured Program governance

CLEAN  SOURCE

ST. LOUIS COUNTY SAVES™ PROGRAM



- \$10.4 million financed through a QECB issued by St. Louis County in May 2011
- Initial design to provide low rate financing for qualified home owners for eligible home energy improvements.
 - Eligibility Requirements:
 - FICO score \geq 660; DTI $<$ 45%
 - Loan Amounts: \$2,500-\$15,000
 - Term: Flexible up to 10 years
 - Rate: 3.5%, 3.0% origination fee
- Program expanded in 2013 to include:
 - Commercial and Industrial
 - Loan Amounts: \$50,000-250,000
- Program put on hold in April 2014
 - Inability to deploy capital as resi loans
 - Winding down portfolio
 - All loans performing



The first use of QECBs to fund "Green Community Program" for energy efficiency RLF

NC AG AUTHORITY GREEN COMMUNITY



- **NC Agricultural Finance Authority Green Community Program** (the “Program”) has been established to finance renewable energy projects on agricultural land across North Carolina
- **NC Ag Authority to serve as conduit issuer**, with QECBs to be sold through private placement to third-party financial institutions to fund the Program.
 - QECBs issued on a project-by-project basis so that each project is effectively underwritten and approved at time of funding by the third-party lender (would not be a “blind pool”) and not dependent on state or local government credit.
- **NC Tax Reform Allocation Committee currently has \$20+MM in QECBs** to be applied for use in funding qualified projects accepted by the Program. Targeting first close in July of 2015.
- Program Requirements include:**
 - Qualified Conservation Purpose broadly defined – includes renewable energy projects
 - Agricultural nexus - such as leasing the agricultural land or having agricultural production in association with the project.
- Program broadly available across the State:**
 - Application process for submitting projects for consideration
- CleanSource has been hired as the Program administrator** to market, originate, diligence, fund, close and service projects funded through the Program



PROCESS FOR SAVES UNDERWRITING



Process in place to stream line loans from origination, through underwriting, to closing and funding.



SAVES ORIGINATION MODEL



Existing relationships in right channels for originating a robust pipeline

Contractors

Utilities

NGO's

Governmental Agencies

Vendors

Engineers

Associations

Economic Development Authorities



SC SAVES GREEN COMMUNITY LOAN PROGRAM



QECB-FUNDED “GREEN COMMUNITY PROGRAMS”



- June 2012 IRS Notice clarified what constitutes a “green community program” within the scope would for using a QECB
- Based on the notice, Abundant and bond counsel interpret the guidance to allow for statewide “green community programs” so long as:
 - The program’s purpose is tied to policy at the statewide level – governmental or utility sponsored – that supports energy efficiency and energy savings.
 - The program benefits buildings generally available to the public (i.e. governmental and institutional) and/or is generally available to the public (individuals and business) within the program’s guidelines (i.e. credit underwriting standards).

Interpretation allows for use of state level QECB allocations for state GCPs

SC SAVES OVERVIEW



- **South Carolina SAVES Green Community Loan Program** (the “Program”) uses proceeds from QECB funding to afford low interest rate financing of energy efficiency projects at governmental, institutional and select commercial/industrial buildings throughout the state of South Carolina.
 - In furtherance of policy supported by SC Energy Efficiency Act and the SC Energy Office’s State Energy Plan.
- **\$30 million Reallocation of QECBs** from SC Energy Office to SC Jobs-Economic Development Authority (“SC JEDA”) as conduit issuer, with QECBs issued to fund Program.
- **Abundant Power as Program Administrator** (the “Administrator”)
- **Interest Rate Subsidy** for loans in the form of amortizing senior debt or capital leases with durations up to 15 years.
 - Subsidization of loans of between \$500,000 and \$5 million (with larger amounts in Administrator’s discretion).
 - Effective interest rate after QECB subsidy and program administration costs – projected to be 0.0% to 2.0% for governmental issues and 2.0% to 4.0% for private issues, depending upon the credit quality of the ultimate borrower and credit subsidy rate at time of funding.

SC SAVES OVERVIEW (CONT.)



- **Eligible Properties:**

- Governmental – Public properties owned by state agencies, counties, municipalities, school districts
- Institutional – Properties owned by universities, hospitals, non-profits
- Commercial/Industrial – Select borrowers with strong credit

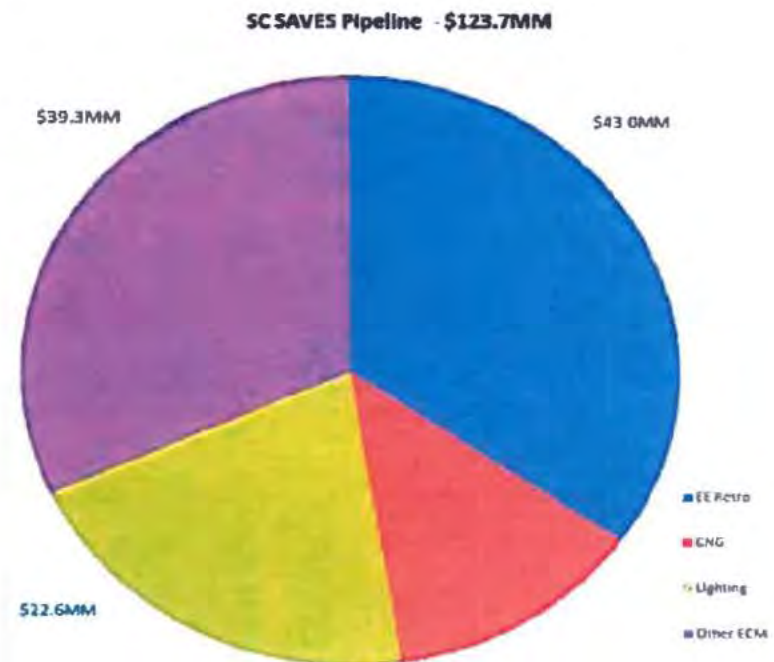
- **Eligible Improvements:**

- Energy efficiency measures with a payback of 15 years or less using proven, commercial technologies with strong vendor warranties (e.g. 's: lighting and control upgrades; HVAC maintenance/replacement; chiller/boiler upfits; insulation; retro-commissioning; select distributed renewables generation)
- Alternative fuel conversions of facilities or fleets from diesel or gasoline to propane or natural gas and refueling infrastructure
- **Contractors:** Program will work with select energy savings contractors with demonstrated experience in energy efficiency contracting.
 - Depending upon project, Program may require Energy Performance Savings Guarantee or Third-Party Energy Savings Warranty on certain Eligible Improvements.

SOUTH CAROLINA SAVES



- **South Carolina SAVES Green Community Program is first state wide GCP in the country – launched at beginning of 2014.**
- **Funded two transactions to date**
 - Randolph I: \$2.05MM - 10 CNG trucks
 - Anderson School District 3: \$5.23MM - EPC project
- **Pipeline of \$123.7MM originated since inception**
 - \$23.0MM in underwriting to close by Q3
 - \$26.3MM in active discussions
 - Includes \$43.0MM in energy efficiency retrofits; \$15.9MM in CNG conversions; \$22.6MM in lighting retrofits; and \$39.3MM in other.
- **Expectation to close on remaining \$23MM in allocation under SC SAVES by Q3 of 2015.**



CLEANSOURCE'S ROLE AS SAVES ABUNDANT POWER



- **CleanSource serves as Administrator for the Program:**
 - Design and implementation of the Program
 - Establishment of origination channels and marketing/sales
 - Screening, underwriting and approval of projects as coming within GCP
 - Energy savings underwriting of Qualified Conservation Measures
 - Credit underwriting for direct lending transactions
 - Review of Third-Party Lender's credit underwriting for subsidy transaction
 - Documentation and closing of transactions
 - On-going servicing of QECBs and credit subsidy on behalf of Program
- **Design/Administrative Fees:**
 - Design fee for program documentation and set up at program inception
 - Program fee of 2% for subsidized loans out of proceeds on project basis as funded
 - On-going servicing fee of 40 bps for subsidized loans of principal outstanding paid out of credit subsidy



CONTACT



Our mission is to expand energy efficiency in the built environment through innovation and excellent delivery of transformative financial and technology solutions that motivate building owners and occupants to make lasting change in energy consumption.

Greg Montgomery

704.271.9889

gmontgomery@abundantpower.com



Exhibit B to South Carolina Energy Office Application for QECB Reallocation

Jobs Created and Savings Generated through Reallocation

SUMTER CO. PROJECT

(1) Jobs Expected to be Created

The American Council for an Energy Efficient Economy estimates that each \$1 million expended on energy efficiency results in 20 additional jobs and that each \$1 million in savings from reduced energy consumption when recycled in the local economy produces another 17 additional jobs.

Based on these metrics, the SC SAVES Program would expect the full deployment of the \$4M reallocation sought to be issued through this application would result in:

- 80 direct jobs from the capital invested (20 jobs/\$1M invested x \$4M)
- 10 indirect jobs based on the expected energy savings of 6,000 MWhs annually, which at average retail price of \$0.10/kWh, equates to \$600k in annual savings (17 jobs/\$1M savings x \$600k)(for the expected energy savings see below)

The types of jobs to be created include design, engineering, construction, service and management associated with the implementation and on-going management of the Qualified Projects funded through the SC SAVES Program. Compensation to the workers for these jobs will be both wages and salaried. Wages paid for the implementation of the Qualified Projects will be in compliance with the Davis Bacon wage act requirements.

(2) Savings Expected to be Generated

Based on its experience in managing other SAVES programs, Abundant would estimate annual energy savings of 1,500 MWh's per \$1 million in capital expended, dependent on the type of energy efficiency or conservation measure being deployed. Thus, investing the full \$4 million available through the reallocation sought to be issued could generate projected annual energy savings of upwards of 6,000 MWh's.

RANDOLPH II PROJECT

(1) Jobs Expected to be Created

Based on there being 4 new CNG tractors acquired through the funding, SC SAVES would expect 4 new jobs to be created through the hiring of new drivers for the operation of these tractors.

Exhibit C to South Carolina Energy Office Application for QECB Reallocation

Project Cost Summary

It is expected that proceeds from the loans made for funding Qualified Projects through the SC SAVES Program will be used in three different ways:

- 1) To pay for the equipment and services required to install and/or maintain such equipment in two broad, general categories comprising :
 - Energy efficiency measures with a payback of 15 years or less using proven, commercial technologies with strong vendor warranties (e.g.'s: lighting and control upgrades; HVAC maintenance/replacement; chiller/boiler upfits; insulation; retro-commissioning; select distributed renewables generation)
 - Alternative fuel conversions of facilities or fleets from diesel or gasoline to propane or natural gas and refueling infrastructure
- 2) To pay for program fees associated with the SC SAVES Program which constitute 2% of the funds used to fund a Qualified Project.
- 3) To pay for issuance costs associated with the funding through the SC SAVES Program which is capped by the QECB regulations at 2% of the funding amount.

Using the above categories, of the \$2.3M reallocation requested to be issued in this application in support of the \$5M in project uses, the use and sources of proceeds can be broken out as follows:

USES:

1) Project costs (equipment and services):	
Sumter County- EPC Contract	\$ 3,840,000
Randolph II - CNG Trucks	\$ 960,000
2) Program Fee at 2%	\$ 100,000
3) Issuance Costs(not to exceed 2%)	\$ 100,000
	<u>\$ 5,000,000</u>

SOURCES:

1) Remainder of Original \$10M allocation	\$ 2,700,000
2) Requested Allocation under this Application	\$ 2,300,000
	<u>\$ 5,000,000</u>

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agencies and recommends certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

- a. Department of Education (for a period of three years): supplies and services, \$100,000* per commitment; school bus maintenance, \$250,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

The Department of Education requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulation, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant the Department of Education the certifications limits noted above.

- b. Department of Labor, Licensing and Regulation (for a period of three years): supplies and services, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

The Department of Labor, Licensing and Regulation requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulation, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant the Department of Labor, Licensing and Regulation the certifications limits noted above.

- c. Greenville Technical College (for a period of three years): supplies and services,

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

\$250,000* per commitment; information technology, \$150,000* per commitment; consultant services, \$250,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

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

Greenville Technical College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respect and the internal procurement operating procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant Greenville Technical College the certification limits noted above.

- d. Trident Technical College (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$250,000* per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

Trident Technical College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respect and the internal procurement operating procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant Trident Technical College the certification limits noted above.

AUTHORITY ACTION REQUESTED:

Grant procurement certifications, in accord with Section 11-35-1210, for the following agencies within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- a. Department of Education (for a period of three years): supplies and services, \$100,000* per commitment; school bus maintenance, \$250,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

- b. Department of Labor, Licensing and Regulation (for a period of three years): supplies and services, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

- c. Greenville Technical College (for a period of three years): supplies and services, \$250,000* per commitment; information technology, \$150,000* per commitment; consultant services, \$250,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

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

- d. Trident Technical College (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$250,000* per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

ATTACHMENTS:

Agenda item worksheets and attachments

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

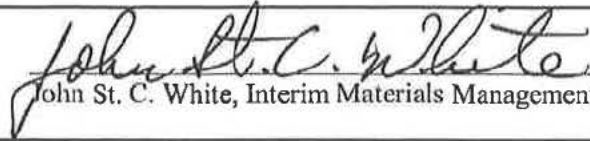
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature:


 John St. C. White, Interim Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Education

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the Department of Education and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
II. School Bus Supplies and Maintenance	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment
III. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment

The Department of Education requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. We recommend the State Fiscal Accountability Authority grant the Department of Education the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Education by approval of the Blue Agenda.

5. What is recommendation of Authority division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature:

John St. C. White
John St. C. White, Interim Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Labor, Licensing and Regulation

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the Department of Labor, Licensing and Regulation and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
II. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment

The Department of Labor, Licensing and Regulation requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. We recommend the State Fiscal Accountability Authority grant the Department of Labor, Licensing and Regulation the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Labor, Licensing and Regulation by approval of the Blue Agenda.

5. What is recommendation of Authority division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

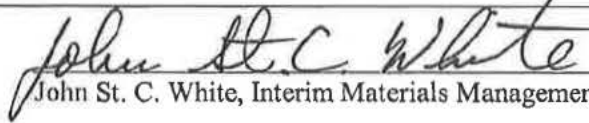
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature:


 John St. C. White, Interim Materials Management Officer

2. Subject: Procurement Certification for Greenville Technical College

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of Greenville Technical College and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 150,000 Per Commitment	*\$ 250,000 Per Commitment
II. Information Technology	*\$ 150,000 Per Commitment	*\$ 150,000 Per Commitment
III. Consultant Services	*\$ 100,000 Per Commitment	*\$ 250,000 Per Commitment
IV. Construction Contract Award	\$ 100,000 Per Commitment	\$ 100,000 Per Commitment
V. Construction Contract Change Order	\$ 50,000 Per Change Order	\$ 50,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

Greenville Technical College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. We recommend the State Fiscal Accountability Authority grant Greenville Technical College the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for Greenville Technical College by approval of the Blue Agenda.

5. What is recommendation of Authority division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 25, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
 (b) Authorized Official Signature:

John St. C. White
 John St. C. White, Interim Materials Management Officer

2. Subject: Procurement Certification for Trident Technical College

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of Trident Technical College and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 350,000 Per Commitment	*\$ 500,000 Per Commitment
II. Consultant Services	*\$ 350,000 Per Commitment	*\$ 500,000 Per Commitment
III. Information Technology	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment
IV. Construction Contract Change Order	\$ 50,000 Per Change Order	\$ 50,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 10,000 Per Amendment	\$ 10,000 Per Amendment

Trident Technical College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. We recommend the State Fiscal Accountability Authority grant Trident Technical College the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for Trident Technical College by approval of the Blue Agenda.

5. What is recommendation of Authority division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
 (b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$24,000,000 Economic Development Revenue Refunding (\$24,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Goodwill Project
Employment Impact: maintain employment for 234 people
Project Description: Refinancing certain indebtedness of Goodwill Industries of Lower South Carolina, Inc., the proceeds of which were used to finance or refinance land and various facilities located thereon, owned by Goodwill Industries of Lower South Carolina, Inc., and used as retail stores and electronic sales and services facilities, providing recycling, technology training and other job training services
Note:
Bond Counsel: E. Tyler Smith, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: SC State Housing Finance and Development Authority
Amount of Issue: N/E \$17,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: -0-
Name of Project: Spartanburg 7 Project
Employment Impact: N/A
Project Description: to finance the acquisition and renovation of seven apartment complexes, consisting of 338 affordable housing units, in the City of Spartanburg, known as the Spartanburg 7 Project
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
- c. Issuing Authority: SC State Housing Finance and Development Authority
Amount of Issue: N/E \$23,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: -0-
Name of Project: Waters at Magnolia Bay
Employment Impact: N/A
Project Description: to finance the acquisition and renovation of a 300-unit apartment development located in the City of Lincolnville, Charleston County, known as the Waters at Magnolia Bay.
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

AUTHORITY ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS: Resolutions

Summary of Refinancing Proposal for
Goodwill Industries of Lower South Carolina, Inc.

PRELIMINARY – SUBJECT TO CHANGE

July 21, 2015

Outstanding loans proposed to be refinanced	\$24,000,000
Average interest rate of loans refinanced	Average 4.93%
Projected Savings (net of Issuance Costs)	\$1,996,696
Projected interest rate of refinancing bond	3.46% with Swap
Estimated costs (costs as a percentage of refinancing bonds)	1.24%
Costs as a percentage of refinancing savings	14.9%%
Underwriting	\$0
Legal fees – bond, disclosure and general counsel	\$137,500 Incl. Bond, Borrower, Bank & Issuer Counsel
Rating agency fees	\$0
Advisory fees	\$20,000
Accounting and verification	\$0
Credit enhancement/bond insurance	\$0
Bank, appraisal, surveys, contingency, etc.	\$80,056*
Bank Origination Fee	\$35,550
JEDA Issuance Fees	<u>\$24,460</u>
Total	<u>\$297,566</u>

* Includes Title Insurance of \$33,056 plus fees for nine appraisals and Phase I environmental audits.

Prepared by Barry Maness, Branch Banking and Trust Company

Submitted by Tyler Smith, Haynsworth Sinkler Boyd, P.A.

Date July 21, 2015

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$24,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE REFUNDING BONDS (GOODWILL PROJECT) SERIES 2015, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Fiscal Accountability Authority of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Refunding Bonds (Goodwill Project) Series 2015, in one or more series, in the aggregate principal amount of not exceeding \$24,000,000 (the "*Bonds*") through private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Fiscal Accountability Authority of South Carolina ("*SFAA*") that the Bonds will be sold to a financial institution through a private sale acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Fiscal Accountability Authority of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the SFAA that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of the SFAA has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal for

SHA7, LLC

South Carolina State Housing, Finance & Development Authority

PRELIMINARY – SUBJECT TO CHANGE

20 July 2015

Bonds proposed to be issued	Not exceeding \$17,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Spartanburg 7 Project), Series 2015A and Series 2015B maturing 11/1/2018	
Projected average interest rate of bonds	2.87%	
True interest cost of bonds	5.31%	
Estimated costs (costs as a percentage of bonds)		
Underwriting	.32%	(\$54,000)
Legal fees – bond, disclosure and general counsel	1.41%	(Bond Counsel - \$135,000) (Underwriter's Counsel - \$31,000) (General Counsel - \$75,000)
Rating agency fees	.03%	(\$5,000)
Advisory fees	0%	(\$0)
Bond trustee/registrar	.24%	(\$40,000, including trustee counsel fees)
Accounting and verification	.15%	(\$25,000)
Credit enhancement/bond insurance	0%	(\$0)
Publication, printing, contingencies and all other expenses	2.03%	(\$344,503, including State Housing Authority fee of \$127,500)
Total	4.17%	(\$709,503)

Prepared by Samuel W. Howell, IV

Date 20 July 2015

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (SPARTANBURG 7 PROJECT)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Fiscal Accountability Authority (as successor to the State Budget and Control Board) (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make construction mortgage loans to housing sponsors who agree to and shall be required to provide for construction of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the SFAA its Petition dated July 14, 2015 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Spartanburg 7 Project) in the principal amount not to exceed \$17,000,000.

Section 3. The approval of the SFAA is hereby conditioned on the following:

(a) The approval of the State Treasurer of the interest rates on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

Summary of Financing Proposal for

Waters at Magnolia Bay, LP

South Carolina State Housing, Finance & Development Authority

PRELIMINARY – SUBJECT TO CHANGE

20 July 2015

Bonds proposed to be issued	Not exceeding \$23,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Waters at Magnolia Bay), Series 2015 maturing 10/01/2018	
Projected average interest rate of bonds	0.50%	
True interest cost of bonds	0.50%	
Estimated costs (costs as a percentage of bonds)		
Underwriting	0.75%	(\$172,500)
Legal fees – bond, disclosure and general counsel	0.52%	(Bond Counsel - \$80,000) (Underwriter's Counsel - \$40,000)
Rating agency fees	0.02%	(\$5,000)
Advisory fees	0.00%	(\$0.00)
Bond trustee/registrar	0.04%	(\$9,500 including trustee counsel fees)
Accounting and verification	0.02%	(\$3,500)
Credit enhancement/bond insurance	0.00%	(\$0.00)
Publication, printing, contingencies and all other expenses	0.88%	(\$203,500, including State Housing Authority fee of \$172,500)
Total	2.32%	(\$394,150)

Prepared by Samuel W. Howell, IV

Date 20 July 2015

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (WATERS AT MAGNOLIA BAY)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Fiscal Accountability Authority (as successor to the State Budget and Control Board) (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make construction mortgage loans to housing sponsors who agree to and shall be required to provide for construction of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the SFAA its Petition dated July 14, 2015 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Waters at Magnolia Bay) in the principal amount not to exceed \$23,000,000.

Section 3. The approval of the SFAA is hereby conditioned on the following:

(a) The approval of the State Treasurer of the interest rate on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.