

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, March 8, 2016 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

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6.	Department of Administration, Executive Budget Office	Permanent Improvement Projects

**STATE FISCAL ACCOUNTABILITY AUTHORITY**  
**Meeting of Tuesday, March 8, 2016 -- 9:30 A. M.**  
**Room 252, Edgar A. Brown Building**

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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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 and special assignment for bond counsel for which Authority approval is requested:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$14,400,000.00 SC JEDA	CPF Properties	Haynsworth Sinkler Boyd, P. A.	Nexsen Pruet
\$120,000,000.00 SC JEDA	SCJEDA Hospital Improvement and Refunding Revenue Bonds (Palmetto Health) 2016A	McNair Law Firm/ (Chapman & Cutler LLP)	Howell Linkous & Nettles, LLC
SC State Housing Finance & Development Authority \$11,000,000	Atlantic Housing Foundation, Inc.	Parker Poe	Tracey Easton (SCSHA)
SC State Housing Finance & Development Authority \$14,000,000	The Assembly SC, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)
SC State Housing Finance & Development Authority \$7,000,000	Sunrise Village SC, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)
SC State Housing Finance & Development Authority \$14,600,000	CHC Colony Apartments, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)
SC State Housing Finance & Development Authority \$8,500,000	Atlantic Housing Foundation, Inc.	Parker Poe	Tracey Easton (SCSHA)

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AGENCY: State Treasurer's Office

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SUBJECT: Bond Counsel Selection

**SPECIAL ASSIGNMENT OF BOND COUNSEL:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$9,100,000 Winthrop Higher Education Revenue Refunding Bonds	Winthrop University	Haynsworth Sinkler Boyd, P. A.
\$325,000,000 Medical University Hospital Authority	MUSC Children's Hospital & Women's Pavilion	Haynsworth Sinkler Boyd, P.A.
\$39,000,000.00 Coastal Carolina	Coastal Carolina (Brooks Stadium)	Pope Flynn, LLC

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**AUTHORITY ACTION REQUESTED:**

Approve the referenced bond counsel assignment as recommended by the State Treasurer's Office.

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**ATTACHMENTS:**

Bond Counsel Selection Approved by the State Treasurer's Office

Items for March 8, 2016 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
\$14,400,000.00 SC JEDA	CPF Properties	Haynsworth Sinkler Boyd, P. A.	Nexsen Pruet	1/25/2016
\$120,000,000.00 SC JEDA	SCJEDA Hospital Improvement and Refunding Revenue Bonds (Palmetto Health) 2016A	McNair Law Firm/ (Chapman & Cutler LLP)	Howell Linkous & Nettles, LLC	2/17/2016
SC State Housing Finance & Development Authority \$11,000,000	Atlantic Housing Foundation, Inc.	Parker Poe	Tracey Easton (SCSHA)	1/27/2016
SC State Housing Finance & Development Authority \$14,000,000	The Assembly SC, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)	1/27/2016
SC State Housing Finance & Development Authority \$7,000,000	Sunrise Village SC, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)	1/27/2016
SC State Housing Finance & Development Authority \$14,600,000	CHC Colony Apartments, LLC	Howell Linkous & Nettles, LLC	Tracey Easton (SCSHA)	1/27/2016
SC State Housing Finance & Development Authority \$8,500,000	Atlantic Housing Foundation, Inc.	Parker Poe	Tracey Easton (SCSHA)	1/27/2016

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$9,100,000 Winthrop Higher Education Revenue Refunding Bonds	Winthrop University	Haynsworth Sinkler Boyd, P. A.	1/25/16
\$325,000,000 Medical University Hospital Authority	MUSC Children's Hospital & Women's Pavilion	Haynsworth Sinkler Boyd, P.A.	1/25/16
\$39,000,000.00 Coastal Carolina	Coastal Carolina (Brooks Stadium)	Pope Flynn, LLC	2/17/16

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AGENCY: Department of Administration, Division of General Services

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SUBJECT: Easement

The Department of Administration, Division of General Services requests approval of the following easement in accordance with SC Code of Laws:

- (a) County Location: Horry  
From: Coastal Carolina University  
To: South Carolina Public Service Authority (Santee Cooper)  
Consideration: \$5  
Description/Purpose: To grant a 0.10 acre easement for the construction, installation, operation and maintenance of underground electric lines and associated facilities upon property of Coastal Carolina University. The easement is being sought by the University for the benefit of the property. The Division of General Services has determined that the University has complied with the requirement of the statute in that the easement does not materially impair the utility of the property or damage it.

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AUTHORITY ACTION REQUESTED:

Approve granting the referenced easement as recommended by the Department of Administration, Division of General Services.

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ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

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Meeting Scheduled for: March 8, 2016

Blue Agenda

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1. Submitted by:

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



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Nolan L. Wiggins, Jr., Director

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2. Subject: EASEMENT

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3. Summary Background Information:

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

- (a) County Location: Horry  
From: Coastal Carolina University  
To: South Carolina Public Service Authority (Santee Cooper)  
Consideration: \$5  
Description/Purpose: To grant a 0.10 acre easement for the construction, installation, operation and maintenance of underground electric lines and associated facilities upon property of Coastal Carolina University. The easement is being sought by the University for the benefit of the property. The Division of General Services has determined that the University has complied with the requirement of the statute in that the easement does not materially impair the utility of the property or damage it.
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4. What is the Authority asked to do? Approve the referenced easement.

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

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6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-100 and 10-1-130
2. Easement Plat

## **SOUTH CAROLINA CODE OF LAWS**

### **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.

HISTORY: 1962 Code Section 1-357.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

#### Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority," for "authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board" and substituted "written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority" for "written approval of the majority of the members of the State Budget and Control Board".

### **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.

HISTORY: 1962 Code Section 1-49.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.K, eff July 1, 2015.

#### Effect of Amendment

2014 Act No. 121, Section 7.K, rewrote the section, substituting the Department of Administration and the State Fiscal Accountability Authority for the State Budget and Control Board.

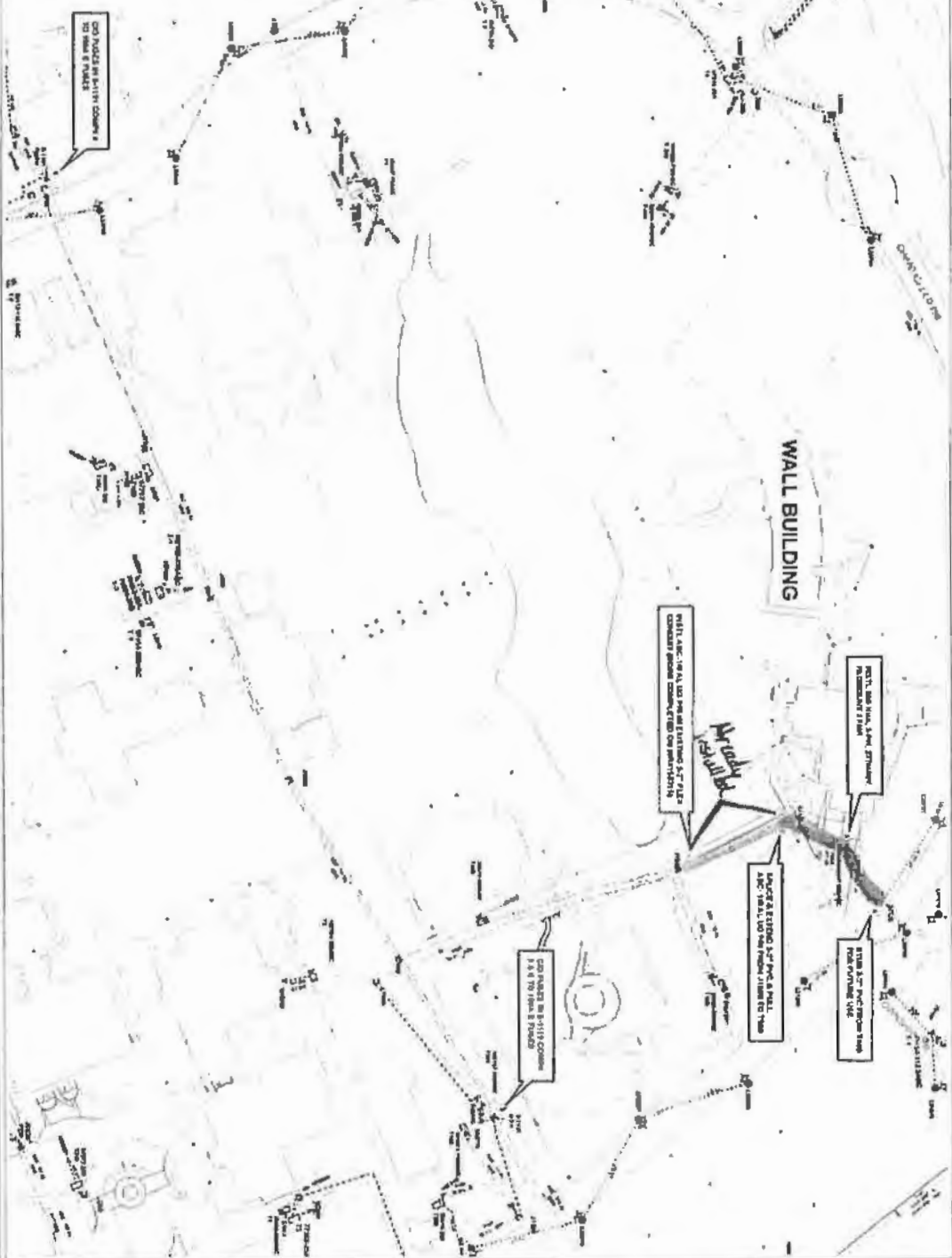


TOTAL CONNECTED LOAD (VA)			
PHASE	S-11183.1	S-11183.8	S-1181.4
A	500	241.7	280.7
B	500	241.7	281.7
C	500	241.7	282.7

Component	Component	Component	Component
WALL 1 - 1 Phase	WALL 2 - 1 Phase	WALL 3 - 1 Phase	WALL 4 - 1 Phase
500 VA	241.7 VA	280.7 VA	281.7 VA
500 VA	241.7 VA	281.7 VA	282.7 VA

Component	Component	Component	Component
WALL 1 - 1 Phase	WALL 2 - 1 Phase	WALL 3 - 1 Phase	WALL 4 - 1 Phase
500 VA	241.7 VA	280.7 VA	281.7 VA
500 VA	241.7 VA	281.7 VA	282.7 VA

1. Provide voltage and the number of service conductors...  
 2. Provide...  
 3. Provide...  
 4. Provide...



**santee cooper**  
 Distribution Services  
 3000 Governor Lee Road  
 Irvine, CA 92618  
 (949) 261-5399



**CCU ACADEMIC OFFICE II**

APPROVAL, PROJECT ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 APPROVAL, ELEC. CODE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 PROJECT ENGINEER: L. O. [Name] NO. [Number]  
 DATE: 10/17/08 PROJECT NO.: 0

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**AGENCY:** Department of Administration, Division of General Services

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**SUBJECT:** Real Property Conveyance

The Department of Administration, Division of General Services recommends approval of the following real property conveyance:

<b>Controlling Agency:</b>	<b>Clemson University</b>
Acreage:	518± acres
Location:	Off Hood Creek Road, Laurens
County:	Laurens
Purpose:	To convey property adjacent to the Cliff Pitts Wildlife Management Area to the Department of Natural Resources to expand the existing wildlife management area and provide additional outdoor recreational opportunities to the public. Clemson University has been in the process of consolidating its youth programs into several locations rather than operating numerous locations across the state. The sale will allow the University to use the proceeds to improve and expand the infrastructure and facilities at one or more of its main youth program locations. This will also enable the University to serve more youth and expand youth programs at the consolidated locations. While the sales price is slightly below the appraised value, the benefits that the University, Department of Natural Resources and the State would receive from this transaction more than compensate for the difference.
Appraised Value:	\$1,297,047 as of 4/24/15
Price/Transferred To:	\$1,143,294/Department of Natural Resources
Disposition of Proceeds:	To be retained by Clemson University.

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**BOARD ACTION REQUESTED:**

Approve the real property conveyance as recommended by the Department of Administration, Division of General Services.

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**ATTACHMENTS:**

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

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Meeting Scheduled for: March 8, 2016

Blue Agenda

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1. Submitted by:

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

  
Nolan L. Wiggins, Jr., Director

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2. Subject: REAL PROPERTY CONVEYANCE

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3. Summary Background Information:

**Controlling Agency:** Clemson University  
**Acreage:** 518± acres  
**Location:** Off Hood Creek Road, Laurens  
**County:** Laurens  
**Purpose:** To convey property adjacent to the Cliff Pitts Wildlife Management Area to the Department of Natural Resources to expand the existing wildlife management area and provide additional outdoor recreational opportunities to the public. Clemson University has been in the process of consolidating its youth programs into several locations rather than operating numerous locations across the state. The sale will allow the University to use the proceeds to improve and expand the infrastructure and facilities at one or more of its main youth program locations. This will also enable the University to serve more youth and expand youth programs at the consolidated locations. While the sales price is slightly below the appraised value, the benefits that the University, Department of Natural Resources and the State would receive from this transaction more than compensate for the difference.

**Appraised Value:** \$1,297,047 as of 4/24/15  
**Price/Transferred To:** \$1,143,294/Department of Natural Resources  
**Disposition of Proceeds:** To be retained by Clemson University.

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4. What is Authority asked to do? Approve the property conveyance as requested.

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5. What is recommendation of Department of Administration Division involved? Recommend approval of the property conveyance as requested.

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6. List of Supporting Documents:

- (a) Letter from Clemson University dated February 9, 2015  
(b) Map  
(c) SC Code of Laws Section 1-11-65



February 9, 2016

Ms. Linda Gordon  
South Carolina Department of Administration  
Division of General Services  
Real Property Services  
1200 Senate Street, Suite 408  
Columbia, SC 29201

**Finance and Operations**

Clemson University  
G06 Sikes Hall  
Box 345302  
Clemson, SC  
29634-5302

P 864-656-2421  
F 864-656-2008

**RE: Clemson University Request to Dispose of Real Property in Laurens County to the South Carolina Department of Natural Resources**

**Dear Ms. Gordon:**

Clemson University and the Clemson University Land Stewardship Foundation, Inc. (CULSF) own approximately 518 and 71 acres, respectively, in Laurens County off of Hood Creek Road. This property is adjacent to approximately 509 acres of property owned by the South Carolina Department of Natural Resources (DNR), as shown in Exhibit A. In early 2015, the University and CULSF were approached by DNR regarding its desire to acquire the approximately 589 acres of property owned by the University and CULSF.

Clemson University acquired the approximately 518 acres in 1999 to establish a collaborative learning experience which would allow students to participate in forest management, conservation, agriculture, and youth development activities. CULSF acquired its approximately 71 acres in 2006 to benefit the University, so that it could incorporate this property into the operations conducted on the adjacent University-owned property.

After learning of DNR's interest to acquire the properties, the University and CULSF both agreed that they would like to sell the properties to DNR. Clemson and CULSF believe the sale of their properties to DNR will be of greater overall benefit to all entities involved.

Clemson has been in the process of consolidating its youth programs into a several locations rather than operating numerous locations across the state. The University's sale of the Laurens County property is another step in that process. Divesting itself of this property will allow the University to use the proceeds from the sale to improve and expand the infrastructure and facilities at one or more of its main youth program locations. This will also enable the University to serve more youth and expand youth programs at the consolidated locations. As a supporting organization of the University, CULSF's property sale will also

benefit Clemson as the proceeds from CULSF's sale will be transferred to the University and earmarked for infrastructure and facilities for youth programs at Clemson's consolidated locations.

DNR will also benefit from acquisition of the two properties through expansion of its youth programs and other activities. Increasing the size of the Cliff Pitts Wildlife Management Area by 589 acres to 1,098 contiguous acres provides DNR opportunities to expand the existing wildlife management area and provide additional outdoor recreational opportunities to the public, including hunting, fishing, hiking, viewing wildlife and enjoying nature.

**Finance and Operations**

Clemson University  
G06 Sikes Hall  
Box 345302  
Clemson, SC  
29634-5302

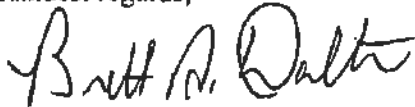
P 864-656-2421  
F 864-656-2008

DNR had an appraisal performed on the University and CULSF properties which found a combined value of \$1,475,000. Given the inter-agency purchase and sale, DNR offered Clemson and CULSF a combined amount of \$1,300,000 for the two properties. Based on the University's proportional acreage (518) to the total acreage (589), the University's sales price amounts to \$1,143,294 of the \$1,300,000, with the remaining amount attributed to the CULSF property. While the combined sales price is slightly below the appraised value, the benefits that the University, DNR and the State would receive from this inter-agency transaction more than compensate for the difference.

Taking the above information into consideration, Clemson University requests that the State Fiscal Accountability Authority approve the sale of approximately 518 acres located in Laurens County to the Department of Natural Resources.

Thank you in advance for your attention to this matter. If you have any questions, please do not hesitate to contact me or Laura Haselden at (864) 656-5660.

Kindest regards,



Brett A. Dalton  
Vice President for Finance and Operations

Attachment

Cc: Laura Haselden  
Carol Routh

Exhibit A



- DNR Property
- Clemson University Property
- CULSF Property

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.**

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

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AGENCY: Executive Director

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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. Volume cap allocation will be considered separately.

- a. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$120,000,000 Hospital Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Palmetto Health  
Employment Impact: maintain at least 10,499 jobs in Richland County and 1,800 jobs in Sumter County  
Project Description: (A) finance or refinance the acquisition of certain assets of Tuomey d/b/a Tuomey Healthcare System and Tuomey Medical Professionals which are located in Sumter County, South Carolina ("Sumter County" and, together with Richland County, the "Counties") (the "Tuomey Acquisition"), (B) finance or refinance certain additions, expansions and enlargements to its existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets in the Counties, and (C) and pay fees and expenses incurred in connection with the issuance of the Bonds.  
*Note:* *private sale*  
Bond Counsel: David J. Kates, Chapman and Cutler LLP
- b. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: \$14,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: -0-  
Name of Project: The Assembly  
Employment Impact: n/a  
Project Description: provide financing for the acquisition and construction of approximately 240 rental units located in Greenville  
Bond Counsel: Samuel W. Howell, Howell Linkous & Nettles, LLC
- c. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: Not Exceeding \$8,500,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$8,500,000 (will use carryforward allocation)  
Name of Project: Waters at Berryhill  
Employment Impact: n/a



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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

- Project Description: acquisition and rehabilitation of a 180 unit multifamily affordable housing apartment complex in Lexington  
Bond Counsel: Ray E. Jones, Parker Poe Adams & Bernstein LLP
- d. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: Not Exceeding \$11,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$11,000,000 (will use carryforward allocation)  
Name of Project: Waters at Longcreek  
Employment Impact: n/a  
Project Description: acquisition and rehabilitation of a 220 unit multifamily affordable housing apartment complex in Richland County  
Bond Counsel: Ray E. Jones, Parker Poe Adams & Bernstein LLP

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AUTHORITY ACTION REQUESTED:

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

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ATTACHMENTS:

Resolutions

Summary of Financing Proposal for

Palmetto Health

PRELIMINARY – SUBJECT TO CHANGE

February 18, 2016

Bonds Proposed to be financed	Par Amount: Not to exceed \$120,000,000 The Bonds will be used to (i) finance or refinance the acquisition of certain assets of Tuomey d/b/a Tuomey Healthcare System and Tuomey Medical Professionals (the "Tuomey Acquisition"), (ii) finance or refinance certain additions, expansions and enlargements to the existing hospital facilities of Palmetto Health and its affiliates and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets in Sumter County and Richland County, and (iii) pay certain costs incurred with the issuance of the Bonds.
Projected average interest rate of bonds	70% of 1-month LIBOR + 0.90%
True interest cost of bonds	See above
Estimated costs (costs as a percentage of bonds)	
Underwriting/Purchaser Fee	\$20,000.00 (0.02%)
Legal fees – bond, disclosure and general counsel	\$222,500 (0.19%)
Rating agency fees	\$75,000.00 (0.06%)
Advisory fees	\$100,000.00 (0.08%)
Bond trustee/registrar	\$2,000.00 (0.00%)
Accounting and verification	\$0.00
Credit enhancement/bond insurance	\$0.00
Publication, printing, contingencies and all other expenses	\$189,810 (0.16%)
Total	\$607,310.00 (0.51%)

Prepared by \_\_\_\_\_ David J. Kates, Chapman and Cutler LLP \_\_\_\_\_

Date \_\_\_\_\_ February 18, 2016 \_\_\_\_\_

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$120,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (PALMETTO HEALTH) IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (“JEDA”) has heretofore under and pursuant to the provisions Section 41-43-110 Code of Laws of South Carolina 1976, as amended (the “Act”), requested approval by the State Fiscal Accountability Authority of the issuance by JEDA pursuant to the Act of its Hospital Revenue Bonds (Palmetto Health), in one or more series, in the aggregate principal amount of not exceeding \$120,000,000 (the “Bonds”) through private sale, which JEDA has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Fiscal Accountability Authority that the Bonds will be sold through a private sale acceptable to JEDA; and

**NOW THEREFORE, BE IT RESOLVED**, by the State Fiscal Accountability Authority (the “Authority”) of the State of South Carolina, as follows:

**SECTION 1.** It is hereby found, determined and declared by the Authority that: the Petition filed by JEDA contains all matters required by law and the rules of this Authority to be set forth therein, and that in consequence thereof the jurisdiction of this Authority 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 JEDA 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.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: **02/15/16**

Final Version Date: **00/00/00**

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: N/A Issuer: South Carolina Jobs-Economic Development Authority Series: 2016A  
 Borrower (if not Issuer): Palmetto Health Amount: \$120,000,000.00  
 Bond Caption: SCJEDA Hospital Improvement and Refunding Revenue Bonds (Palmetto Health), Series 2016A

#### Initial/Current Version:

ISSUER: South Carolina Jobs-Economic Development Authority  
 NAME: Development Authority  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 1/26/2016

#### Final:

ISSUER:   
 NAME:   
 BY:   
 ITS:   
 DATE:

### 2. FINANCING (NEW PORTION)

Project #: N/A Project Name: Acquisition of Tuomey Assets and Routine Capital Expenditures  
 Project Address/Location: Sumter, South Carolina Amount: \$119,392,690\*  
 Project Type: Acquisition of Facilities and Routine County: Sumter County  
 Projected Avg Interest Rate: 70% of 1 month LIBOR + 0.90 True Interest Cost: N/A

### 3. FINANCING (REFUNDED PORTION)

Original Maturity	Refunded Maturity	Project Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est. APY (avg. %)	Est. NPV Sggs. (% of Bds)
	00/00/00		0.00%	0.00%	\$	0.00%
	00/00/00		0.00%	0.00%	\$	0.00%
	00/00/00		0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: Ponder & Co. Disclosure Counsel: N/A  
 Bond Counsel: Chapman & Cutler LLP/McNair Law Issuer's Counsel: Howell Linkous & Nettles, LLC  
 Underwriter: N/A Purchaser's Counsel: Balch & Bingham LLP  
 Purchaser: Bank of America, N.A., as purchase Borrower's Counsel: McNair Law Firm, P.A.

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

\* See Attached Schedule

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval	Notes:
Issuer/Borrower Approval: <u>03/22/16</u>	Estimated Date
JBRC Approval: <u>N/A</u>	N/A
SFAA Approval: <u>03/08/16</u>	

Project Approval - Finance Division Approval Only	Notes:
Issuer/Borrower Approval: <u>00/00/00</u>	
JBRC Approval: <u>00/00/00</u>	
SFAA Approval: <u>00/00/00</u>	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy) Yes  No

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds? Yes  No

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - 1,054,395  
Cost Estimate - \$70,152,780

	Bond Proceeds	FY	Special Does it Schedule Item
Est. Expenditures - Through 6 Months	\$ 96,000,000.00	9/30/2016	Includes reimbursement and COI at closing plus routine cap
Est. Expenditures - Through 12 Months	\$ 8,000,000.00	9/30/2017	Routine capital expenditures
Est. Expenditures - Through 18 Months	\$ 8,000,000.00	9/30/2018	Routine capital expenditures
Est. Expenditures - Through 24 Months	\$ 8,000,000.00	9/30/2019	Routine capital expenditures
Est. Expenditures - Through 36 Months	\$	00/00/00	
Est. Expenditures - Through 48 Months	\$	00/00/00	
- Estimated Expenditures: Thru FY:	\$ 120,000,000.00		

### 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$ 119,392,690.00	Project Fund
Type -	\$ 120,000,000.00	\$	Capitalized Interest Fund

\* See Attached Schedule

a.



## Schedule to New Debt Information Form

**Issuer:** South Carolina Jobs-Economic Development Authority

**Borrower:** Palmetto Health

### Supplemental Information for Item 2

The financing (new portion) amount includes costs of issuance in an estimated amount of \$607,310.

### Supplemental Information for Item 4

Chapman and Cutler LLP is serving as bond counsel. At the request of the State Treasurer's Office, McNair Law Firm, P.A. will be co-bond counsel so that attorneys licensed in the State of South Carolina will materially participate in the bond counsel role.

### Supplemental Information for Item 5

Palmetto Health Tuomey is a South Carolina nonprofit corporation of which Palmetto Health is the sole member. On December 29, 2015, Palmetto Health Tuomey acquired substantially all of the assets of Tuomey Healthcare System and Tuomey Medical Professionals for \$87,017,690 using an advance from Palmetto Health. Palmetto Health obtained those funds by means of a taxable loan. Palmetto Health Tuomey recently received its 501(c)(3) determination and now Palmetto Health wishes that SCJEDA issue its tax-exempt bonds in order to reimburse Palmetto Health for the acquisition price and to make Palmetto Health Tuomey a member of the Obligated Group for the Bonds. In addition, bond proceeds will be used to finance capital expenditures at the Tuomey facilities in Sumter County and at Palmetto's facilities in Richland County. It is expected that the capital expenditures will include, among other things, the renovation of the emergency department and an upgrade of the information systems at the Tuomey facilities. The emergency department renovation will require a certificate of need and the process of applying for the certificate of need has not yet commenced.

### Supplemental Information for Item 7

Palmetto Health is the sole member of Palmetto Health Tuomey, which will be the operator of the Tuomey facilities. Palmetto Health Tuomey will lease employees from Palmetto Health pursuant to a contract that is still being drafted. In addition, Palmetto Health will provide certain administrative and operating services for Palmetto Health Tuomey pursuant to a contract that is still being drafted. Once these contracts have been finalized and executed, copies will be made available for review by the State Treasurer's Office. As part of the services performed by Palmetto Health, the cash and investments of Palmetto Health Tuomey will be combined and comingled with the cash and investments of Palmetto Health and may therefore be used to pay debt service on the Series 2016A Bonds. In addition, upon the issuance of the Series 2016A Bonds, Palmetto Health Tuomey and Palmetto Health will be members of an obligated group under a Master Trust Indenture where each party agrees to be jointly and severally liable on debt secured by the Master Trust Indenture, which will include the Series 2016A Bonds.

The square footage and cost estimate provided is for the Tuomey facilities in which Palmetto Health Tuomey has a fee simple ownership interest.

Supplemental Information for Item 9

As mentioned in Item 4, Chapman and Cutler LLP and McNair Law Firm, P.A. are serving as co-bond counsel. Therefore, the fee estimate is the combined fee estimate of both law firms. Chapman and Cutler's engagement date is 2/17/14 and its estimated fee is \$115,000. McNair Law Firm's engagement date is 12/17/96 and its estimated fee is \$25,000.

The fee to Bank of America, N.A. is for their fee as direct purchaser of the Bonds and not as an underwriter's discount. There is not an underwriter in this transaction.

The fee to the South Carolina Jobs-Economic Development Authority is included in the "other" costs of issuance and is an estimate based on a not to exceed amount of \$120,000,000. The fee will be adjusted to reflect the final principal amount of the Bonds.

Summary of Financing Proposal for

THE ASSEMBLY

South Carolina State Housing Finance and Development Authority

PRELIMINARY – SUBJECT TO CHANGE

25 January 2016

Bonds proposed to be issued Not exceeding \$14,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Assembly) Series 2016, maturing on April 1, 2018

Projected average interest rate of bonds 1.25%  
True interest cost of bonds 1.25%

Estimated costs (costs as a percentage of bonds)

Underwriting	0.80% (\$112,000)
Legal fees – bond, underwriter’s, and general counsel	1.21% (\$169,000)
Rating agency fees	0.04% (\$5,000)
Advisory fees	0% (\$-0-)
Bond trustee/registrar	0.04% (\$5,000, including trustee counsel fees)
Accounting and verification	0% (\$-0-)
Credit enhancement/bond insurance	0% (\$-0-)
Publication, printing, contingencies and all other expenses	0.78% (\$110,000, including State Housing Authority fee of \$105,000)
Total	2.87% (\$401,000)

Prepared by Samuel W. Howell, IV

Date 25 January 2016



## A RESOLUTION

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

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 (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 January 25, 2016 (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 (The Assembly) in the principal amount not to exceed \$14,000,000.

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.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 00/00/00

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: S.C. State Housing Finance and Development Authority Series: 2016  
 Borrower (if not Issuer): Assembly SC LLC Amount: \$14,000,000.00  
 Bond Caption: Multifamily Housing Revenue Bonds (The Assembly), Series 2016

Initial/Current Version:

ISSUER NAME: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 ITS: \_\_\_\_\_  
 DATE: \_\_\_\_\_

Final:

ISSUER NAME: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 ITS: \_\_\_\_\_  
 DATE: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: N/A Project Name: The Assembly  
 Project Address/Location: 3100 W. Blue Ridge Dr. Greenville Amount: \$14,000,000.00  
 Project Type: Multifamily Housing Facility County: Greenville  
 Projected Avg Interest Rate: 1.25% True Interest Cost: 1.25%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Bds)
N/A	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	Total	\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: None Disclosure Counsel: None  
 Bond Counsel: Howell Linkous & Nettles, LLC Issuer's Counsel: Tracey Easton  
 Underwriter: Stiffel Nicolaus & Company, Inc. Tax Credit Syndicator: CAHEC  
 Underwriter's Counsel: Eichner Norris & Neumann Tax Credit Counsel: Bryan Cave LLP

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

The Project consists of the construction of a 240-unit affordable housing facility in Greenville, South Carolina to be known as The Assembly. Bonds will be issued to qualify the Project for federal Low Income Housing Tax Credits (LIHTC) in the amount of \$11,000,000. The Bonds will be fully cash collateralized during their entire term (maturity dated is 04/01/2019) and will be paid in full upon completion of construction of the Project from cash held by the Bond Trustee.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	00/00/00	11/18/2015
JBRC Approval:	00/00/00	N/A
SFAA Approval:	00/00/00	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	N/A
JBRC Approval:	00/00/00	N/A
SFAA Approval:	00/00/00	N/A

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy) Yes No

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage -   
Cost Estimate -

Est. Expenditures - Through 6 Months  
 Est. Expenditures - Through 12 Months  
 Est. Expenditures - Through 18 Months  
 Est. Expenditures - Through 24 Months  
 Est. Expenditures - Through 36 Months  
 Est. Expenditures - Through 48 Months  
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYF	Spend Down Schedule Notes
\$ 3,674,000.00	9/30/2016	
\$ 5,252,000.00	3/31/2017	
\$ 5,074,000.00	9/30/2016	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 14,000,000.00		

**8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES**

Source	Est. Project Budget (Source)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 14,000,000.00	\$ 23,122,147.00	Project Fund
(2) Issuer/Borrower Contribution	\$ 1,207,244.00	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 470,480.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$ 26,948,572.00	\$ 470,480.00	Cost of Issuance (Incl. UW Disc.)
<i>Residual Project Sources</i>		\$ 3,457,500.00	Developer Fee
(6) Other (a) GF -	\$	\$ 289,750.00	Land Purchase Costs
(a) FF -	\$	\$ (1,080,000.00)	Less Market Value of Land
(c) OF -	\$	\$ 14,000,000.00	Payoff Bonds
Total Project Budget (Source)	\$ 42,155,816.00	\$ 1,895,939.00	Other Costs
		\$	Other
		\$	Other
		\$	Other
		\$	Other
		\$ 42,155,816.00	Total Project Budget (Uses)
Surplus/Deficit	\$	\$	

**9. ESTIMATED/ACTUAL BOND COI EXPENDITURES**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	% of Transaction
Financial Advisor	None			\$	\$	\$
Bond Counsel	Howell Linkins & Nettles	N/A	N/A	\$ 70,000.00	\$	\$ 70,000.00
Disclosure Counsel	None			\$	\$	\$
Issuer's Counsel	N/A			\$	\$	\$
Underwriter's Counsel	Hooper Norris & Neumann		N/A	\$ 35,000.00	\$	\$ 35,000.00
Underwriter's Expenses	Stiffel Nicolaus & Co.	N/A	N/A	\$ 5,000.00	\$	\$ 5,000.00
Trustee's Counsel	Not Known	N/A	N/A	\$ 5,000.00	\$	\$ 5,000.00
CHFC Fees	CAHEC	N/A	N/A	\$ 126,480.00	\$	\$ 126,480.00
Rating Agency - S&P	S&P	N/A	N/A	\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch	N/A			\$	\$	\$
Underwriter's Compensation	Stiffel Nicolaus & Co.		N/A	\$ 112,000.00	\$	\$ 112,000.00
Registrar / Paying Agent	Bank of NY Mellon	N/A	N/A	\$ 2,000.00	\$	\$ 2,000.00
Escrow Agent	N/A			\$	\$	\$
Accountant				\$ 5,000.00	\$	\$ 5,000.00
Verification Agent	N/A			\$	\$	\$
Printing	N/A			\$	\$	\$
Publishing	N/A			\$	\$	\$
Advertising	N/A			\$	\$	\$
Contingency	N/A			\$	\$	\$
Issuer Fee	State Housing		N/A	\$ 105,000.00	\$	\$ 105,000.00
				\$ 470,480.00	\$ 470,480.00	\$ 470,480.00

Est. / Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction  
 Bond Counsel: % of Transaction  
 Total Legal Costs: % of Transaction  
 Rating Agencies: % of Transaction

0.00%	0.00%
0.50%	0.00%
1.72%	0.00%
0.04%	0.00%

UW Comp: % of Transaction  
 Other COI: % of Transaction  
 Total COI: % of Transaction

0.80%	0.00%
0.80%	0.00%
3.36%	0.00%



**Prudential**

**Prudential Mortgage Capital Company**

*The Assembly*

Prepared by: Pete TenEyck / (704) 501-5043

Draft Date: 11/23/15

**LOAN SUMMARY & TERMS**

Project Name:	The Assembly	Target Interest Rate:	4.00%
Loan Program:	FHA 221(d)(4) NC	Mortgage Insurance Premium (MIP):	0.45%
Proposed Loan Amount:	\$14,176,400	Construction Loan Term:	20 months interest only
		Permanent Loan Term:	40 years, fully amortizing

**SOURCES & USES**

*Uses of Funds*

Total HUD Replacement Cost before Developer Fee and Bond Issuance Costs		\$23,122,147
Bond Issuance Costs		

	Total	% of Issued Bonds	
Issuer Fee	\$105,000	0.75%	
Bond Counsel Fee	\$70,000	0.50%	
Underwriter's Fee	\$112,000	0.80%	
Underwriter's Expenses	\$5,000	0.04%	
Underwriter's Counsel fee & expenses	\$35,000	0.25%	
Trustee Acceptance and first year annual	\$2,000	0.01%	
Trustee Counsel	\$5,000	0.04%	
Rating, cash flows, CPA	\$10,000	0.07%	
LIHTC fees	\$126,480	0.90%	
<b>Total Bond Issuance Costs</b>	<b>\$470,480</b>	<b>3.36%</b>	<b>\$470,480</b>
Developer Fee			\$3,457,500
<b>Total HUD Replacement Cost</b>			<b>\$27,050,127</b>

Less Non-Cash Items:

Market Value of Land	(\$1,080,000)
Plus: Land Purchase Costs	\$289,750
<b>Mortgageable Costs Subtotal</b>	<b>\$26,259,877</b>

Other Non Mortgageable Costs

Initial Operating Deficit	\$425,292
Working Capital Escrow (4% of loan amount)	\$567,056
Budget WC & IOD minus HUD IOD & WC	\$328,341
Portion of property on Purchase Contract not part of site	\$225,250
Bond Interest (\$87,500 semi-annually)	\$350,000
Payoff of Bonds	\$14,000,000
Subtotal	\$15,895,939
<b>Total Uses</b>	<b>\$42,155,816</b>

*Sources of Funds*

FHA Mortgage Amount	\$14,176,400
Tax Credit Proceeds	\$11,065,128
HOME Funds	\$1,200,000
Deferred Developer Fee	\$1,207,244
Issued Bonds	\$14,000,000
Return of Initial Operating Deficit and Working Capital Reserve	\$507,044
<b>Total Sources</b>	<b>\$42,155,816</b>









Summary of Financing Proposal for

\$8,500,000  
 South Carolina State Housing Finance and Development Authority  
 Multifamily Housing Revenue Bonds  
 (Waters at Berryhill)  
 Series 2016

ESTIMATED – PRELIMINARY – SUBJECT TO CHANGE\*

January 27, 2016

Bonds proposed to be financed	See caption
Projected average interest rate of bonds	0.75%
True interest cost of bonds	0.75%
Estimated costs (costs as a percentage of bonds)	3.11%
Underwriting	\$ 54,375.00
Legal fees – bond, underwriter and general counsel	\$ 97,000.00
Rating agency fees	\$ 5,000.00
Advisory fees	n/a
Bond trustee/registrar	\$ 7,500.00
Accounting and verification	\$ 1,500.00
Credit enhancement/bond insurance	n/a
Publication, printing, contingencies and all other expenses	TBD
Application and Issuer Fees	\$ 60,375.00
Total	\$225,750.00

Prepared by Parker Poe Adams & Bernstein LLP

Date January 27, 2016

Estimates, based on current information and known costs as provided by Stifel, Nicolaus & Company.

Summary of Financing Proposal for

\$8,500,000  
 South Carolina State Housing Finance and Development Authority  
 Multifamily Housing Revenue Bonds  
 (Waters at Berryhill)  
 Series 2016

ESTIMATED – PRELIMINARY – SUBJECT TO CHANGE\*

January 27, 2016

Bonds proposed to be financed	See caption
Projected average interest rate of bonds	0.75%
True interest cost of bonds	0.75%
Estimated costs (costs as a percentage of bonds)	3.11%
Underwriting	\$ 54,375.00
Legal fees – bond, underwriter and general counsel	\$ 97,000.00
Rating agency fees	\$ 5,000.00
Advisory fees	n/a
Bond trustee/registrar	\$ 7,500.00
Accounting and verification	\$ 1,500.00
Credit enhancement/bond insurance	n/a
Publication, printing, contingencies and all other expenses	TBD
Application and Issuer Fees	\$ 60,375.00
Total	\$225,750.00

Prepared by Parker Poe Adams & Bernstein LLP

Date January 27, 2016

Estimates, based on current information and known costs as provided by Stifel, Nicolaus & Company.

C.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (WATERS AT BERRYHILL) SERIES 2016**

**WHEREAS**, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), that the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one of more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (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; (iii) the payment of the notes or 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 SFAA; or (b) if the notes or 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 investors, or to other non-registered 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 notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Waters at Berryhill, LP, a for-profit entity (the "Sponsor"), has requested the Authority to assist it in an undertaking to provide certain residential property, as defined in the Act, consisting of 180 units of residential property located in Columbia, South Carolina, Lexington County (the "Project"); and

**WHEREAS**, in order to provide money to purchase and rehabilitate the Project, the Authority proposed to issue its bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Waters at Berryhill) Series 2016 in the principal amount of not to exceed \$8,500,000 (the "Bonds"); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of January 25, 2016 (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 Berryhill) Series 2016 in the principal amount of not to exceed \$8,500,000.

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

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-3-220, 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 payment of debt service on the Bonds; and
- (v) the method to be employed in selling the Bonds;

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefore;

(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 Sponsor; and

(e) To the extent required, 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.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 01/27/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance and Development Series: 2016  
 Borrower (if not Issuer): Waters at Berryhill, LP Amount: \$7,250,000.00  
 Bond Caption: (Waters at Berryhill Apartments Project)

#### Initial/Current Version:

ISSUER: South Carolina State Housing and Development Authority  
 NAME: \_\_\_\_\_  
 BY: Parker Poe Adams & Bernstein  
 ITS: Bond Counsel  
 DATE: 1/27/2016

#### Final:

ISSUER: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 ITS: \_\_\_\_\_  
 DATE: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Waters at Berryhill  
 Project Address/Location: 18 Berryhill Road, Columbia, 29210 Amount: \$7,250,000.00  
 Project Type: Multifamily Housing County: Lexington County  
 Projected Avg Interest Rate: 0.75% True Interest Cost: 0.75%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Bds)
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton, General Counsel, SCSHFDA  
 Underwriter: Stifel, Nicolaus & Company, Incorp Borrower's Counsel: Parker Poe Adams & Bernstein LLP  
 Other: Sidley Austin, LLP (Underwriter Co) Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

The purpose of the financing is to fund, through a construction mortgage loan, a portion of the purchase and rehabilitation of an existing 180 unit multifamily development to offer affordable housing to residents in the City of Columbia, South Carolina. Housing units will include single-family detached homes and multifamily apartments. The basis for the financing costs presented in this worksheet is from information included in the application to SCSHFDA prepared by the Borrower.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>11/18/15</u>	<u>Preliminary Res.</u>
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>03/01/16</u>	<u>Anticipated</u>

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>	
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>00/00/00</u>	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)  Yes  No
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?  Yes  No
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

	Yes	No
a.	<input type="checkbox"/>	<input type="checkbox"/>
b.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c.	Sq. Footage - _____ Cost Estimate - _____ \$0	

C.

Est. Expenditures - Through 6 Months  
 Est. Expenditures - Through 12 Months  
 Est. Expenditures - Through 18 Months  
 Est. Expenditures - Through 24 Months  
 Est. Expenditures - Through 36 Months  
 Est. Expenditures - Through 48 Months  
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYI	Spend Down Schedule Notes
\$ 6,250,000.00	00/00/00	Estimated. Actual expenditures will depend on rehab progress
\$ 1,000,000.00	00/00/00	Estimated. Actual expenditures will depend on rehab progress
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 7,250,000.00		

**8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES**

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 7,250,000.00	\$ 7,250,000.00	Project Fund
(2) Issuer/Borrower Contribution	\$ 4,060,101.00	\$ 56,500.00	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 225,750.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - HUD Taxable Loan	\$ 643,900.00	\$ 225,750.00	Cost of Issuance (Incl. UW Disc.)
<b>Residual Project Sources</b>		\$ 3,951,741.10	Rehab Escrow
(6) Other (a) GF - Seller Note	\$ 1,170,734.00	\$ 660,675.80	HUD Mortgage Costs
(a) FF - Home Funds	\$ 700,000.00	\$ 387,293.10	Soft Costs & LIHTC Costs
(c) OF - Deferred Dev. Fee	\$ 609,897.00	\$ 682,878.00	Reserves
<b>Total Project Budget (Source)</b>	<b>\$ 14,434,632.00</b>	<b>\$ 14,434,632.00</b>	<b>Total Project Budget (Uses)</b>
<b>Surplus/Deficit</b>		\$ -	

**9. ESTIMATED/ACTUAL BOND COI EXPENDITURES**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Parker Poe		1/22/2016	\$ 50,000.00	\$	\$ 50,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	General Counsel			\$	\$	\$
Underwriter's Counsel	Sidley Austin			\$ 40,000.00	\$	\$ 40,000.00
Trustee Counsel	TBD			\$ 7,000.00	\$	\$ 7,000.00
Borrower's Counsel	Parker Poe		TBD	TBD	\$	#VALUE!
				\$	\$	\$
Rating Agency - S&P	S&P		TBD	\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Stifel, Nicolaus & Company			\$ 54,375.00	\$	\$ 54,375.00
Registrar / Paying Agent	Wilmington Trust		TBD	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent	Carter & Company, CPA		TBD	\$ 1,500.00	\$	\$ 1,500.00
Printing				\$	\$	\$
Bond Application Fee	SCSHFDA			\$ 6,000.00	\$	\$ 6,000.00
Issuer Fee	SCSHFDA			\$ 54,375.00	\$	\$ 54,375.00
ly				\$	\$	\$
Other				\$	\$	\$
				<b>\$ 225,750.00</b>	<b>\$</b>	<b>#VALUE!</b>

Est. / Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction  
 Bond Counsel: % of Transaction  
 Total Legal Costs: % of Transaction  
 Rating Agencies: % of Transaction

0.00%	0.00%
0.69%	0.00%
1.34%	0.00%
0.07%	0.00%

UW Comp: % of Transaction  
 Other COI: % of Transaction  
 Total COI: % of Transaction

0.75%	0.00%
0.96%	0.00%
3.11%	0.00%

Summary of Financing Proposal for

\$11,000,000  
 South Carolina State Housing Finance and Development Authority  
 Multifamily Housing Revenue Bonds  
 (Waters at Longcreek)  
 Series 2016

ESTIMATED – PRELIMINARY – SUBJECT TO CHANGE\*

January 27, 2016

Bonds proposed to be financed	See caption
Projected average interest rate of bonds	0.75%
True interest cost of bonds	0.75%
Estimated costs (costs as a percentage of bonds)	2.81%
Underwriting	\$ 66,750.00
Legal fees – bond, underwriter and general counsel	\$ 97,000.00
Rating agency fees	\$ 5,000.00
Advisory fees	n/a
Bond trustee/registrar	\$ 7,500.00
Accounting and verification	\$ 1,500.00
Credit enhancement/bond insurance	n/a
Publication, printing, contingencies and all other expenses	TBD
Application and Issuer Fees	\$ 72,750.00
Total	\$250,500.00

Prepared by Parker Poe Adams & Bernstein LLP

Date January 27, 2016

Estimates, based on current information and known costs as provided by Stifel, Nicolaus & Company.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (WATERS AT LONGCREEK) SERIES 2016**

**WHEREAS**, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), that the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one of more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (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; (iii) the payment of the notes or 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 SFAA; or (b) if the notes or 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 investors, or to other non-registered 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 notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Waters at Longcreek, LP, a for-profit entity (the "Sponsor"), has requested the Authority to assist it in an undertaking to provide certain residential property, as defined in the Act, consisting of 220 units of residential property located in Columbia, South Carolina, Richland County (the "Project"); and

**WHEREAS**, in order to provide money to purchase and rehabilitate the Project, the Authority proposed to issue its bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Waters at Longcreek) Series 2016 in the principal amount of not to exceed \$11,000,000 (the "Bonds"); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of January 25, 2016 (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 Longcreek) Series 2016 in the principal amount of not to exceed \$11,000,000.

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

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-3-220, 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 payment of debt service on the Bonds; and
- (v) the method to be employed in selling the Bonds;

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefore;

(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 Sponsor; and

(e) To the extent required, 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.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 01/27/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance Authority Series: 2016  
 Borrower (if not Issuer): Waters at Longcreek LP Amount: \$8,900,000.00  
 Bond Caption: (Waters at Longcreek Apartments Project)

**Initial/Current Version:**

ISSUER: South Carolina State Housing and Development Authority  
 NAME: \_\_\_\_\_  
 BY: Parker Poe Adams & Bernstein  
 ITS: Bond Counsel  
 DATE: 1/22/2016

**Final:**

ISSUER: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 ITS: \_\_\_\_\_  
 DATE: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Waters at Longcreek  
 Project Address/Location: 1401 Longcreek Road, Columbia, 29210 Amount: \$8,900,000.00  
 Project Type: Multifamily Housing County: Richland  
 Projected Avg Interest Rate: 0.75% True Interest Cost: 0.75%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Bds)
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	Total	\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton, General Counsel, SCSHFD  
 Underwriter: Stifel, Nicolaus & Company, Incorp Borrower's Counsel: Parker Poe Adams & Bernstein LLP  
 Other: Sidley Austin, LLP (Underwriter Cc) Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

The purpose of the financing is to fund, through a construction mortgage loan, a portion of the purchase and rehabilitation of an existing 220 unit multifamily development to offer affordable housing to residents in the City of Columbia, South Carolina. The basis for the financing costs presented in this worksheet is from information included in the application to SCSHFDA prepared by the Borrower.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	01/25/16	Preliminary Res.
JBRC Approval:	00/00/00	
SFAA Approval:	03/01/16	Anticipated

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)  Yes  No

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?  Yes  No

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - \_\_\_\_\_ Cost Estimate - \$0

d.

Est. Expenditures - Through 6 Months  
 Est. Expenditures - Through 12 Months  
 Est. Expenditures - Through 18 Months  
 Est. Expenditures - Through 24 Months  
 Est. Expenditures - Through 36 Months  
 Est. Expenditures - Through 48 Months  
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FY:	Spend Down Schedule Notes
\$ 7,800,000.00	00/00/00	Estimated. Actual expenditures will depend on rehab progress
\$ 1,100,000.00	00/00/00	Estimated. Actual expenditures will depend on rehab progress
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 8,900,000.00		

**8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES**

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 8,900,000.00	\$ 8,900,000.00	Project Fund
(2) Issuer/Borrower Contribution	\$ 5,720,060.00	\$ 69,500.00	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 250,500.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - HUD Taxable Loan	\$ 10,500,000.00	\$ 4,598,096.70	Cost of Issuance (Incl. UW Disc.)
<b>Residual Project Sources</b>		\$ 4,598,096.70	Rehab Escrow
(6) Other (a) GI - Seller Note	\$ 578,313.00	\$ 741,563.00	HUD Mortgage Costs
(a) FF - Deferred Dev. Fee	\$ 908,075.00	\$ 482,575.30	Soft Costs & LIHTC Costs
(c) OF -	\$	\$ 848,063.00	Reserves
<b>Total Project Budget (Source)</b>	\$ 26,606,448.00	\$ 1,816,150.00	Development Fee
		\$ 8,900,000.00	Bond Collateral
		\$	Other
		\$	Other
		\$ 26,606,448.00	<b>Total Project Budget (Uses)</b>
<b>Surplus/Deficit</b>		\$	-

**9. ESTIMATED/ACTUAL BOND COI EXPENDITURES**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Parker Poe		1/22/2016	\$ 50,000.00	\$	\$ 50,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	General Counsel			\$	\$	\$
Underwriter's Counsel	Sidley Austin			\$ 40,000.00	\$	\$ 40,000.00
Trustee Counsel	TBD			\$ 7,000.00	\$	\$ 7,000.00
Borrower's Counsel	Parker Poe		TBD	TBD	\$	#VALUE!
				\$	\$	\$
Rating Agency - S&P	S&P		TBD	\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Stifel, Nicolaus & Company			\$ 66,750.00	\$	\$ 66,750.00
Registrar / Paying Agent	Wilmington Trust		TBD	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent	Carter & Company, CPA		TBD	\$ 1,500.00	\$	\$ 1,500.00
Printing				\$	\$	\$
Bond Application Fee	SCSHFDA			\$ 6,000.00	\$	\$ 6,000.00
Issuer Fee	SCSHFDA			\$ 66,750.00	\$	\$ 66,750.00
y				\$	\$	\$
Other				\$	\$	\$
				\$ 250,500.00	\$	#VALUE!

Est. / Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction  
 Bond Counsel: % of Transaction  
 Total Legal Costs: % of Transaction  
 Rating Agencies: % of Transaction

0.00%	0.00%
0.56%	0.00%
1.09%	0.00%
0.06%	0.00%

UW Comp: % of Transaction  
 Other COI: % of Transaction  
 Total COI: % of Transaction

0.75%	0.00%
0.92%	0.00%
2.81%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF March 8, 2016

REGULAR SESSION  
ITEM NUMBER   1  

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AGENCY: State Auditor

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SUBJECT: Update on the State Auditor's Office

George Kennedy, the State Auditor, will provide the Authority an update on the State Auditor's Office.

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AUTHORITY ACTION REQUESTED:

Receive as information.

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ATTACHMENTS:

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AGENCY: ARRA Advisory Committee

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SUBJECT: Transfer of Qualified Energy Conservation Bonds Volume Cap Allocation to the State Pool

The American Recovery and Reinvestment Act (ARRA) of 2009 provided or expanded authority for certain types of entities to borrow funds with favorable tax treatment for Qualified Energy Conservation Bonds (QECB). As a result of the ARRA, South Carolina was allocated volume cap of \$46,475,000 for QECB.

Act 290 of 2010 created the South Carolina Volume Cap Allocation Act (the Act) which designated the former Budget and Control Board (now the State Fiscal Accountability Authority) as the entity responsible for managing the reallocation of certain unused ARRA Bond volume cap allocations. As defined in the Act, ARRA Bonds include QECB as described in the ARRA. The Act, delegated to the Board the authority to allocate or reallocate the volume cap authorized for South Carolina in ARRA. As prescribed in the Act, the Board on June 30, 2010, created the SC ARRA Volume Cap Advisory Committee (Advisory Committee) to make recommendations for allocation or reallocation of volume cap. The Advisory Committee first met on July 7, 2010, and agreed to send notice to the 46 counties and the cities of Charleston and Columbia advising them that they had until August 7, 2010, to provide notice of intent to use the volume cap allocation assigned to them in the ARRA, or the allocation would be deemed waived. On July 8, 2010, a "Notice of Intent to Use Volume Cap Allocation for Qualified Energy Conservation Bonds" form was sent to the counties and the cities. The Notice of Intent contained the following language for failure to use the allocation:

*In the event a County has not used its allocation by November 1, 2010, the County is deemed to have waived its allocation unless the Board or its designee grants an extension.*

No requests for extension have been received or granted for the allocations in question. The notice also made provision for the counties and the two cities to waive all or a portion of their volume cap and provided for them to request reallocation of waived allocation.

Subsequent communications were made in 2014 and 2016 to counties that had not used their allocation about the waiver of their allocation. To date Anderson, Beaufort, Dorchester, and Richland Counties have not used their allocations. These counties received the following allocations:

Anderson County	\$ 1,897,724
Beaufort County	\$ 1,553,304
Dorchester County	\$ 1,302,240
Richland County	<u>\$ 2,460,575</u>
Total Unwaived:	\$ 7,213,843

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AGENCY: ARRA Advisory Committee

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SUBJECT: Transfer of Qualified Energy Conservation Bonds Volume Cap Allocation to the State Pool

The Advisory Committee met on February 24, 2016, to consider recommending to the Authority the return of unused QECB volume cap allocation to the state pool. During its meeting, the Advisory Committee was informed that the City of Columbia was relinquishing its \$2,500,000 in QECB volume cap reallocation made to the City of Columbia in 2010 .

The Advisory Committee recommends that the Authority deem to be waived the QECB volume cap allocations awarded to Anderson County in the amount of \$1,897,724; Beaufort County in the amount of \$1,553,304; Dorchester County in the amount of \$1,302,240 and Richland County in the amount of \$2,460,575 in 2010 and transferred to the state pool for use by a qualified project, due to the failure by the respective counties to use the allocation. The Advisory Committee also recommends to the Authority that pursuant to the waiver provided to the Advisory Committee on behalf of the City of Columbia, the \$2,500,000 QECB volume cap reallocation awarded in 2010 be returned to the state pool for use by a qualified project.

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BOARD ACTION REQUESTED:

As recommended by the SC ARRA Volume Cap Advisory Committee, deem to be waived the Qualified Energy Conservation Bonds volume cap allocations awarded to Anderson County in the amount of \$1,897,724; Beaufort County in the amount of \$1,553,304; Dorchester County in the amount of \$1,302,240 and Richland County in the amount of \$2,460,575 in 2010 and approve the allocations be transferred to the state pool for use by a qualified project; and approve the transfer of the \$2,500,000 Qualified Energy Conservation Bonds volume cap reallocation awarded in 2010 to the City of Columbia to the state pool for use by a qualified project.

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ATTACHMENTS:

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AGENCY: Department of Administration, Division of General Services

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SUBJECT: Department of Commerce, Division of Public Railways Navy Base Intermodal Facility (NBIF) Land Acquisition and Related Easements

The Department of Commerce, Division of Public Railways (Palmetto Railways), requests approval to acquire properties necessary to provide a 100-foot buffer between the western border of the Navy Base Intermodal Facility (NBIF) and the adjoining neighborhood and approval to grant easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF.

Since 2010, the Department has acquired approximately 296 acres associated with the implementation of NBIF (following review and approval of the JBRC, former Budget and Control Board, and Department of Administration, as appropriate). As part of an exchange of properties included in a settlement with the City of North Charleston in 2012, Palmetto Railways has retained approximately 266 acres. Acreage not necessary for the NBIF project is available for mitigation associated with the NBIF and/or revenue generating development. Palmetto Railways expects to have the NBIF operational by the end of 2018.

Transactions for which Palmetto Railways is seeking approval must be initiated prior to the release of the draft environmental impact statement (EIS), which is expected in April 2016. Palmetto Railways plans to create an earthen berm adjacent to the NBIF to serve as a buffer between the facility and the adjacent neighborhood to mitigate noise, vibration, and air quality. The residential area, consisting of 46 parcels and 7.75 total acres, is currently 70 percent occupied with single and multi-family homes, most of which is rental property. Palmetto Railways will provide relocation assistance to the displaced residents in accordance with federal guidelines.

The source of funds for the acquisitions is Palmetto Railway resources and will not impact the General Fund. Palmetto Railways has obtained 23 appraisals to date ranging from \$8,500 for unimproved land to \$1,086,000 for a large multi-family housing unit for a collective appraised value of \$3.4 million. The total estimated appraisal value for all 46 parcels is currently anticipated to be approximately \$6.3 million. Palmetto Railways anticipates that all acquisitions can be undertaken at or below the appraised value for each parcel.

Palmetto Railways will perform Phase 1 assessments of all properties and, if needed, secure Voluntary Cleanup Contracts to ensure that Palmetto Railways and the State do not assume liability for existing environmental contamination.

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AGENCY: Department of Administration, Division of General Services

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SUBJECT: Department of Commerce, Division of Public Railways Navy Base Intermodal Facility (NBIF) Land Acquisition and Related Easements

The Department of Commerce reports that additional real property acquisitions are likely to be necessary after release of the draft EIS, which will specify whether additional buffering is required and will determine the northern and southern connection routes to the NBIF. Additional approvals will be requested at that time.

Palmetto Railways has advised that they may be required to grant easements for utilities or to provide access in connection with the proposed property transactions at issue and seek approval to grant such easements.

The acquisition of properties deemed necessary by Railways to provide the 100-foot buffer between the western border of the NBIF and the adjoining neighborhood was approved by JBRC at its meeting held February 24, 2016.

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AUTHORITY ACTION REQUESTED:

Approve the acquisition of properties deemed necessary by the Department of Commerce, Division of Public Railways to provide a 100-foot buffer between the western border of the Navy Base Intermodal Facility and the adjoining neighborhood and approve the granting of easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF, as recommended for consideration by the Department of Administration, Division of General Services. This approval includes granting easements for utilities or to provide access in connection with the proposed property transactions at issue.

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ATTACHMENTS:

Agenda item worksheet; Letter from Department of Commerce, dated January 20, 2016; Map identifying the parcels included in the proposed acquisitions; SC Code of Laws Section 1-11-65 and 10-1-130



## SFAA AGENDA ITEM WORKSHEET

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Meeting Scheduled for: March 8, 2016

REGULAR AGENDA

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**1. Submitted by:**

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

  
\_\_\_\_\_  
Nolan L. Wiggins, Jr., Director

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**2. Subject:** Department of Commerce, Division of Public Railways Navy Base Intermodal Facility (NBIF) land acquisition and related easements

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**3. Summary Background Information:**

The Department of Commerce, Division of Public Railways (Palmetto Railways), requests approval to acquire properties necessary to provide a 100-foot buffer between the western border of the Navy Base Intermodal Facility (NBIF) and the adjoining neighborhood and approval to grant easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF.

Since 2010, the Department has acquired approximately 296 acres associated with the implementation of NBIF (following review and approval of the JBRC, former Budget and Control Board, and Department of Administration, as appropriate). As part of an exchange of properties included in a settlement with the City of North Charleston in 2012, Palmetto Railways has retained approximately 266 acres. Acreage not necessary for the NBIF project is available for mitigation associated with the NBIF and/or revenue generating development. Palmetto Railways expects to have the NBIF operational by the end of 2018.

Transactions for which Palmetto Railways is seeking approval must be initiated prior to the release of the draft environmental impact statement (EIS), which is expected in April 2016. Palmetto Railways plans to create an earthen berm adjacent to the NBIF to serve as a buffer between the facility and the adjacent neighborhood to mitigate noise, vibration, and air quality. The residential area, consisting of 46 parcels and 7.75 total acres, is currently 70 percent occupied with single and multi-family homes, most of which is rental property. Palmetto Railways will provide relocation assistance to the displaced residents in accordance with federal guidelines.

The source of funds for the acquisitions is Palmetto Railway resources and will not impact the General Fund. Palmetto Railways has obtained 23 appraisals to date ranging from \$8,500 for unimproved land to \$1,086,000 for a large multi-family housing unit for a collective appraised value of \$3.4 million. The total estimated appraisal value for all 46 parcels is currently anticipated to be approximately \$6.3 million. Palmetto Railways anticipates that all acquisitions can be undertaken at or below the appraised value for each parcel.

Palmetto Railways will perform Phase 1 assessments of all properties and, if needed, secure Voluntary Cleanup Contracts to ensure that Palmetto Railways and the State do not assume liability for existing environmental contamination.

The Department of Commerce reports that additional real property acquisitions are likely to be necessary after release of the draft EIS, which will specify whether additional buffering is required and will determine the northern and southern connection routes to the NBIF. Additional approvals will be requested at that time.

Palmetto Railways has advised that they may be required to grant easements for utilities or to provide access in connection with the proposed property transactions at issue and seek approval to grant such easements.

The acquisition of properties deemed necessary by Railways to provide the 100-foot buffer between the western border of the NBIF and the adjoining neighborhood was approved by JBRC at its meeting held February 24, 2016.

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**4. What is SFAA asked to do?** Approve the acquisition of properties deemed necessary by Railways to provide a 100-foot buffer between the western border of the NBIF and the adjoining neighborhood and approve the granting of easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF.

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**5. What is recommendation of the Division of General Services?** Consider approval of the acquisition of properties deemed necessary by Railways to provide a 100-foot buffer between the western border of the NBIF and the adjoining neighborhood and approve the granting of easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF.

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**6. List of Supporting Documents:**

- Letter from Department of Commerce, dated January 20, 2016
- Map identifying the parcels included in the proposed acquisitions
- SC Code of Laws Section 1-11-65 and 10-1-130



**Nikki R. Haley**  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

**Robert M. Hitt III**  
Secretary

January 20, 2016

Ms. Dianne Carraway  
Joint Bond Review Committee  
Gressette Building, Room 109  
Columbia, South Carolina 29201

Mr. Delbert Singleton  
State Fiscal Accountability Authority  
1200 Senate Street  
Columbia, SC 29201

Ms. Ashlie Lancaster  
South Carolina Department of Administration  
1200 Senate Street, Ste. 460  
Columbia, SC 29201

Dear Dianne, Delbert and Ashlie:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to seek the approval of the Joint Bond Review Committee ("JBRC"), the State Fiscal Accountability Authority ("SFAA"), and/or the Department of Administration ("DOA") for certain transactions associated with the implementation of the state's intermodal container transfer facility, which is now known as the Navy Base Intermodal Facility ("NBIF").

The NBIF project is extremely complex and involves many and varied transactions, most if not all of which arise out of real property at the former Navy Base. The transactions for which Palmetto Railways is currently seeking approval are ones that must be initiated prior to the release of the draft environmental impact statement ("EIS") expected in April 2016. After release of the draft EIS, Palmetto Railways will likely know what additional real property transactions it must undertake in order to implement the NBIF and will seek additional approvals at that time.

As background, Commerce and Palmetto Railways have already sought the approval of JBRC, the former State Budget and Control Board ("B&CB"), and/or the DOA for prior real property and other transactions related to the initiation and implementation of the NBIF.

## **I. PRIOR APPROVALS**

### **A. Project 2010**

In December 2010, the B&CB approved a confidential series of transactions under the code name Project 2010, which involved acquisition by Palmetto Railways of approximately 240 acres (+/-) of property in close proximity to existing Port of Charleston terminals. The acreage acquired represented a majority of the remaining acreage associated with a failed private development by the Noisette Company. Acquisition of the property by Palmetto Railways was necessary to provide a rail solution in the North Charleston area that would accommodate the State's plan to construct an intermodal container transfer facility (nka "NBIF") in North Charleston providing the Class I rail carriers equal dual access to State Ports Authority facilities. Acquisition costs for the mortgages on the 240 acres were approximately \$23 million and were paid from non-appropriated Palmetto Railways' funds available for capital projects. Palmetto Railways subsequently took possession of the property out of foreclosure for no additional consideration.

### **B. Settlement with City of North Charleston**

After B&CB approval of Project 2010, Palmetto Railways initiated a series of condemnation actions for the purpose of acquiring additional properties required for the NBIF. Those condemnation actions were followed by a series of right to take challenges by the City of North Charleston and other related litigation, which hampered the ability of Palmetto Railways to implement the State's rail plan and construct the NBIF, a project that both parties agreed is essential for the Port of Charleston and the State.

After extensive efforts to identify a mutually satisfactory rail solution and after protracted litigation, the parties reached a comprehensive Settlement Agreement that the B&CB approved in December 2012. That settlement included the following key elements:

- (1) the exchange of properties between Palmetto Railways and the City of North Charleston;
- (2) \$8 million in cash compensation to the City;
- (3) assumption of an approximately \$6.5 million Tax Increment Financing Obligation of the City in connection with the Navy Base property;
- (4) the agreement to fund a comprehensive Surface Transportation Study to identify impacts of rail and highway traffic related to state port and rail operations throughout North Charleston;
- (4) the agreement by the City of North Charleston to partner with Commerce/Palmetto Railways to support and facilitate administrative and other issues arising at the former Navy Base; and
- (5) the agreement by Palmetto Railways to assist the City of North Charleston with ongoing litigation costs arising out of the settlement.

### **C. Remainder of Noisette Property**

In June 2013, JBRC and the B&CB approved the acquisition of the remaining 50 acres of real property at the former Navy Base under control of various Noisette entities. The \$10 million purchase from non-appropriated Palmetto Railways funds of the remaining Noisette properties provided the opportunity for Palmetto Railways to unify its real property holdings in and around the NBIF such that Palmetto Railways would be able to facilitate the future development of the former Navy Base in collaboration

with its partners and stakeholders. The transaction also allowed Palmetto Railways to settle three (3) pending court cases involving The Noisette Company.

#### **D. Access to Industrial Property Owned by Palmetto Railways**

In August 2015, JBRC and the DOA approved the acquisition of 3.36 acres of industrial property at the former Navy Base to enable Palmetto Railways to retain access to industrial property it currently owns that is adjacent to the NBIF site (because otherwise Palmetto Railways was going to lose access to the property during and upon implementation of the NBIF).

## **II. REQUEST TO APPROVE REAL PROPERTY TRANSACTIONS**

Palmetto Railways expects the NBIF to be operational no later than year-end 2018. The real property transactions for which Palmetto Railways is presently seeking approval involve mitigation of noise, vibration, and air quality. These transactions will be undertaken with resources available to Palmetto Railways and will not impact the State's general fund. All transactions will be at or below fair market value,<sup>1</sup> and Palmetto Railways will continue to take steps to protect the State from environmental liability associated with properties it has acquired or will acquire at the former Navy Base by securing Voluntary Cleanup Contracts (or VCCs). These VCCs will ensure that Palmetto Railways does not assume liability for existing environmental contamination.

The transactions at issue are reflected on the attached map and/or referenced below:

### **1. Properties Required to Mitigate Noise, Air and Vibration**

Immediately west and adjacent to the NBIF facility is a residential area that is currently 70 percent occupied with single and multi-family homes. (See attached Potential Property Acquisition, Navy Base Intermodal Facility map.) Most residents are renters. Palmetto Railways seeks to create a 100-foot buffer between the facility and the adjacent neighborhood to mitigate the effects of noise, vibration, and air quality. The affected area includes 53 parcels. (See map: GREEN [Purchase/Easement] properties west of the NBIF.) By acquiring these parcels, Palmetto Railways will be able to construct an earthen berm on the western edge of the facility to provide a buffer instead of a wall.<sup>2</sup> Additionally, with the support of the City of North Charleston, Palmetto Railways will provide relocation assistance to displaced residents.

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<sup>1</sup> Should any transaction require payment in excess of fair market value, Palmetto Railways will notify the approving entity(ies) of such transaction and the reason such property cannot be acquired for fair market value. Palmetto Railways intends to use condemnation only as a last resort.

<sup>2</sup> Comments made at a recent community scoping meeting included a request to create a 500-foot buffer on the western edge of the NBIF. These comments will be taken into account by the United States Army Corps of Engineers (USACE) during NEPA process, and Palmetto Railways may be required in the EIS to acquire additional properties to provide a larger buffer between the NBIF and the adjacent neighborhood. A larger buffer is consistent with terms and spirit of the Settlement Agreement pursuant to which the City of North Charleston and Palmetto Railways are collaborating to divide the former Navy Base into an area east and north of the facility that is more suitable for recreational (and possibly residential) use and an area west and south of the facility that is more suitable for industrial development. Accordingly, the Mayor of North Charleston has requested that Palmetto Railways purchase all residential properties west of the facility up to Spruill Avenue, allowing Spruill to serve as a natural buffer for the new industrial area. (See Letter from Mayor Keith Summey attached.)

## 2. Easements

Palmetto Railways may be required to grant easements for utilities or to provide access in connection with the proposed real property transactions at issue and, accordingly, seeks approval for same.

## 3. JBRC Policy Waiver

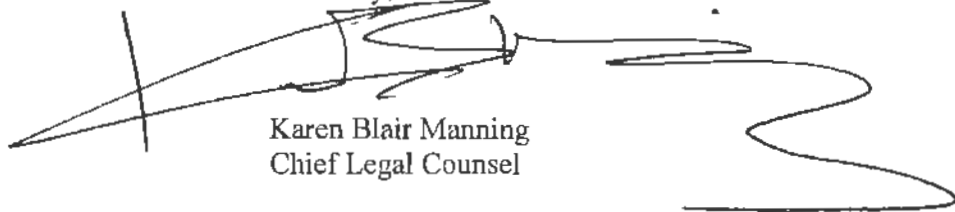
Palmetto Railways has obtained letters of support from the City of North Charleston and Charleston County for the proposed acquisition of the buffer properties (see attached letters), but requests that JBRC waive any requirement that Palmetto Railways obtain a letter of support from the Charleston County School District. Palmetto Railways is currently litigating issues on behalf of Clemson University involving real property interest claims at the former Navy Base by the school district. Accordingly, even though the NBIF project will enable taxable industrial development at the former Navy Base that is anticipated to generate significantly increased tax revenues for all affected governmental entities, Palmetto Railways cannot reasonably expect the Charleston County School District to provide a support letter.

### **III. REQUEST FOR APPROVAL**

As described more fully above, the Department of Commerce and Palmetto Railways respectfully request, as is appropriate for each entity, that the JBRC, the SFAA, and/or the DOA take the following actions, subject to appropriate due diligence and fair market value limitations:

1. Approve acquisition of properties necessary to provide a 100-foot buffer between the western border of the NBIF and the adjoining neighborhood and to provide relocation assistance within federal guidelines.
2. Approve the granting of easements to facilitate any of the real property transactions at issue associated with the implementation of the NBIF.
3. With regard to JBRC, waive any requirement that a letter of support be required from the Charleston County School District.

Sincerely,



A handwritten signature in black ink, appearing to read 'Karen Blair Manning', with a long, wavy horizontal line extending to the right.

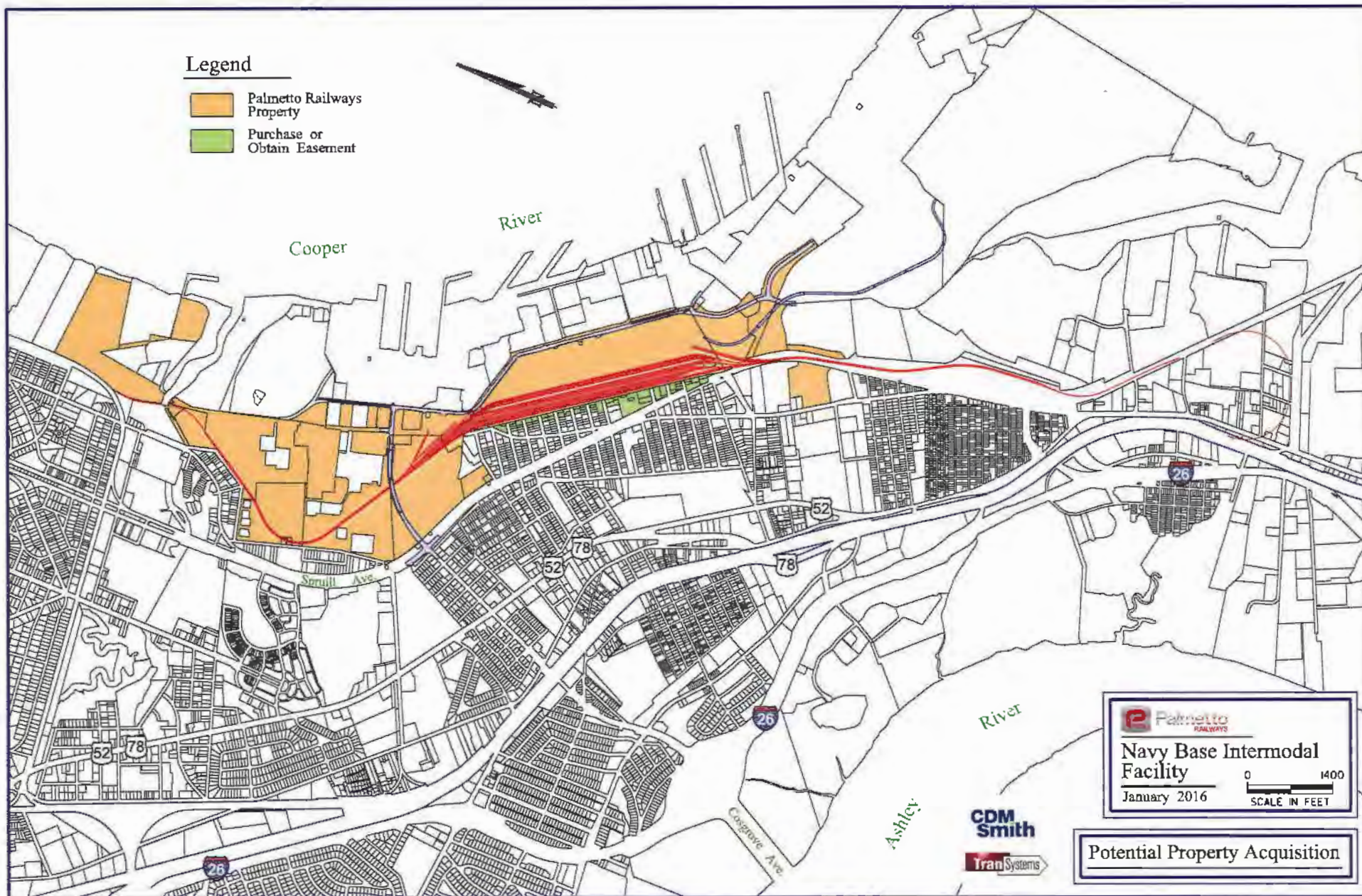
Karen Blair Manning  
Chief Legal Counsel

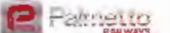
cc: Robert M. Hitt III  
Jeff McWhorter, President, Palmetto Railways  
Chris Huffman, Chief Financial Officer

KBM  
Attachments

**Legend**

-  Palmetto Railways Property
-  Purchase or Obtain Easement



 Palmetto RAILWAYS

**Navy Base Intermodal Facility**

January 2016

0 1400  
SCALE IN FEET

Potential Property Acquisition

Effective: July 1, 2015

Code 1976 § 1-11-65

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**Credits**

HISTORY: 1985 Act No. 201, Part II, § 5; 1989 Act No. 26, § 1; 1997 Act No. 153, § 2; 2014 Act No. 121 (S.22), Pt V, § 7.C, eff July 1, 2015.

Code 1976 § 10-1-130

§ 10-1-130. Grant of easements and rights of way.  
Effective: July 1, 2015

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.

**Credits**

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, § 7.K, eff July 1, 2015.



AGENCY: Department of Administration, Division of General Services

SUBJECT: Medical University of South Carolina Lease at Fishburne Street, Charleston, SC

The Medical University of South Carolina (“MUSC”) requests approval to continue leasing 794 parking spaces with an option to expand up to a total of 1,143 parking spaces from the City of Charleston at the Fishburne Ballpark parking lot at Fishburne and Hagood Streets and on the former SCRA parking lot on the SE corner of Line and Hagood Streets. This lot is a low-cost parking option for students and employees. As of December, 2015 MUSC had 3,664 employees and students registered to park at this location. Parking is available on a first come, first serve basis to those who have paid a one-time registration fee of \$5.00 for the option to use this parking lot. The parking lot is in use 20 hours a day, Monday through Friday and is connected by the MUSC Transportation Department’s shuttle bus service to the MUSC campus. Without this critical parking lot, MUSC advises that the MUSC commuter park-and-ride system would be effectively eliminated. This space is currently leased by the Agency thus eliminating any downtime or relocation costs, estimated at \$200,000.00 for booth, gates, bumpers and call boxes.

A solicitation was conducted and three (3) responses were received, of which the selected location represents the lowest bid and the only proposal with space currently available. The term of the Lease will be five (5) years beginning on June 1, 2016. Rent will be charged at a rate of \$40.00 per month per space. Initially there will be 794 parking spaces available with an option to expand to an additional 349 parking spaces should they become available over the five year lease term. The monthly rate will increase by 3% per year. MUSC will pay these fees with Parking Revenues, generated from all parking income received from all parking spaces (for students, employees and guests). Below is a chart of the rental costs of the lease over the full term.

TERM	PERIOD: FROM-TO	Monthly Rent Per Space	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
YEAR 1	6/01/2016 - 5/31/2017	\$40.00	\$31,760.00 – 45,720.00	\$381,120.00 – 548,640.00
YEAR 2	6/01/2017 - 5/31/2018	\$41.20	\$32,712.80 – 47,091.60	\$392,553.60 – 565,099.20
YEAR 3	6/01/2018 - 5/31/2019	\$42.44	\$33,697.36 – 48,508.92	\$404,368.32 – 582,107.04
YEAR 4	6/01/2019 - 5/31/2020	\$43.71	\$34,705.74 – 49,960.53	\$416,468.88 – 599,526.36
YEAR 5	6/01/2020 - 5/31/2021	\$45.02	\$35,745.88 – 51,457.86	\$428,950.56 – 617,494.32

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AGENCY: Department of Administration, Division of General Services

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SUBJECT: Medical University of South Carolina Lease at Fishburne Street, Charleston, SC

MUSC reports that parking rates in the vicinity run from \$98.41 per space per month to \$119.50 per space per month.

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

This lease was approved by the MUSC Board of Trustees on February 12, 2016; the Commission on Higher Education (CHE) on February 4, 2016; and JBRC on February 24, 2016.

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AUTHORITY ACTION REQUESTED:

Approve the proposed 5 year lease for up to 1,143 parking spaces at the Fishburne Street and the former SCRA parking lot on the SE corner of Line and Hagood Streets, Charleston, to the Medical University of South Carolina as recommended by the Department of Administration, Division of General Services.

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ATTACHMENTS:

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

## SFAA AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 8, 2016

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:** Medical University of South Carolina Lease at Fishburne Street, Charleston, SC

**3. Summary Background Information:**

The Medical University of South Carolina (“MUSC”) requests approval to continue leasing 794 parking spaces with an option to expand up to a total of 1,143 parking spaces from the City of Charleston at the Fishburne Ballpark parking lot at Fishburne and Hagood Streets and on the former SCRA parking lot on the SE corner of Line and Hagood Streets. This lot is a low-cost parking option for students and employees. As of December, 2015 MUSC had 3,664 employees and students registered to park at this location. Parking is available on a first come, first serve basis to those who have paid a one-time registration fee of \$5.00 for the option to use this parking lot. The parking lot is in use 20 hours a day, Monday through Friday and is connected by the MUSC Transportation Department’s shuttle bus service to the MUSC campus. Without this critical parking lot, MUSC advises that the MUSC commuter park-and-ride system would be effectively eliminated. This space is currently leased by the Agency thus eliminating any downtime or relocation costs, estimated at \$200,000.00 for hooth, gates, bumpers and call boxes.

A solicitation was conducted and three (3) responses were received, of which the selected location represents the lowest bid and the only proposal with space currently available. The term of the Lease will be five (5) years beginning on June 1, 2016. Rent will be charged at a rate of \$40.00 per month per space. Initially there will be 794 parking spaces available with an option to expand to an additional 349 parking spaces should they become available over the five year lease term. The monthly rate will increase by 3% per year. MUSC will pay these fees with Parking Revenues, generated from all parking income received from all parking spaces (for students, employees and guests). Below is a chart of the rental costs of the lease over the full term.

TERM	PERIOD: FROM-TO	Monthly Rent Per Space	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
YEAR 1	6/01/2016 - 5/31/2017	\$40.00	\$31,760.00 – 45,720.00	\$381,120.00 – 548,640.00
YEAR 2	6/01/2017 - 5/31/2018	\$41.20	\$32,712.80 – 47,091.60	\$392,553.60 – 565,099.20
YEAR 3	6/01/2018 - 5/31/2019	\$42.44	\$33,697.36 – 48,508.92	\$404,368.32 – 582,107.04
YEAR 4	6/01/2019 - 5/31/2020	\$43.71	\$34,705.74 – 49,960.53	\$416,468.88 – 599,526.36
YEAR 5	6/01/2020 - 5/31/2021	\$45.02	\$35,745.88 – 51,457.86	\$428,950.56 – 617,494.32

MUSC reports that parking rates in the vicinity run from \$98.41 per space per month to \$119.50 per space per month.

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

This lease was approved by the MUSC Board of Trustees on February 12, 2016; the Commission on Higher Education (CHE) on February 4, 2016; and JBRC on February 24, 2016.

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**4. What is SFAA asked to do?** Approve the proposed 5 year lease for up to 1,143 spaces at Fishburne Street and the former SCRA parking lot on the SE corner of Line and Hagood Streets, Charleston, SC to MUSC

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**5. What is recommendation of the Division of General Services?** Recommend approval of the proposed the proposed 5 year lease for up to 1,143 spaces at Fishburne Street and the former SCRA parking lot on the SE corner of Line and Hagood Streets, Charleston, SC to MUSC

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**6. List of Supporting Documents:**

- Request Letter MUSC
- SC Code of Laws Section 1-11-55 and 1-11-56



Office of Institutional Resources &  
Research  
28 Ehrhardt Street, MSC 205  
Charleston, SC 29425

January 22, 2016

Shawn Lavery DeJames  
Assistant Director  
Division of General Services  
Department of Administration  
1200 Senate Street, Suite 408  
Columbia, SC 29201

RE: Fishburne Street (Hagood Lot) #002529

Dear Ms. DeJames:

The Medical University of South Carolina requests approval by the State Fiscal Accountability Authority (SFAA) at its meeting on March 1, 2016, for the lease extension of the Fishburne Street parking lease in Charleston South Carolina. Real Property Services conducted a solicitation and the response from the City of Charleston is attached.

The City of Charleston has proposed the following lease terms including an option to expand to an additional 349 parking spaces should they become available over the 5 year lease term.

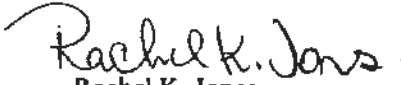
Landlord:	City of Charleston
Parking Spaces:	794
Option to Expand:	349 (total 1,143 spaces)
Lease Term:	5 Years [6/1/2016-5/31/2021]

**Annual Rent:**

Year 1:	\$40.00 per space / \$381,120.00
Year 2:	\$41.20 per space / \$392,553.60
Year 3:	\$42.44 per space / \$404,368.32
Year 4:	\$43.71 per space / \$416,468.88
Year 5:	\$45.02 per space / \$428,950.56

Total Lease Rent:	\$2,023,461.36
Extended Terms:	To be negotiated

Sincerely,

  
Rachel K. Jones  
Leasing Manager

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 nonstate 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 nonappropriation 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 nonstate 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: Palmetto Railways Lease of 12,150 RSF office space at 1360 Truxtun Avenue North Charleston, to Equiscript, LLC

Palmetto Railways (“Railways”) requests approval to lease 12,150 rentable square feet (RSF) at 1360 Truxtun Ave., Suite 300, North Charleston, SC to Equiscript, LLC (“Tenant”) located at 474 Wando Park Blvd. Suite 200, Mount Pleasant, SC 24464.

Railways retained NAI AvantCharleston LLC (“Landlord Broker”) to market this property which has been vacant since October, 2013. The term of the Lease will be five (5) years and 8 months. The Commencement Date is expected to be April 1, 2016. The initial base rent will be at a rate of \$22.00 per rentable square foot. On the Commencement Date Tenant will prepay seven months of rental for a total of \$155,925.00, thereafter beginning January 1, 2017 Tenant shall pay base rent monthly. Beginning June 1, 2017 the rental rate will increase by 2.5% to \$22.55 per rentable square foot and will thereafter increase annually at that same rate. The base rent includes Tenant’s proportionate share of operating expenses, including but not limited to, taxes, insurance, common area maintenance, utilities (power and water) and janitorial services. Below is a chart of the rental costs of the lease over the full term.

PERIOD: FROM-TO	MONTHLY RENT	ANNUAL RENT	RENT/RSF
4/01/2016 - 5/31/2017*	\$22,275.00	\$267,300.00	\$22.00
4/01/2017 - 5/31/2018	\$22,831.88	\$273,982.50	\$22.55
4/01/2018 - 5/31/2019	\$23,402.67	\$280,832.06	\$23.11
4/01/2019 - 5/31/2020	\$23,987.74	\$287,852.86	\$23.69
4/01/2020 - 5/31/2021	\$24,587.43	\$295,049.19	\$24.28

\*Lease provides that the first two months of rental are free, and Tenant shall prepay 7 months rental on 4/1/16 with monthly rental payments beginning January 1, 2017.

State agencies leasing space in the North Charleston area pay blended rates between \$14.54 per rentable square foot to \$17.25 per rentable square foot. Lee & Associates Commercial Real Estate Services reports rates in the North Charleston area average \$19.27 per square foot and the Colliers International 2015 Fourth Quarter Market Report indicates an average commercial lease rate per square foot between \$18.71 and \$20.25 in the North Charleston market area.

This is a modified gross lease. Tenant will pay as additional rent its pro rata share of increases in building operating costs with the first increase calculated at the conclusion of calendar year 2016 (Base Year), however, Tenant shall not be liable for or obligated to pay any portion of the building operating cost increases which exceed 102.5% of their pro rata share of building operating cost in the Base Year.



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**AGENCY:** Department of Administration, Division of General Services

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**SUBJECT:** Palmetto Railways Lease of 12,150 RSF Office Space at 1360 Truxtun Avenue North Charleston, to Equiscript, LLC

Railways will make renovations to the premises in accordance with construction drawings as agreed to by Tenant. Railways shall provide a tenant improvement allowance not to exceed a total amount of \$277,425. The tenant improvement allowance may not be utilized towards furniture, fixtures, equipment or rent due. Railways shall select a general contractor and coordinate and oversee all construction and Tenant shall remit to Railways the balance of the final total construction cost to the extent the improvements exceed \$277,425.00.

Tenant shall pay a security deposit of \$22,275.00 to be held by Railways without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations. Tenant has a right, at any time after the 38<sup>th</sup> full month, with three months prior written notice, to terminate the lease if Railways cannot supply Tenant with additional office space (between 3,000 – 12,000 square feet) within the building or within a quarter mile of the building and cannot meet this need within six months. If Tenant exercises this termination right, Tenant will pay Railways an amount equal to any and all unamortized tenant improvement allowance and real estate commission expenses.

Railways will pay a real estate commission to Landlord Broker in the amount of 6%, a total of \$96,000.00, half of which will be paid to the Tenant's Broker, Caldwell Commercial Real Estate Services.

This lease-out was approved by JBRC at its meeting held February 24, 2016.

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**AUTHORITY ACTION REQUESTED:**

Approve the proposed 5 year 8 month lease-out of 1360 Truxtun Avenue, North Charleston, to Equiscript, LLC from Palmetto Railways, as recommended for consideration by the Department of Administration, Division of General Services.

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**ATTACHMENTS:**

Agenda item worksheet; Request Letter from Railways; SC Code of Laws Section 1-11-55 and 1-11-56


## SFAA AGENDA ITEM WORKSHEET

Meeting Scheduled for: **March 8, 2016**

**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:** Palmetto Railways lease of 12,150 RSF office space at 1360 Truxtun Ave. North Charleston, SC to Equiscript, LLC

**3. Summary Background Information:**

Palmetto Railways (“Railways”) requests approval to lease 12,150 rentable square feet (RSF) at 1360 Truxtun Ave., Suite 300, North Charleston, SC to Equiscript, LLC (“Tenant”) located at 474 Wando Park Blvd. Suite 200, Mount Pleasant, SC 24464.

Railways retained NAI AvantCharleston LLC (“Landlord Broker”) to market this property which has been vacant since October, 2013. The term of the Lease will be five (5) years and 8 months. The Commencement Date is expected to be April 1, 2016. The initial base rent will be at a rate of \$22.00 per rentable square foot. On the Commencement Date Tenant will prepay seven months of rental for a total of \$155,925.00, thereafter beginning January 1, 2017 Tenant shall pay base rent monthly. Beginning June 1, 2017 the rental rate will increase by 2.5% to \$22.55 per rentable square foot and will thereafter increase annually at that same rate. The base rent includes Tenant’s proportionate share of operating expenses, including but not limited to, taxes, insurance, common area maintenance, utilities (power and water) and janitorial services. Below is a chart of the rental costs of the lease over the full term.

<b>PERIOD: FROM-TO</b>	<b>MONTHLY RENT</b>	<b>ANNUAL RENT</b>	<b>RENT/RSF</b>
4/01/2016 - 5/31/2017*	\$22,275.00	\$267,300.00	\$22.00
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4/01/2020 - 5/31/2021	\$24,587.43	\$295,049.19	\$24.28

\*Lease provides that the first two months of rental are free, and Tenant shall prepay 7 months rental on 4/1/16 with monthly rental payments beginning January 1, 2017.

State agencies leasing space in the North Charleston area pay blended rates between \$14.54 per rentable square foot to \$17.25 per rentable square foot. Lee & Associates Commercial Real Estate Services reports rates in the North Charleston area average \$19.27 per square foot and the Colliers International 2015 Fourth Quarter Market Report indicates an average commercial lease rate per square foot between \$18.71 and \$20.25 in the North Charleston market area.

This is a modified gross lease. Tenant will pay as additional rent its pro rata share of increases in building operating costs with the first increase calculated at the conclusion of calendar year 2016 (Base Year), however, Tenant shall not be liable for or obligated to pay any portion of the building operating cost increases which exceed 102.5% of their pro rata share of building operating cost in the Base Year.

Railways will make renovations to the premises in accordance with construction drawings as agreed to by Tenant. Railways shall provide a tenant improvement allowance not to exceed a total amount of \$277,425. The tenant improvement allowance may not be utilized towards furniture, fixtures, equipment or rent due. Railways shall select a general contractor and coordinate and oversee all construction and Tenant shall remit to Railways the balance of the final total construction cost to the extent the improvements exceed \$277,425.00.

Tenant shall pay a security deposit of \$22,275.00 to be held by Railways without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations. Tenant has a right, at any time after the 38<sup>th</sup> full month, with three months prior written notice, to terminate the lease if Railways cannot supply Tenant with additional office space (between 3,000 – 12,000 square feet) within the building or within a quarter mile of the building and cannot meet this need within six months. If Tenant exercises this termination right, Tenant will pay Railways an amount equal to any and all unamortized tenant improvement allowance and real estate commission expenses.

Railways will pay a real estate commission to Landlord Broker in the amount of 6%, a total of \$96,000.00, half of which will be paid to the Tenant's Broker, Caldwell Commercial Real Estate Services.

This lease-out was approved by JBRC at its meeting held February 24, 2016.

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**4. What is SFAA asked to do?** Approve the proposed 5 year 8 month lease-out of 1360 Truxtun Avenue, North Charleston, SC 29405 to Equiscript, LLC.

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**5. What is recommendation of the Division of General Services?** Consider approval of the proposed 5 year 8 month lease-out of 1360 Truxtun Avenue, North Charleston, SC 29405 to Equiscript, LLC.

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**6. List of Supporting Documents:**

- Request Letter from Railways
- SC Code of Laws Section 1-11-55 and 1-11-56



Nikki R. Haley  
Governor

SOUTH CAROLINA  
DEPARTMENT OF COMMERCE

Robert M. Hitt III  
Secretary

February 8, 2016

Nolan L. Wiggins, Jr.  
Department of Administration  
Division of General Services  
1200 Senate Street, Suite 408  
Columbia, SC 29201

Dear Mr. Wiggins:

The South Carolina Department of Commerce, Division of Public Railways (Palmetto Railways) requests that the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority approve the following lease agreement for 12,150 rentable square feet of space at 1360 Truxtun Avenue, North Charleston, South Carolina.

Tenant:	Equiscipt, LLC
Lease Term:	Sixty-eight (68) months commencing April 1, 2016
Square Feet:	12,150
Annual Rent 1 <sup>st</sup> Year:	\$267,300
Base Rent 1 <sup>st</sup> year:	\$22.00 per sq. ft

In June 2013, JBRC and the Budget and Control Board approved the acquisition of the remaining 50 acres of real property at the former Navy Base under control of various Noisette entities. The \$10 million purchase from non-appropriated Palmetto Railways funds of the remaining Noisette properties provided the opportunity for Palmetto Railways to unify its real property holdings in and around the NBIF such that Palmetto Railways would be able to facilitate the future development of the former Navy Base in collaboration with its partners and stakeholders. The transaction also allowed Palmetto Railways to settle three (3) pending court cases involving The Noisette Company.

The building to be leased at 1360 Truxtun Avenue was included in the above-referenced acquisition and has been vacant since the purchase. After extensive effort, a tenant for the property has been found with competitive rates.

Several employees of the Department of Commerce and Palmetto Railways will attend the Joint Bond Review Committee and State Fiscal Accountability Authority meeting when this request is considered. Please let me know if any additional information is needed.

Sincerely,

Chris Huffman  
Chief Financial Officer

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 nonstate 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 nonappropriation 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 nonstate 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 5-2016: JBRC Item 1. College of Charleston  
Project: 9622, Avery Envelope Renovation and Mechanical System Replacement

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Project Institutional Funds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>18,889.00</u>	<u>18,889.00</u>
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>18,889.00</u>	<u>18,889.00</u>

Funding Source: \$18,889 Other, Capital Project Institutional Funds, which are those revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under Section 59-130-410 through 59-130-510 of the S.C Code of Laws. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The College has had this fee in place since it became a public institution in 1970. The AY2014-15 per semester fee is \$781.

Request: Establish project and budget for \$18,889 (Other, Capital Project Institutional Funds) to begin design work to provide for envelope repair and mechanical system replacement for the Avery Research Center for African American History and Culture at the College of Charleston. The Avery Research Center is 17,054-gross-square-foot and is approximately 148 years old. The mechanical system being replaced is approximately 16 years old. The building envelope and mechanical systems are failing and are in need of repair and replacement in order to properly preserve the important archival and exhibition materials housed within the facility. The building envelope is failing to control moisture intrusion through areas of the roof, exterior walls, windows, and sealants. The planned envelope repair includes selective roof repair and modification, masonry wall repairs, removal, repair, resetting or replacement of windows, and total replacement of all exterior sealant systems. The mechanical system has exceeded its normal service life and is not holding the temperature and humidity set points required for archive areas. New computer room-style HVAC units, DDC controllers, sensors, central station air handlers, and fan coil units will be installed. The agency estimates that the complete project will cost approximately \$1,259,300.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

**Establish Construction Budget**

- (b) Summary 5-2016: JBRC Item 2. College of Charleston  
Project: 9663, McConnell Residence Hall HVAC System Replacement and Renovation

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Housing Revenue	0.00	0.00	0.00	3,442,180.00	3,442,180.00
All Sources	0.00	0.00	0.00	3,442,180.00	3,442,180.00

Funding Source: \$3,442,180 Other, Housing Revenue, which are those funds generated primarily through the Student Housing Fee, paid only by students who reside in on-campus housing. The Student Housing Fee is on a slide scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

Request: Establish project and budget for \$3,442,180 (Other, Housing Revenue) to begin design work and to begin Phase II to replace the HVAC system distribution piping and associated major mechanical equipment and air distribution in the Glenn McConnell Residence Hall at the College of Charleston. The McConnell Residence Hall is 71,603-gross-square-feet and is approximately 36 years old. The HVAC piping and pump system is original to the building, and the chiller and roof top unit are 16 years old. The HVAC piping system is 36-years-old and is original to the building. The system is leaking and is excessively corroded. It is beyond repair and needs to be replaced in order to avoid catastrophic system failure. Select ceilings, lighting, and plumbing fixtures will be replaced as part of this project. The agency reports the total projected cost of this project is \$3,442,180 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is spring 2016 and for completion of construction is summer 2016.

**Establish Project for Preliminary Land Studies**

- (c) Summary 5-2016: JBRC Item 8. Florence-Darlington Technical College  
Project: 6123, Darlington and Florence County – Cosmetology Building and Land Acquisition



AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, College Funds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>

Funding Source: \$20,000 Other, College Funds, which are funds coming from the College's facilities operational budget.

Request: Establish project and budget for \$20,000 (Other, College Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The Florence-Darlington Technical College is considering the purchase of an 11,600-square-foot building it currently leases for its cosmetology program and approximately 50.74 acres of land. The property is adjacent to two other separated pieces of land, comprised of 16 acres and 1.7 acres, which is currently owned by the college. This acquisition would place the entire 68.44 acre tract under ownership of the college. The acquisition also includes a 6.36 acre tract near the college's main campus. The college has grown from 3,956 to 6,215 students in the last 7 years. From 2007 to 2014, the college was the fastest growing technical college in the state system, growing by 57%. Facilities on the existing campuses are limiting the growth in many programs. The main campus is essentially landlocked, limiting options for new buildings and parking areas. This property will allow relocation of the Continuing Education Healthcare programs from the downtown Florence Health Science Campus. Thus, opening up space there for the growth of the academic Health Science programs, which have student waiting lists. The acreage available in this acquisition will allow the college the opportunity to add additional buildings to meet academic and instructional expansion needs in the future. The agency estimates that the complete project will cost approximately \$1,875,000.

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

**Permanent Improvement Project Information for March 8, 2016 SFAA Meeting**

<b>Agency/ Project No.</b>	<b>Agency/Project Name</b>	<b>Original Approved Budget</b>	<b>Date of Original Approval</b>	<b>Phase I Amount</b>	<b>Date of Phase I Approval</b>	<b>Included in CPIP</b>	<b>Total Projected Project Cost</b>
H15-9622	College of Charleston - Avery Envelope Renovation and Mechanical System Replacement	N/A	N/A	\$18,889	N/A	No	\$1,259,300
H15-9663	College of Charleston - McConnell Residence Hall HVAC System Replacement and Renovation	N/A	N/A	N/A	N/A	No	\$3,442,180
H59-6122	Florence-Darlington Technical College - Cosmetology Building and Land Acquisition	N/A	N/A	\$20,000	N/A	No	\$1,875,000

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

### **Item (a) – College of Charleston – Avery Envelope Renovation and Mechanical System Replacement**

The source of funds for pre-design is Other, Capital Project Institutional Funds, which are those revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under Section 59-130-410 through 59-130-510 of the S.C Code of Laws. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The College has had this fee in place since it became a public institution in 1970. The AY2014-15 per semester fee is \$781.

The sources of funds for construction are anticipated to be Other, Capital Project Institutional Funds.

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

### **Item (b) – College of Charleston – McConnell Residence Hall HVAC System Replacement and Renovation**

The source of funds for pre-design is Other, Housing Revenue, which are those funds generated primarily through the Student Housing Fee, paid only by students who reside in on-campus housing. The Student Housing Fee is on a slide scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

The sources of funds for construction are anticipated to be Other, Housing Revenue.

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

### **Item (c) – Florence-Darlington Technical College – Darlington and Florence County Cosmetology Building and Land Acquisition**

The source of funds for pre-design is Other, College Funds, which are which are funds coming from the College's facilities operational budget.

The sources of funds for construction are anticipated to be the College's Unrestricted Net Position account, which are excess revenues over expenses, collected and set aside over time, to address capital/major maintenance and renovation needs. These funds are not generated from any special fees.

The College reports that no increase in any student fee or tuition will be required for this project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Real Property Acquisitions

The Department of Administration, Executive Budget Office, recommends approval of the following real property acquisitions:

(a)

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Project Institutional Funds	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>3,400,000.00</u>	<u>3,420,000.00</u>
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>3,400,000.00</u>	<u>3,420,000.00</u>

Agency: H15 – College of Charleston  
 Acreage: ±0.2 acres  
 Location: 32 George Street, Charleston, SC 29401  
 County: Charleston  
 Purpose: Consolidate the College’s guest services  
 Appraised Value: \$3,200,000  
 Price/Seller: \$3,400,000 King George LLC  
 Source of Funds: Other, Capital Project Institutional Funds  
 Project Number: H15-9661  
 Environmental Study: Approved  
 Building Condition Assessment: Approved  
 Additional Annual Op Cost/SOF: Operating Costs of \$50,211 annually for the entire property  
 Current Year Property Tax: \$20,836.59 (2014)  
 Approved By: JBRC on 02/24/2016

<u>Historical Ownership Information</u>		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
Smith Beverly Jean Grappo	5/21/1997	775,000.00
Moon Edyth N	3/23/1990	170,000.00

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Real Property Acquisitions

(b)

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Fish & Wildlife PF Deer Tags	20,000.00	0.00	20,000.00	760,000.00	780,000.00
Other, Reedy River Mitigation Trust Fund					
Other, National Wild Turkey Federation	0.00	0.00	0.00	530,000.00	530,000.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>	<u>10,000.00</u>
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>1,300,000.00</u>	<u>1,320,000.00</u>

Agency: P24 – Department of Natural Resources  
 Acreage: ±589 acres  
 Location: Land in Laurens County that adjoins the Cliff Pitts Wildlife Management Area. This property is located on the south side of Hood Creek Road  
 County: Laurens  
 Purpose: Protect wildlife habitat and provide outdoor recreational space to the public  
 Appraised Value: \$1,475,000  
 Price/Seller: \$1,300,000 Clemson University Land Stewardship Foundation and Clemson University  
 Source of Funds: Other, Fish & Wildlife PF Deer Tags; Other, Reedy River Mitigation Trust Fund; Other, National Wild Turkey Federation  
 Project Number: P24-9948  
 Environmental Study: Approved  
 Building Condition Assessment: Approved  
 Additional Annual Op Cost/SOF: \$0.00  
 Current Year Property Tax: \$0.00  
 Approved By: JBRC on 02/24/2016

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Real Property Acquisitions

Historical Ownership Information – 71.1 Acre Halbert Tract Portion		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
Clemson University Land Stewardship Foundation, Inc	11/28/2012	Not Provided
Clemson University Real Estate Foundations, Inc.	1/10/2007	Not Provided
SP Forest, LLC	12/14/2001	Not Provided
Sustainable Forest, LLC	2/13/1998	Not Provided
Federal Forestlands, LLC	1/1/1998	Not Provided
International Paper Co.	4/27/1988	Not Provided
Federal Paper Board Co.	4/27/1988	Not Provided
Timber Acquisitions LP	4/27/1988	Not Provided
KMI Continental Wrens, Inc.	12/19/1986	Not Provided
KMI Continental Wrens, Inc.	12/31/1984	Not Provided
Continental Augusta Woodlands	12/30/1982	Not Provided
Continental Can Co., Inc.	7/1/1960	Not Provided
Gair Woodlands Corp.	7/13/1956	Not Provided

Historical Ownership Information – 518.23 Acre Adair Tract Portion		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
Clemson University	7/28/1999	Not Provided
J.R. Adair	2/7/1967	Not Provided
Miss Love McDaniel	7/14/1920	Not Provided
J.R. Adair	11/25/1961	Not Provided
Clatie M. Burton	4/12/1948	Not Provided
J.R. Adair, Jr.	11/19/1940	Not Provided
J.R. Adair, Jr.	3/20/1937	Not Provided
J.R. Adair, Jr.	3/27/1935	Not Provided

AUTHORITY ACTION REQUESTED:

Approve the real property acquisitions as requested by the Department of Administration, Executive Budget Office.

ATTACHMENTS: Agenda item worksheet and attachments



Historical Ownership Information		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
Smith Beverly Jean Grappo	5/21/1997	775,000.00
Moon Edyth N	3/23/1990	170,000.00

(b)

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Fish & Wildlife PF Deer Tags	20,000.00	0.00	20,000.00	760,000.00	780,000.00
Other, Reedy River Mitigation Trust Fund					
Other, National Wild Turkey Fedcraton	0.00	0.00	0.00	530,000.00	530,000.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>	<u>10,000.00</u>
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>1,300,000.00</u>	<u>1,320,000.00</u>

Agency: P24 – Department of Natural Resources  
Acreage: ±589 acres  
Location: Land in Laurens County that adjoins the Cliff Pitts Wildlife Management Area. This property is located on the south side of Hood Creek Road  
County: Laurens  
Purpose: Protect wildlife habitat and provide outdoor recreational space to the public  
Appraised Value: \$1,475,000  
Price/Seller: \$1,300,000 Clemson University Land Stewardship Foundation and Clemson University  
Source of Funds: Other, Fish & Wildlife PF Deer Tags; Other, Reedy River Mitigation Trust Fund; Other, National Wild Turkey Federation  
Project Number: P24-9948  
Environmental Study: Approved  
Building Condition Assessment: Approved  
Additional Annual Op Cost/SOF: \$0.00  
Current Year Property Tax: \$0.00  
Approved By: JBRC on 02/24/2016



Historical Ownership Information – 71.1 Acre Halbert Tract Portion		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
Clemson University Land Stewardship Foundation, Inc	11/28/2012	Not Provided
Clemson University Real Estate Foundations, Inc.	1/10/2007	Not Provided
SP Forest, LLC	12/14/2001	Not Provided
Sustainable Forest, LLC	2/13/1998	Not Provided
Federal Forestlands, LLC	1/1/1998	Not Provided
International Paper Co.	4/27/1988	Not Provided
Federal Paper Board Co.	4/27/1988	Not Provided
Timber Acquisitions LP	4/27/1988	Not Provided
KMI Continental Wrens, Inc.	12/19/1986	Not Provided
KMI Continental Wrens, Inc.	12/31/1984	Not Provided
Continental Augusta Woodlands	12/30/1982	Not Provided
Continental Can Co., Inc.	7/1/1960	Not Provided
Gair Woodlands Corp.	7/13/1956	Not Provided

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Clemson University	7/28/1999	Not Provided
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Miss Love McDaniel	7/14/1920	Not Provided
J.R. Adair	11/25/1961	Not Provided
Clatie M. Burton	4/12/1948	Not Provided
J.R. Adair, Jr.	11/19/1940	Not Provided
J.R. Adair, Jr.	3/20/1937	Not Provided
J.R. Adair, Jr.	3/27/1935	Not Provided

---

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

Consider approval of the property acquisition as requested.

---

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

Consider approval of the property acquisition requested.

---

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

---

**7. List of Supporting Documents:**

Attached:

1. Code Section 1-11-65
2. College of Charleston – The Inn at 32 George Street Acquisition
  - a. Map of Site Location
  - b. Appraisal Letter
  - c. Environmental Results Summary
  - d. Building Condition Assessment Findings and Conclusions
  - e. Letter from Institution Requesting Approval of Acquisition
  - f. Property Acquisition Information Format
3. Department of Natural Resources – Cliff Pitts WMA Land Acquisition
  - a. Map of Site Location
  - b. Appraisal Letter
  - c. Environmental Results Summary
  - d. Building Condition Assessment Findings and Conclusions
  - e. Letter from Institution Requesting Approval of Acquisition
  - f. Property Acquisition Information Format

Title 1 - Administration of the Government

CHAPTER 11

Department of Administration

ARTICLE 1

General Provisions

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

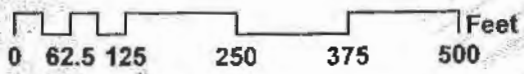
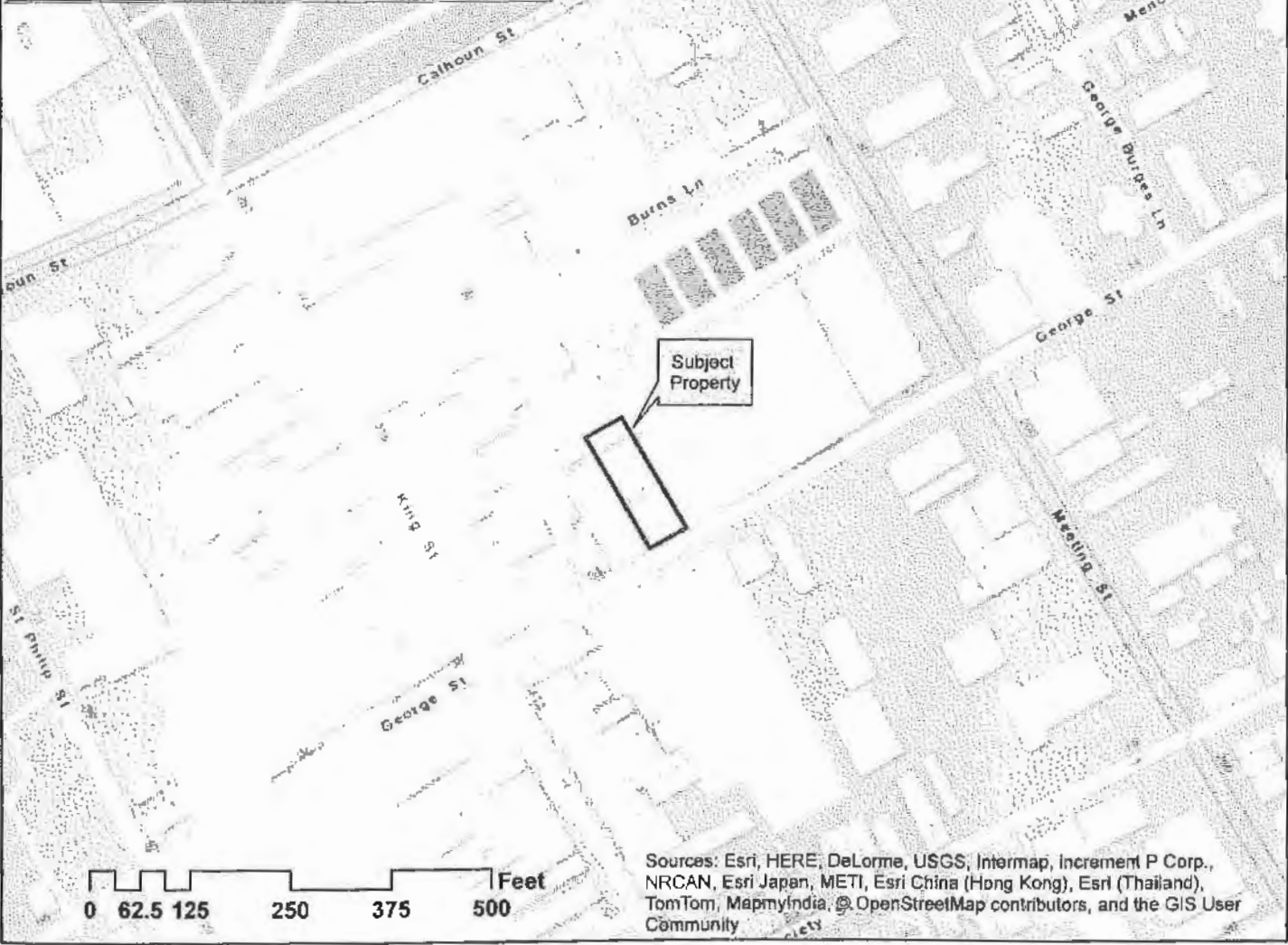
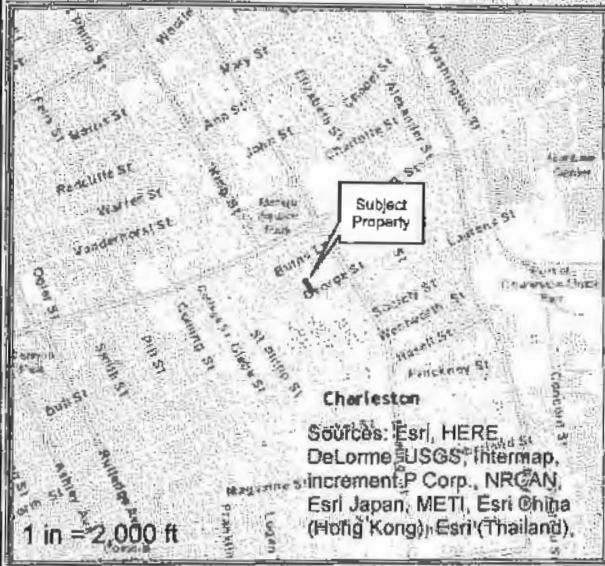
(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

HISTORY: 1985 Act No. 201, Part II, Section 5; 1989 Act No. 26, Section 1; 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

2. College of Charleston – The Inn at 32 George Street Acquisition
  - a. Map of Site Location
  - b. Appraisal Letter
  - c. Environmental Results Summary
  - d. Building Condition Assessment Findings and Conclusions
  - e. Letter from Institution Requesting Approval of Acquisition
  - f. Property Acquisition Information Format

**REFERENCE:**

PLEASE NOTE THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT MEANT FOR DESIGN, LEGAL, OR ANY OTHER USES. THERE ARE NO GUARANTEES ABOUT ITS ACCURACY. S&ME, INC. ASSUMES NO RESPONSIBILITY FOR ANY DECISION MADE OR ANY ACTIONS TAKEN BY THE USER BASED UPON THIS MAP.



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

SCALE: See Scale Bar  
CHECKED BY:  
DRAWN BY: BKD  
DATE: 1/19/2016



**Site Vicinity Map**  
32 George Street Tract  
TMS No. 457-04-02-004  
Charleston County, South Carolina

FIGURE NO.  
**1**

# CHARLESTON APPRAISAL SERVICE, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

304 Meeting Street, Ste. 201  
Charleston, SC 29401  
Phone: 843-723-6256  
Fax: 843-723-4676  
Fed. I.D.: 57-0769203

Michael C. Robinson, MAI, SRA  
President  
Joseph G. McInerney, III  
Harold E. Marshall  
James L. Rogers Jr.

May 25, 2015

Monica R. Scott  
College of Charleston  
66 George Street  
Charleston, South Carolina 29401

Re: **Appraisal Report**  
**King George IV Inn**  
**32 George Street**  
**Charleston, South Carolina 29401**  
**457-04-02-004**

Dear Ms. Scott:

At your request, we have made an appraisal of the above referenced property. In conjunction with this appraisal, inspections have been made of the subject property and the sales and rentals used for comparison to the subject property. A description of the subject property is included later in this report along with a discussion of our analysis. Your attention is invited to the following report which exhibits the factual data and reasoning used in forming our opinion of value.

This value estimate was made after a thorough study of available sales and rentals felt to be pertinent to this appraisal. As a result of our investigation and analysis, it is our opinion that the fee simple value of the subject property as of May 7, 2015 was:

**THREE MILLION TWO HUNDRED THOUSAND DOLLARS**

**(\$3,200,000)**

Our value estimate assumes that the site contains 7,840 square feet of upland highland (per the tax map). Our value estimate also assumes the soil is undisturbed and free of contaminants, groundwater contamination and hazardous materials. We have not been provided with an environmental audit to this effect, but we have noticed no areas of concern. We also assume the site has no freshwater wetlands and that drainage and water retention requirements for the site have been met. Should any of the above assumptions be proven incorrect by subsequent studies, our value estimate could be affected.

We further certify that this appraisal was made in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation effective January 1, 2014 through December 31, 2015 as well as the requirements of the Code of Professional Ethics

and the Standards of Professional Appraisal Practice of the Appraisal Institute.

We certify that to the best of our knowledge and belief, the statements and opinions contained in this report are full, true and correct. We certify that we have no interest in the subject property and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimate.

This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation or an amount which would result in approval of a loan.

This appraisal is intended to meet the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law.

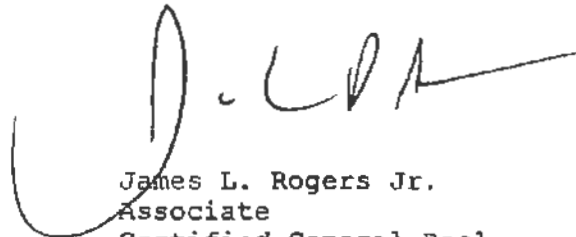
This appraisal was prepared for the exclusive use of the clients. The information and opinions contained in this appraisal set forth the appraiser's best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. Charleston Appraisal Service, Inc. accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.

Respectfully submitted,

**CHARLESTON APPRAISAL SERVICE, INC.**



Michael C. Robinson, MAI, SRA  
President  
State Certified General Real  
Estate Appraiser SC No. CG 76



James L. Rogers Jr.  
Associate  
Certified General Real  
Estate Appraiser SC No. CG 5872

SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

PROPERTY LOCATION : 32 George Street  
Charleston, South Carolina, 29401

TAX MAP NUMBER : 457-04-02-004

OWNER : King George LLC

SITE SIZE : 7,840 Square Feet

IMPROVEMENTS : Four story wood/concrete block/asbestos  
siding Inn containing 5,613 square feet.  
Two story brick carriage house containing  
1,560 square feet.

HIGHEST AND BEST USE : **Inn**  
Continued Use as an Inn  
**Carriage House**  
Continued Residential Use

ZONING : General Business District (GB);  
(80/30 Old City Height District,  
Amusement and Recreation Overlay  
& Accommodations Overlay),  
city of Charleston

TAXES : \$20,836.59 (2014)

FLOOD ZONE : Zone X

ESTIMATE OF FEE SIMPLE  
VALUE : **\$3,200,000**

DATE OF ESTIMATE : May 7, 2015

DATE OF INSPECTION : May 7, 2015

DATE OF REPORT : May 25, 2015



**Phase I Environmental Site Assessment  
32 George Street Tract  
TMS No. 457-04-02-004  
Charleston County, South Carolina  
S&ME Project No. 4213-15-306**



Prepared for:  
College of Charleston-Physical Plant  
133 Calhoun Street  
Charleston, South Carolina

Prepared by:  
S&ME, Inc.  
620 Wando Park Boulevard  
Mt Pleasant, SC 29464

January 19, 2016



property, and assumed groundwater flow. Therefore, the offsite listings are considered findings, not *recognized environmental conditions*.

### 8.3 Data Gaps and Data Failure

- ◆ The operational history of the property could not be documented at approximately five-year intervals due to the lack of historical source information readily available. Due to information gathered during interviews, previous assessments, and available historical sources this data gap is not considered significant and is considered finding, not recognized environmental condition.

## 9.0 Conclusions

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E1527 of a parcel identified by the Charleston County Tax Assessor as TMS No. 457-04-02-004, the property. Any exception to, or deletions from, this practice are described in Section 10.0 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

## 10.0 Deviations

S&ME has endeavored to perform this Phase I ESA in substantial conformance with the scope and limitations of ASTM Standard Practice E1527-13 without significant deviation.

## 11.0 Additional Services

No additional services were provided.

## 12.0 References

ASTM, 2013. *ASTM Standards on Environmental Site Assessments for Commercial Real Estate. E 1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process.*

American Society for Testing and Materials, Philadelphia, PA.

University of South Carolina, 1983. *Surface and Subsurface Stratigraphy, Structure and Aquifers of the South Carolina Coastal Plain;* Colquhoun, Woollen, Van Nieuwenhuise, Padgett, Oldham, Boylan, Bishop and Howell.

USDA/NRCS Web Soil Survey - <http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>

Charleston County website - [www.charlestoncounty.org](http://www.charlestoncounty.org)

EPA Envirofacts Website - <http://www.epa.gov/emefdata/em4ef.home>

South Carolina Department of Natural Resources - [www.dnr.state.sc.us](http://www.dnr.state.sc.us)

## G RECOMMENDATIONS

### Recommendations and schematic cost opinion:

- \$5,000 to \$10,000 - Replace/modify flashings as required at intersections and wall/roof assemblies.
- \$7,500 - Address floor elevation changes.
- \$1,000 - Investigate potential damage behind asbestos siding. (small test area)
- \$500 to \$1000 per opening (varying sizes) - Repair/replace damaged windows in kind.
- \$2,000 to \$4,000 - Repair/replace as required rotten wood trim around exterior.
- \$5000 - New asphalt shingle roof. (verify condition of flashing)
- \$3 to \$5/sf - Replace ceramic and vinyl flooring.
- \$7,500 to \$10,000 - New ADA ramp.
- \$7,500 - New doors (if required), hardware, and ADA fixtures in restrooms to make compliant.

### From Mechanical and Plumbing Report:

#### King George IV Inn

- N/A as currently installed. New mechanical systems could cost anywhere from \$125,000 to \$250,000 depending on the system.
- \$1,000 to \$6,000. This depends on if the water heater is replaced or not.

#### Carriage House

- \$500 to \$1,500 for mechanical
- \$300 to \$700 for plumbing

\*Note that this does not include cutting, patching, finish work, etc.\*

### From Electrical Report:

#### King George IV Inn

- \$5,000 to \$7,000

#### Carriage House

- \$500 to \$1500 – Note, this does not include securing inaccessible NM (romex) cable

### From Structural Report:

#### King George IV Inn

- \$1,500 - Verify the integrity of the roofing to determine the source of leaks. Patch as required.

#### Carriage House

- \$500 - Provide Simpson joist hangers at roof rafters
- \$1,000 - Verify the Connection of the rafters at the wall. Provide as required

January 13, 2016

SC State Fiscal Accountability Authority  
Box 12444  
Columbia, SC 29211

To the members of the State Fiscal Accountability Authority:

I respectfully request permission for the College of Charleston to purchase the real property located at 32 George Street in Charleston, South Carolina. The College would like to use this opportunity to address its shortage of institutional space while enhancing its dedication to the pursuit of academic advancement.

The 2012 Campus Master Plan identified a space deficit of 280,000 GSF. To help alleviate the space deficit, the Master Plan recommended pursuing property acquisitions in the area surrounding campus and specifically identified 32 George Street as a property of interest. The 32 George Street site will add a total of 7,840 GSF to the Campus with the 5,613 GSF Inn built in 1790 and 1,560 GSF Carriage House built in 2002.

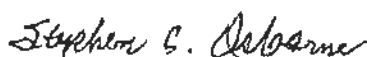
Consolidation of the College's guest services in a single site already designed, furnished, and equipped for this use would lead to more efficient and cost effective use of space. This would allow the College to repurpose the facilities currently supporting guest services. The highest and best use of these facilities would be a function that more directly serves the core academic mission such as faculty office space, given that they are located in the center of campus. The property is contiguous to several College facilities, zoned for use, and was approved by CHE as part of the 2012 Master Land Acquisition Plan.

The College's Department of Hospitality and Tourism Management will be involved in managing and operating the facility. The positive impact this hands-on experience could have on the program and its students would be beneficial to the local economy and enliven the College's and specifically the Hospitality Department's academic mission.

An appraisal, building condition assessment, and environmental phase I study has been conducted in order to determine that the property is a sound investment that will suit the institution's needs. The property's purchase price is equal to its appraised value. The property is currently a fully operating inn and the College anticipates this to be a turnkey project meaning no renovations, equipment, or furnishings will be needed.

Thank you for your consideration.

Sincerely,



Stephen C. Osborne  
Executive Vice President for Business Affairs



**Inn at 32 George Street**  
**PROPERTY ACQUISITION INFORMATION FORMAT**

**PART I**

1. Project Number: 9661

2. County: Charleston

3. Description of Property:

The property consists of a four-story, 5,613 GSF building currently operating as an inn and a two-story 1,560 GSF carriage house located behind the main building. The property is located at 32 George Street on the Charleston peninsula.

4. Grantor(s) Name and Address:

King George LLC  
32 George Street  
Charleston SC 29401

5. Grantee(s) Name and Address:

College of Charleston  
66 George Street  
Charleston, SC 29424

6. County Location:

Charleston

7. Acreage:

7,840 SF (approximately 1/5 acre)

8. Purpose for Acquisition:

The property would be used to consolidate the College's guest services, which would allow several facilities in the core of campus to be repurposed and more efficiently used. The College's guest services program consists of several historic buildings in the core of campus and serves the institution's guest lecturers, speakers, and researchers as well as the Board of Trustees and other distinguished guests. The acquisition of the property would allow guest services to be

consolidated in a single facility already designed, furnished and equipped to serve as guest housing. Consolidating guest services into one facility would be a much more efficient and cost-effective use of space, which is particularly valuable on the College's land locked urban campus. The property is located along the eastern perimeter of the campus, contiguous to several College facilities, zoned for use, and was approved by CHE as part of the 2012 Master Land Acquisition Plan. The College's Department of Hospitality and Tourism Management will be involved in managing and operating the facility. The positive impact this hands-on experience could have on the program and its students would be beneficial to the local economy and enliven the College's and specifically the Hospitality Department's academic mission.

**9. Demonstrate the need to acquire the property:**

The 2012 Campus Master Plan identified a significant space deficit and predicted that this deficit would reach nearly 900,000 GSF by 2020 if action was not taken. To help alleviate the space deficit, the Master Plan recommended pursuing property acquisitions in the area surrounding campus and specifically identified 32 George Street as a property of interest. Consolidation of the College's guest services in a single facility already designed, furnished, and equipped for this use would lead to more efficient and cost effective use of space. This would allow the College to repurpose the facilities currently supporting guest services. The highest and best use of these facilities would be a function that more directly serves the core academic mission such as faculty office space, given that they are centrally located on campus.

**10. Purchase Price:**

\$3,400,000 (including furnishings)

**11. Current Year Property Tax Amount:**

\$20,836.59 (2014)

**PART II**

**1. How many sites were evaluated?**

One

**2. Please list the selection criteria used to evaluate sites.**

- Contiguous to College facilities
- Zoned for institutional use
- 7,000+ GSF designed, furnished, and equipped to serve as guest facilities with little or no improvements needed.

**3. How was the final selection of the site made?**

An appraisal, a building condition assessment, and environmental phase I study were conducted

to ensure the site was a worthwhile investment.

**4. Why was this specific site selected?**

See responses to questions 2 & 3

**5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?**

The College anticipates this to be a turnkey project meaning no renovations, equipment, or furnishings will be needed.

**6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.**

Operating costs are estimated using a formula of \$3.50 per square foot for maintenance and \$3.50 per square foot for operations. Using this calculation it is estimated that the two buildings combined (7,173 GSF) will require approximately \$50,211 in annual maintenance and operational costs. Operation and maintenance of the buildings will be funded by College Fees as part of the College's overall operations and maintenance of its facilities.

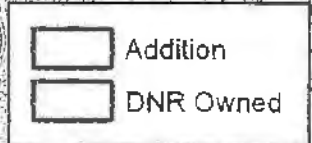
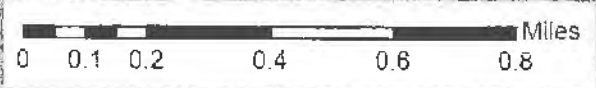
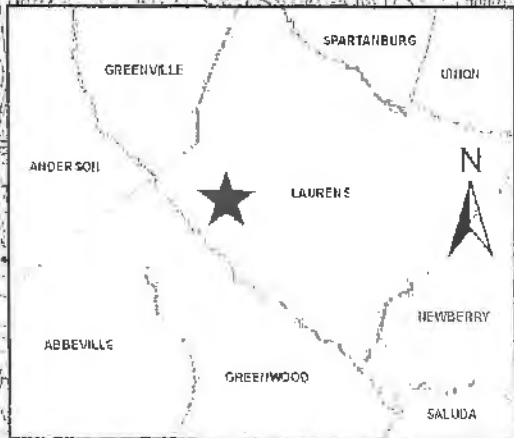
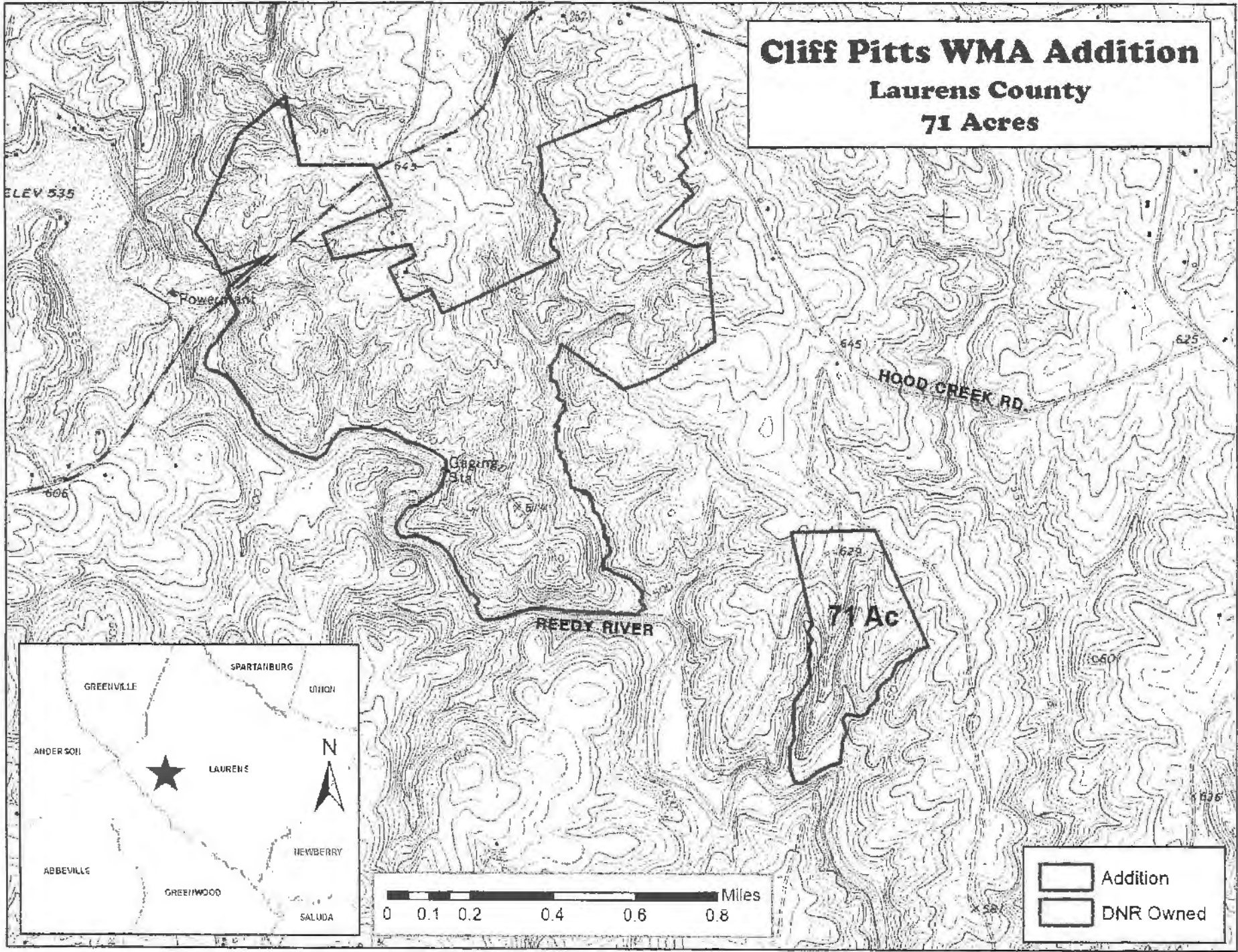
**7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.**

No renovation or construction is planned at this time.

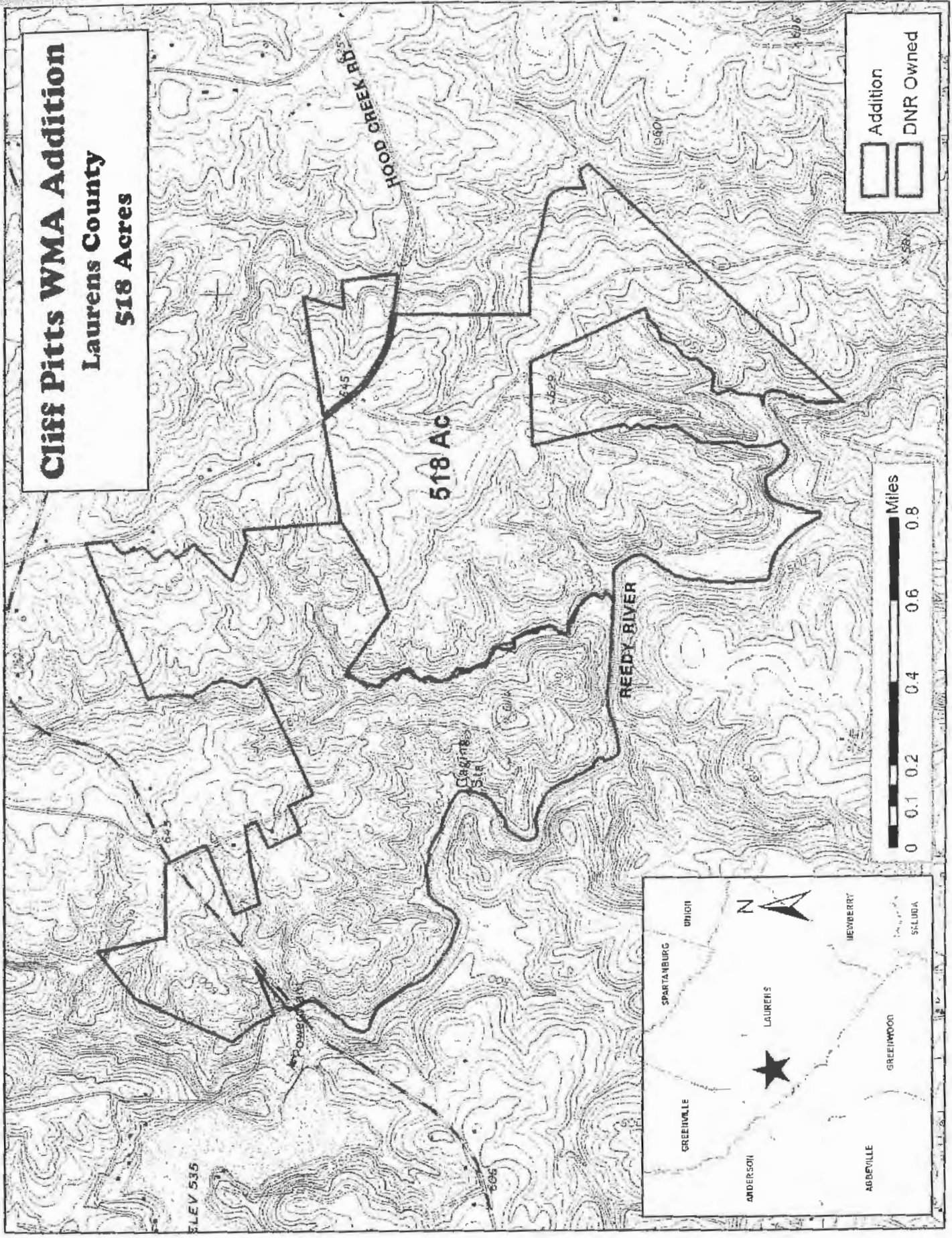
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  - f. Property Acquisition Information Format



**Cliff Pitts WMA Addition**  
**Laurens County**  
**71 Acres**

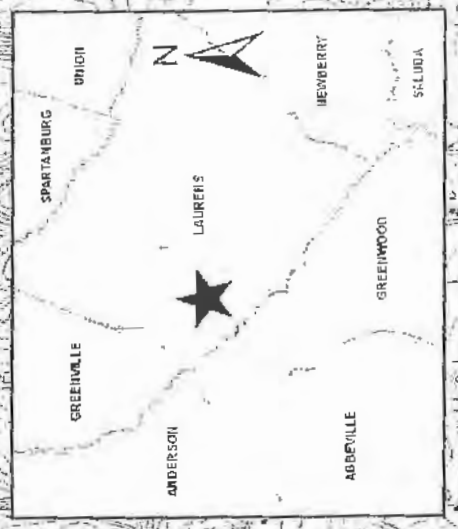


**Cliff Pitts WMA Addition**  
Laurens County  
518 Acres



Legend:

- Addition
- ▒ DNR Owned



**EXECUTIVE SUMMARY  
APPRAISAL REPORT AND VALUATION ANALYSIS OF**

589.33 acre parcel of vacant land  
Located on the south side of Hood Creek Road  
Laurens County, South Carolina

**PREPARED FOR**

Mr. Ken Prosser  
Department of Natural Resources  
100 Assembly Street  
Columbia, South Carolina 29201-3117

**PREPARED BY**

Catherine M. Owen  
R. Bruce Owen, MAI  
Owen Appraisal & Consulting Services  
Post Office Box 9187  
Greenville, South Carolina 29604  
(864) 232-5394  
(864) 232-5395 Fax  
owenappraisals@att.net

**EFFECTIVE DATE OF APPRAISAL**

April 24, 2015

**DATE OF REPORT**

April 29, 2015

**OPINIONS OF MARKET VALUE (Fee Simple Estate)**

**\$1,475,000**

**One Million Four Hundred Seventy Five Thousand Dollars**

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

**EFFECTIVE DATE:** April 24, 2015  
**DATE OF REPORT:** April 29, 2015

**PROPERTY IDENTIFICATION:** South side of Hood Creek Road,  
Laurens County, South Carolina

**TAX MAP REFERENCE:** Laurens County, SC Tax Map Numbers:  
138-00-00-005 (518.23 acres)  
& 138-00-00-008 (71.1 acres)

**OWNER OF RECORD:** Clemson University and Clemson  
University Land Stewardship

**TOTAL LAND SIZE:** 589.33± acres

**ZONING:** None  
**HIGHEST & BEST USE:** Agricultural or Recreation

**PROPERTY RIGHTS APPRAISED:** Fee Simple  
**MARKETING TIME OF IMPROVEMENTS:** to 24 months

**Valuation Approach Utilized:** Sales Comparison Approach

### Valuation

As-is, as of April 24, 2015 is:

**\$1,475,000**

**One Million Four Hundred Seventy Five Thousand Dollars**

**RECEIVED**

JAN 15 2016

OFFICE OF STATE BUDGET

**PHASE I ENVIRONMENTAL SITE  
ASSESSMENT**

**71.1-ACRE HALBERT TRACT**

**CLIFF PITTS WMA ADDITION**

**REEDY RIVER**

**LAURENS COUNTY, SOUTH CAROLINA**

**TMS # 138-00-00-008**

**REPORT PREPARED FOR**

**SOUTH CAROLINA DEPARTMENT OF NATURAL  
RESOURCES**

**1000 ASSEMBLY STREET  
COLUMBIA, SOUTH CAROLINA 29201**

**BY**

**Carolina Environmental & Geological Co., LLC  
P.O. Box 6243  
Columbia, South Carolina 29260  
(803) 479-8801**

**November 24, 2015**

#### **4. Interviews with Local Government Officials**

The only governmental agency contacted has been SCDHEC Freedom of Information Center for information concerning environmental problems on the tract. As stated by SCDHEC FOI, no files were located pertaining to negative environmental conditions on the subject tract. Refer to Appendix P 5 Regulatory Records Documentation.

#### **5. Interviews with Others**

No interviews with others were conducted due to the SCDHEC FOI records review notification, Owner's response, and site inspection.

### **H. FINDINGS**

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized negative environmental conditions on the subject property and adjoining/adjacent properties that would impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Oct. 14, 2015), ASTM E1528-06, ASTM E1528-14, and ASTM E1527-13 were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have revealed no obvious evidence of environmental concerns. Therefore, no Phase II Environmental Site Assessment is recommended at this time.

### **I. OPINION**

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessments and/or investigations are recommended at this time. Refer to Section J, Conclusions below.

### **J. CONCLUSIONS**

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-13 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed no evidence of environmental concerns in connection with the property.

**RECEIVED**

JAN 15 2016

Office of State Budget

**PHASE I ENVIRONMENTAL SITE  
ASSESSMENT**

**518.23-ACRE ADAIR TRACT**

**CLIFF PITTS WMA ADDITION**

**HOOD CREEK ROAD & REEDY RIVER**

**LAURENS COUNTY, SOUTH CAROLINA**

**TMS # 138-00-00-005**

**REPORT PREPARED FOR**

**SOUTH CAROLINA DEPARTMENT OF NATURAL  
RESOURCES**

**1000 ASSEMBLY STREET  
COLUMBIA, SOUTH CAROLINA 29201**

**BY**

**Carolina Environmental & Geological Co., LLC  
P.O. Box 6243  
Columbia, South Carolina 29260  
(803) 479-8801**

**November 24, 2015**

Reliance is subject to the same limitations as stated for professional services. CEGC has not conducted any evaluation of this tract since the initial tract on-site inspection.

## 7. Dissemination of Report

This Phase I report has been prepared exclusively for the Client and shall not be disseminated in whole or in part to other parties without prior consent from the Client.

## C. SITE DESCRIPTION

### 1. Location and Legal Description

The 518.23-acre subject tract (Tract A 29.89 acres and Tract B 488.34 acres) is located on Hood Creek Road and the Reedy River in Laurens County, South Carolina, and is referenced as parcel 138-00-00-005 by the Laurens County Tax Assessor. Refer to Appendices P 1, 2, 4 and 8 for maps, aerial photographs, and the legal description for additional information.

### 2. Site and Vicinity Characteristics

#### 2.1 Site Characteristics

The subject tract contains the items listed under 2.1.1 below and exhibits a surrounding surface relief of approximately 460 to 685 feet (mean sea level) according to the 1971 USGS Ware Shoals East, South Carolina quadrangle map.

##### 2.1.1 Site Observations

On the date of the site inspection, the following (as a minimum) were observed on the subject tract:

- 1) Gate
- 2) Woods and surface vegetation
- 3) Rock outcrops
- 4) Above ground power lines
- 5) Utility poles
- 6) Open reinforced concrete pipe well -- any wells that are located on the property that are not to be used are to be decommissioned in accordance with SCDHEC Well Standards and Regulations R.61-71 (latest edition).
- 7) Two dilapidated wood frame buildings (*Removal Recommended*)
- 8) Broken toilet (*Removal Recommended*)
- 9) Sheetrock (*Removal Recommended*)
- 10) Empty containers
- 11) Metal sheeting (*Removal Recommended*)
- 12) Metal ductwork piping (*Removal Recommended*)
- 13) Vehicle fenders and bumper (*Removal Recommended*)
- 14) Brick and concrete foundation pad (*Removal Recommended*)
- 15) Reinforced concrete drain pipe



- 16) Fence
- 17) Unpaved roads
- 18) Standing water
- 19) Rock outcrops
- 20) Creeks

The objects listed as *Removal Recommended* are to be removed and properly disposed of. Once the removal has been performed, it is recommended that CEGC or a representative of the SCDNR be contacted to provide an on-site inspection prior to the final property transaction.

### **2.1.2 Observed Surface Conditions**

At present, the subject tract contains items previously noted and exhibits no unusual surface stains or distressed vegetation as observed during the site inspection.

### **2.1.3 General Subsurface Conditions**

Surface soils within the subject property, as noted by the U. S. Department of Agriculture, Natural Resource Conservation Service Soil Survey of Laurens County, S.C. are defined as belonging to the Cartecay-Toccoa (Ca), Cataula (CdB2, CeB2, CeC2), Cecil (CiD), Madison and Pacolet (MhF), Pacolet (PaD2), and Wilkes (WiF, WkD) soil series.

### **2.1.4 General Groundwater Conditions**

Depths to groundwater throughout the site will be largely controlled by rainfall frequency, intensity, storm water movement, depth to rock, and fluctuations of the Reedy River. Therefore, reference to groundwater in this area should not be considered static. Furthermore, the scope of this phase of assessment does not include investigating groundwater quality or levels unless specifically stated.

### **2.1.5 General Area Geology**

The subject tract is geographically located in the Inner Piedmont Belt of the Piedmont Province of South Carolina. This area is generally characteristic of granitic and mafic gneisses with intrusions of ultramafic rocks.

### **2.1.6 Site Reconnaissance to Assess On-Site Conditions**

As previously stated, CEGC has visually inspected the subject tract to assess on-site conditions. Recognized negative environmental conditions were identified. The removal of these materials is as recommended in Section 2, sub-section 2.1.1 Site Characteristics above.

### **3. Interview with Occupants**

There are no occupants on the property.

### **4. Interviews with Local Government Officials**

The only governmental agency contacted has been SCDHEC Freedom of Information Center for information concerning environmental problems on the tract. As stated by SCDHEC FOI, no files were located pertaining to negative environmental conditions on the subject tract. Refer to Appendix P 5 Regulatory Records Documentation.

### **5. Interviews with Others**

No interviews with others were conducted due to the SCDHEC FOI records review notification, Owner's response, and site inspection.

## **H. FINDINGS**

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized negative environmental conditions on the subject property and adjoining/adjacent properties that would impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Oct. 14, 2015), ASTM E1528-06, ASTM E1528-14, and ASTM E1527-13 were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have revealed obvious evidence of minor environmental concerns. However, no Phase II Environmental Site Assessment is recommended at this time provided the objects listed as *Removal Recommended* are removed and properly disposed of and the well is decommissioned in accordance with the latest edition SCDHEC Well Regulations.

## **I. OPINION**

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessments and/or investigations are recommended at this time provided the objects listed as *Removal Recommended* are removed. Refer to Section J, Conclusions below. Some of the items listed in Section C Site Description, sub-section 2.1.1, may be considered as encumbrances and should be resolved prior to the property transaction.

## **J. CONCLUSIONS**

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection provided the objects listed as *Removal Recommended* are removed and properly disposed of and the well is decommissioned. Once the removal, cleanup, and well decommission have been performed, it is recommended that CEGC or a representative of the SCDNR be contacted to provide an on-site inspection prior to the final property transaction.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-13 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed evidence of minor environmental concerns in connection with the property.

## **K. DEVIATIONS**

There are no deviations from the standard of practice for Phase I Environmental Site Assessments concerning the findings, opinion, and conclusions exhibited or expressed in this report.

## **L. ADDITIONAL SERVICES**

### **1. Archeological Sites**

It is not known if there are any recorded archaeological sites on the subject property. Therefore, if any sites of potential archaeological significance are located on the property, the South Carolina Institute of Archaeology and Anthropology, Columbia, S.C. [(803) 777-8170] is to be notified to inspect the property and review their records.

### **2. Endangered Species**

If any rare and/or endangered species are encountered on the property, the South Carolina Department of Natural Resources, Heritage Trust Program, Columbia, S.C. [(803) 734-3917] is to be notified to inspect the property and review their records.

## **M. REFERENCES**

1. South Carolina State Budget and Control Board, Procurement Services Division, Procedures and Guidelines outlined in the South Carolina State Budget and Control Board "Guidelines for Obtaining Environmental Studies for Land Acquisition," Oct. 14, 2015.
2. American Society of Testing and Materials (ASTM), "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," ASTM E1527-13.
3. American Society of Testing and Materials (ASTM), "Environmental Site Assessment Transaction Screen Questionnaire," ASTM E1528-06 and ASTM E1528-14.

RECEIVED

JAN 15 2016

PAUL J. HARRIS  
OFFICE OF STATE SUBJECT

**Ken Prosser**

**From:** Laura Haselden <haselde@clermson.edu>  
**Sent:** Tuesday, November 24, 2015 11:07 AM  
**To:** Ken Prosser  
**Cc:** Laura Haselden  
**Subject:** Adair Property  
**Attachments:** Well Abandonmnet -1600 Hood Creek Road, Laurens, SC - Revised.pdf

Good morning Ken—

Please let this email serve as notice that the Adair Tracts owned by Clemson University and the Clemson University Land Stewardship Foundation, Inc. have been cleaned-up and cleared of debris. Additionally, the residential water well located on the property has been filled in and abandoned in accordance with the South Carolina *Well Construction Standards and Regulations Rule 61-71*. I have attached a copy of the abandonment record which has been submitted to SCDHEC.

If you should have any questions or need any additional information, please do not hesitate to contact me.

Kindest regards,  
Laura

\*\*\*\*\*

Laura H. Haselden, LEED AP  
Associate Director of Real Estate  
Clemson University Office of Land & Capital Asset Stewardship  
5 Research Drive  
Greenville, SC 29607  
Office: (864) 656-5660/(864) 283-7107  
Fax: (864) 656-1692  
[haselde@clermson.edu](mailto:haselde@clermson.edu)

South Carolina Department of  
**Natural Resources**

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**DNR**

Alvin A. Taylor  
Director

January 13, 2016

Mr. Morgan O'Donnell  
Executive Budget Office / Capital Budgeting Unit  
1205 Pendleton Street, Ste 529  
Columbia, SC 29201-3757

**RE: Pickens (30) - Cliff Pitts WMA Land Acquisition - Finalize**

Dear Mr. O'Donnell:

The SC Department of Natural Resources seeks approval from the Joint Bond Review Committee and State Fiscal Accountability Authority to finalize acquisition of approximately +/-589 acres of land in Laurens County that adjoins the Agency's Cliff Pitts Wildlife Management Area. This property is owned by the Clemson University Land Stewardship Foundation, Inc. (71 acres), a non-profit, tax-exempt public charity, and Clemson University (518 acres). The properties have an appraisal value of \$1,475,000 and are being offered to the Department with a purchase price of \$1,300,000. The total cost of the project will not exceed \$1,320,000. The Department is funding the purchase from three sources, (1) a \$10,000 donation from the National Wild Turkey Federation, (2) \$530,000 from the Reedy River Mitigation Trust Fund, and (3) \$760,000 from the Fish and Wildlife Protection Fund Deer Management account.

The property borders the Reedy River and provides habitat for deer, quail, turkey and small game. After the land is acquired, the property will be integrated into the Cliff Pitts WMA and open to the public for hunting, fishing, hiking, viewing wildlife and enjoying nature.

Morgan, as always, thanks for your assistance and please let me know if there is anything else that you need from me.

Sincerely,

A handwritten signature in black ink, appearing to read "S. B. Speares".

Scott B. Speares  
Assistant Deputy Director, Administration

Attachments: A-1, A-49

- Budget Load Worksheet
- Department of Administration Property Information Form
- Appraisal Report
- Well Abandonment Certification
- Environmental Site Assessment (2)

DEPARTMENT OF ADMINISTRATION PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9948
2. COUNTY: Laurens
3. DESCRIPTION: Fee simple acquisition of two adjoining undeveloped tracts comprising approximately 589 acres land in Laurens County.
4. GRANTOR(S): Clemson University Land Stewardship Foundation (71 acres)  
P.O. Box 1889  
Clemson, S.C. 29633  
  
Clemson University (518 acres)  
P.O. Box 345201  
Clemson, S.C. 29634
5. GRANTEE(S): S.C. Department of Natural Resources (DNR)  
1000 Assembly Street  
Columbia, S.C. 29201
6. COUNTY LOCATION: East side of DNR's Cliff Pitts Wildlife Management Area (WMA) beside the Reedy River on the south side of Hood Creek Road approximately 10 miles southwest of the City of Laurens.
7. ACREAGE: 589
8. PURPOSE/PROJECT: Protect wildlife habitat and provide additional outdoor recreational opportunities to the public. The property is composed of forested pine and hardwood areas, and borders the Reedy River on the south side. It provides habitat for deer, turkey, quail, and small game species. After it is acquired, the property will be available for a broad array of compatible public uses, including, including but not limited to, hunting, fishing, hiking, viewing wildlife, and enjoying nature.
9. NEED TO ACQUIRE PROPERTY: See Number 8.
10. PURCHASE PRICE: \$1,300,000.00
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$0.00. Property is owned by tax exempt entities.

## Part II

1. HOW MANY SITES WERE EVALUATED? Significant natural and cultural sites are continuously evaluated.
2. SELECTION CRITERIA USED TO EVALUATE SITES? Criteria concerning the DNR's Heritage Trust and Wildlife Management Area programs were used to evaluate the site. They include wildlife habitat, threatened and endangered species, habitat restoration, conversion threats, water quality, public access, and other related factors.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? The property adjoins DNR land and will provide additional recreational opportunities to the public. Acquisition of the tract will also help protect water quality within the Reedy River and deter potential management problems in the future.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. Additional annual operating costs are estimated to be \$5,000.00. Funding will come from the DNR's Wildlife Management Area account. The property will be managed as part of Cliff Pitts WMA.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A

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AGENCY: Division of Procurement Services

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SUBJECT: Waiver to Extend the Maximum Time on a Multi-term Contract for the South Carolina Education Lottery

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Education Lottery (SCEL) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize SCEL to award a contract with a performance term after installation of equipment and conversion to the new system of ten (10) years for a central gaming system and related software that facilitate the sale of all SCEL products. SCEL officials believe the resulting contract will encourage effective competition by allowing vendors to amortize initial equipment and initial implementation costs (conversion costs) over a longer period of time thereby reducing the fixed monthly payments that SCEL must pay the vendor.

---

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approve the South Carolina Education Lottery's (SCEL) request for a contract for central gaming system and related software that facilitate the sale of all SCEL products with a performance term of ten (10) years, as recommended for consideration by the Division of Procurement Services.

---

ATTACHMENTS:

Agenda item worksheet; Letter of request from the South Carolina Education Lottery; Graph of US Lottery Systems Maximum Contract Length; Section 11-35-2030(4) of the SC Consolidated Procurement Code



STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

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For meeting scheduled for: **March 8, 2016**

**Regular Session**

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**1. Submitted by:**

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

  
John St. C. White  
Interim Materials Management Officer

---

**2. Subject:**

Waiver to extend the maximum time on a multi-term contract for the South Carolina Education Lottery

---

**3. Summary Background Information:**

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Education Lottery (SCEL) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize SCEL to award a contract with a performance term after installation of equipment and conversion to the new system of ten (10) years for a central gaming system and related software that facilitate the sale of all SCEL products. SCEL officials believe the resulting contract will encourage effective competition by allowing vendors to amortize initial equipment and initial implementation costs (conversion costs) over a longer period of time thereby reducing the fixed monthly payments that SCEL must pay the vendor.

---

**4. What is Authority asked to do?**

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider SCEL's request for a contract for central gaming system and related software that facilitate the sale of all SCEL products with a performance term of ten (10) years.

---

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

Consider the South Carolina Education Lottery's request as stated above.

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**6. Recommendation of other office (as required)?**

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

**7. Supporting Documents:**

- A- Letter of request from the South Carolina Education Lottery
  - B- Graph of US Lottery Systems Maximum Contract Length
  - C- Section 11-35-2030(4) of the SC Consolidated Procurement Code
-



SENT VIA EMAIL

February 8, 2016

John St. C. White, PE  
Interim Materials Management Officer and State Engineer  
1201 Main Street, Suite 600  
Columbia, SC 29201

Re: Request for a Ten-Year Performance Term

Dear Mr. White:

In 2016, the South Carolina Education Lottery (SCEL), through the Material Management Office, will issue a Request for Proposals for a central gaming system, related software, and other services that facilitate the sale of all SCEL products. As described below, this system is the backbone of every aspect of SCEL operations. On June 12, 2007, the Budget and Control Board approved a ten-year term for the current contract, which due to time required for conversion, has a performance term of nine years and four months and a total value in excess of \$67,000,000. The contract will end March 14, 2018. Due in part to the additional three-year term granted in 2007 (from seven years on the first contract to ten on the current contract), SCEL realized a cost savings of more than \$200,000 per month over the term of contract. A ten-year term promotes cost savings and economies for the State and will have a positive effect on the transfer of lottery proceeds for education.

On December 2, 2015, the SCEL Board of Commissioners voted unanimously to seek State Fiscal Accountability Authority approval for a ten-year performance term for the next procurement. A ten-year performance term encourages effective competition by allowing vendors to amortize initial equipment and initial implementation costs (conversion costs) over a longer period of time thereby reducing the fixed monthly payments that SCEL must pay the vendor. These conversion costs are incurred by the vendor regardless of whether the contract term is five or ten years and run into the millions of dollars. In addition to conversion costs, there are fixed costs associated with new equipment that will be used over the term of the contract, such as sales equipment in each retail outlet (sales terminals, wiring, telecommunication equipment), the buildout required for a central data center, and the computer infrastructure which will add millions of dollars. As described below, it is best to spread the business conversion and disruption costs, both internal and external, over a ten-year performance cycle rather five or seven years.

To fully understand the costs involved, it is helpful to explain the scope of this project and the services necessary for successful implementation of this procurement. Conversion to a new vendor can take six to eight months and is very disruptive to normal business operations as every SCEL department must be involved and assist in both the transfer of data and the final configuration of the new system. Years of data across a vast number of electronic files/tables and their corresponding data fields must be matched and then migrated from the current vendor's propriety system to the new vendor's propriety system so that the integrity and accuracy of the records prior to conversion are maintained in the new system. The records migration is not limited to static historical records: this data is dynamic in that transactional records for instant and terminal-generated games must be

seamless for the players and retailers to facilitate claims processing and the associated financial activity. SCEL has six terminal-generated games and, at any given time, there are more than fifty different instant games that generate millions of sales transactions each week. Put simply, a ticket bought in September of 2017 or March 14, 2018, must be accurately scanned by the new system on March 15, 2018 and thereafter. Each retailer's transactional records (e.g., sales, retailer commissions, and claims) generate the weekly invoices and year-end tax records. Inventory management records (location of each ticket pack and its status, "in transit" - "received" - "activated for sale" - "stolen", etc.) which are essential for product security and retailer accounting must be accurately transferred to the new system for all instant games.

As the design of the new computer system is completed and implemented, personnel in each area of SCEL from licensing, security, sales, and accounting must be retrained. The order of inputting and processing information will be different as well as the manner in which reports are generated. This aspect is not a trivial matter as data mining and correlating information is essential to SCEL operations ranging from monitoring sales, detecting unusual claims activity, retailer accounting, retailer compliance with proper inventory controls and security, to compliance with all background and ownership requirements for licensure.

Field operations for both SCEL and the retailer are significantly impacted during a conversion. New retailer terminals (along with wiring, routers, and other communication equipment) must be installed and configured at the sales counter in almost 3,900 retail outlets. The new terminal must be kept near, sometimes under the counter while the current terminals remain operational. Although the new terminal will not be fully operational until March 15, 2018, it must be "turned on" to allow for software updates and testing. Training for all owners and/or clerks is needed for the operation of the new terminal and for generating reports at the store level.

Although there will be a period of dual process testing, assuming there is a new vendor, all of the aforementioned operations will be transferred from one vendor's system to another vendor's system in a flash cut (i.e. one day the old system and its equipment is disconnected and the next day SCEL and all retailers will be using the new computer system and the new retail sales equipment). Extending the interval between these potential business disruptions is prudent as the norm for the term of a lottery contract is more than ten years (see attached chart). The industry standard is for lottery vendors not to receive any payments until sales begin under their system. It is understood that no lottery wants to pay two major vendors at the same time when one is generating revenue for the business and the other is not. In addition to the cost of conversion previously mentioned for each retail outlet, the new vendor must build out a primary and back up data center, lease the real estate for data centers, provide temporary housing for and deploy conversion personnel, and hire permanent staff including field staff throughout the state. A ten-year performance term (beginning with the date of conversion) ensures lower monthly payments by SCEL because millions of dollars of upfront costs can be spread over ten years of performance rather than five or seven years.

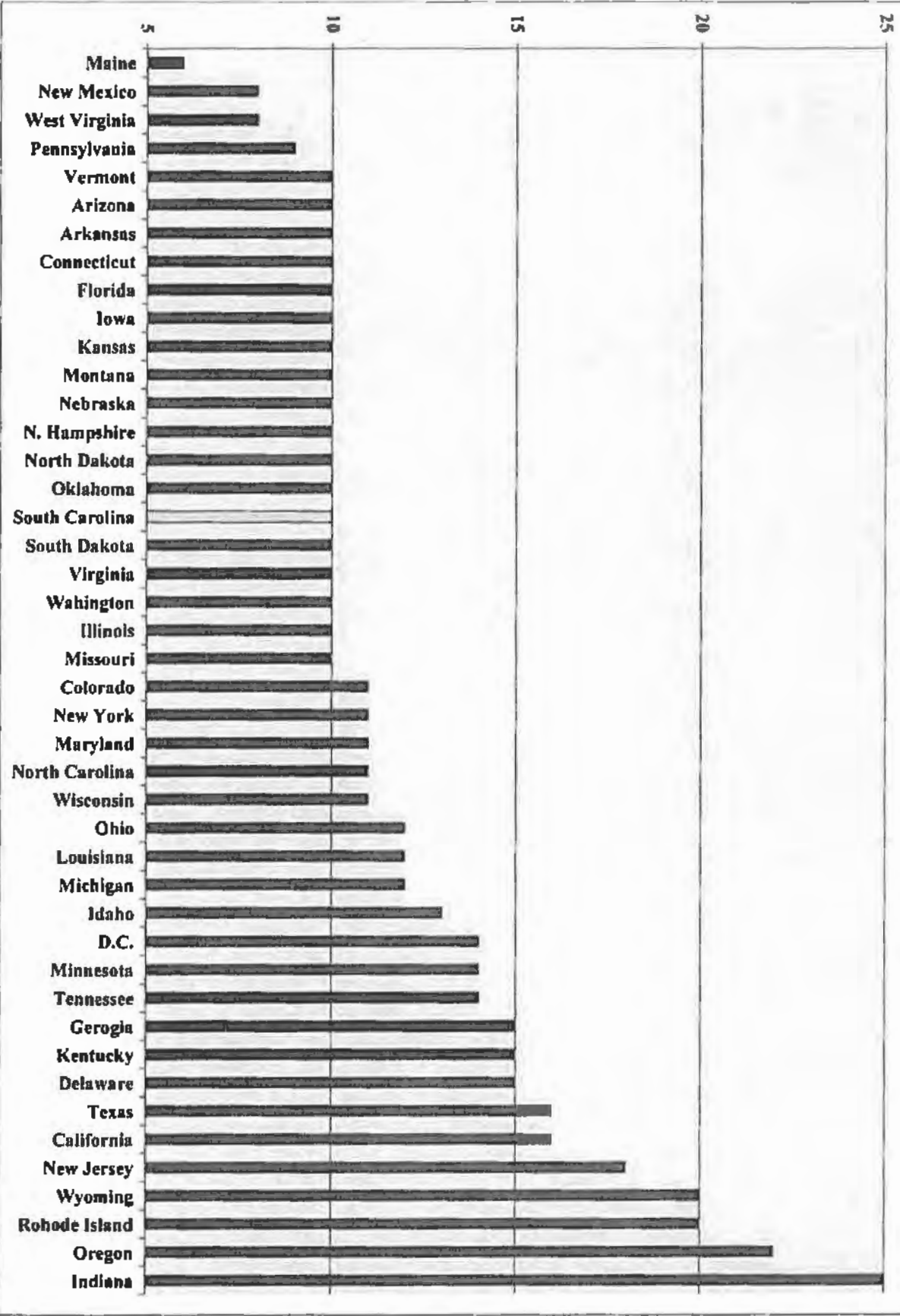
Please let me know if you have any questions or if you need any additional information. Thank you for your assistance with this request.

Sincerely,

A handwritten signature in cursive script that reads "Paula Harper Bethea". The signature is written in black ink and is positioned below the word "Sincerely,".

Paula Harper Bethea  
Executive Director

# US Lotteries Maximum Contract Length (years)



**SECTION 11-35-2030. Multiterm contracts.**

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:

(a) estimated requirements cover the period of the contract and are reasonably firm and continuing;  
and

(b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) The maximum time for a multiterm contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.

HISTORY: 1981 Act No. 148, Section 1; 1997 Act No. 153, Section 1; 2006 Act No. 376, Section 34.

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AGENCY: Medical University Hospital Authority

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SUBJECT: Not Exceeding \$325,000,000 Mortgage Indebtedness incurred Pursuant to an FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority (MUHA)

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$325,000,000 Mortgage Indebtedness incurred Pursuant to an FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority.

The proceeds of the bonds will be used to (i) defray a portion of the costs of constructing the MUSC Shawn Jenkins Children's Hospital, a children's hospital and women's pavilion, and other health care and related facilities of the authority; and (ii) defraying the costs associated with issuance of the obligations.

---

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$325,000,000 Mortgage Indebtedness incurred Pursuant to an FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority.

---

ATTACHMENTS:

Summary of Financing; Resolution

Summary of Financing Proposal for

**Medical University Hospital Authority  
GNMA Guaranteed MBS / FHA Insured Mortgage Loan, Not to Exceed \$325 Million  
MUSC Shawn Jenkins Children's Hospital**

PRELIMINARY – SUBJECT TO CHANGE

February 8, 2016

Debt proposed to be financed	GNMA Guaranteed MBS / FHA Insured Mortgage Loan, Not to Exceed \$325 Million
Average interest rate of debt	5.75%
Projected average interest rate of debt	5.75%
True interest cost of debt <sup>1</sup>	5.75%
Estimated costs (costs as a percentage of debt)	
Underwriting / GNMA Placement	0.44%
Legal fees – bond, disclosure and general counsel	0.14%
Rating agency fees	N/A
Advisory fees	0.13%
Trustee/registrar	N/A
Accounting and verification	N/A
Credit enhancement/ insurance	1.43%
Publication, printing, contingencies and all other expenses	0.18%
Total	2.33%

Prepared by \_\_\_\_\_

Date \_\_\_\_\_

Note 1: based on monthly principal payments

A RESOLUTION APPROVING THE INCURRENCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF MORTGAGE INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$325,000,000 PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 AND TITLE 44, CHAPTER 7 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, FOR THE PURPOSE OF DEFRAYING THE COSTS OF HOSPITAL FACILITIES AND OTHER MATTERS RELATED THERETO.

As an incident to the adoption of this Resolution, the State Fiscal Accountability Authority of the State of South Carolina (the "**State Fiscal Accountability Authority**") makes the following findings:

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at Section 59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at Section 59-123-60(E)(3)(b) of the Act to "sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(c) of the Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at Section 59-123-60(E)(3)(d) of the Act "for the purpose of effectuating the provisions of subsection (c) above, [to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that construction of the MUSC Shawn Jenkins Children's Hospital, a children's hospital and women's pavilion and other health care and related facilities of the Authority (the "**Project**") should be financed in part with the proceeds of a borrowing secured, as provided by Section 59-123-60(E)(3)(c) above, "by a mortgage...in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees has determined that incurrence by the Authority of not exceeding \$325,000,000 mortgage indebtedness for this purpose is in the best interest of the Authority; and

WHEREAS, pursuant to Section 59-123-60(E)(3)(c) and (d) of the Act and Section 44-7-1590 (A) of the Hospital Revenue Bond Act, the Board of Trustees has authorized and caused to be filed with the State Fiscal Accountability Authority a petition attached hereto as Exhibit A (the "**Petition**"); and

WHEREAS, in order to effect the financing of the Project, the Board of Trustees has determined, as described in the Petition, that the Authority should enter into such documents and agreements as shall be required to defray the cost of the Project; and



WHEREAS, the proceeds of mortgage indebtedness incurred by the Authority by virtue of entering into such documents and agreements will finance a portion of the Project; and

WHEREAS, the Authority under and pursuant to the provisions of the Hospital Revenue Bond Act and the Act has petitioned the State Fiscal Accountability Authority for its approval of the incurrence by the Authority pursuant to the Hospital Revenue Bond Act and the Act of mortgage indebtedness in an aggregate amount of not exceeding \$325,000,000 (the "**Mortgage Indebtedness**") at an interest rate not exceeding 5.75% and for a term not to exceed the statutory limit of 40 years set forth at Section 44-7-1450 of the Hospital Revenue Bond Act, the proceeds of which Mortgage Indebtedness will (i) defray and finance a portion of the costs of the Project, and (ii) defray and finance the costs associated with issuance of Mortgage Indebtedness.

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

Section 1. It is hereby found, determined and declared by the State Fiscal Accountability Authority that the Petition attached hereto as Exhibit A contains all matters required by law to be set forth therein, and that in consequence thereof the jurisdiction of this State Fiscal Accountability Authority has been properly invoked under and pursuant to Section 44-7-1590 of the Hospital Revenue Bond Act.

Section 2. The proposal of the Authority to incur Mortgage Indebtedness as described herein is hereby approved.

Section 3. Approval is hereby given for (i) the incurrence of not exceeding \$325,000,000 of Mortgage Indebtedness for the purposes described herein and as set forth in the Petition, such Mortgage Indebtedness to be in such principal amounts and subject to such terms as the Office of State Treasurer shall approve; provided, however, the interest rate does not exceed 5.75% and the term of the Mortgage Indebtedness shall not exceed 40 years; and (ii) the taking by the Office of State Treasurer of such further action and the granting of approval by the Office of State Treasurer of such further action by the Authority as shall not be inconsistent with the foregoing provisions of this Resolution and as is customary with respect to the FHA Hospital Mortgage Insurance Program including entering into a secured letter of credit arrangement, if necessary, and the retention of a GNMA lender for the issuance of GNMA Securities guaranteed by the Government National Mortgage Association ("GNMA") as may be necessary or desirable in connection with the incurrence of the Mortgage Indebtedness.

Section 4. There shall be published a notice of approval as required by Section 44-7-1590(B) in substantially the form attached hereto as Exhibit B.

Section 5. This Resolution shall take effect immediately.

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF March 8, 2016

REGULAR SESSION  
ITEM NUMBER 10

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AGENCY: Winthrop University

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SUBJECT: Not Exceeding \$9,100,000 Higher Education Revenue Refunding Bonds, Series 2016, of Winthrop University

The Authority is asked to adopt a resolution making provision for the issuance and sale not exceeding \$9,100,000 Higher Education Revenue Refunding Bonds, Series 2016, of Winthrop University.

The proceeds of the bonds will be used to refund the Prior Bonds (the Series 2009A Bonds, the Series 2009B Bonds, and the Series 2011 Bonds); and pay certain costs and expenses relating to issuance of the Series 2016 Bonds.

---

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$9,100,000 Higher Education Revenue Refunding Bonds, Series 2016 of Winthrop University.

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ATTACHMENTS:

DuBose 2/8/16 letter; Summary of Financing; Resolution

1201 MAIN STREET, 22ND FLOOR (29201-3226)  
POST OFFICE BOX 11869 (29211-1869)  
COLUMBIA, SOUTH CAROLINA  
TELEPHONE 803 779 3080  
FACSIMILE 803 766 1243  
[www.hsblawfirm.com](http://www.hsblawfirm.com)

THEODORE B DuBOSE  
PUBLIC FINANCE  
DIRECT DIAL NUMBER 803 540 7830  
[tdubose@hsblawfirm.com](mailto:tdubose@hsblawfirm.com)

February 8, 2016

**Via Hand Delivery**

Mr. Delbert Singleton  
State Fiscal Accountability Authority  
1200 Senate Street  
Columbia, SC 29201

Re: Approval of Issuance of Higher Education Revenue Refunding Bonds by Winthrop University

Dear Mr. Singleton:

On behalf of the Office of the State Treasurer and Winthrop University, I am forwarding ten (10) copies of each of the following:

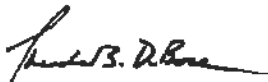
(a) a resolution adopted by Board of Trustees of Winthrop University requesting the issuance of refunding bonds; and

(b) a resolution by which the State Fiscal Accountability Authority may at its meeting of March 1, 2016, approve the issuance of not exceeding \$9,100,000 Higher Education Revenue Refunding Bonds by Winthrop University.

Also enclosed is an original of item (a). Please let me know if you require anything further.

Thank-you very much.

Very truly yours,



Theodore B. DuBose

Enclosures

**Summary of Refinancing Proposal for  
Winthrop University Higher Education Refunding Revenue Bonds,  
Series 2016A and Series 2016B (Taxable)**

PRELIMINARY – SUBJECT TO CHANGE  
02/01/20

**Series 2016A**

Outstanding bonds proposed to be refinanced	Series 2009A. Outstanding: \$2,715,000 Series 2011. Outstanding: \$4,560,000 Total Outstanding : \$7,375,000
Average interest rate of bonds refinanced	
2009A:4.07%	
2011: 5.20%	
Projected average interest rate of refinancing bonds	
2.05%	
True interest cost of refinancing bonds	
2.05%	
Projected net present value savings (net of costs)	
\$406,437	
Projected net present value savings as a percentage of the bonds refinanced	
8.20% & 4.03%	
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
9%	
Underwriting	
N/A	
Legal fees – bond, disclosure and general counsel	
\$18,750	
Rating agency fees	
N/A	
Advisory fees	
\$15,000	

Bond trustee/registrar/escrow agent  
 \$2125  
 Accounting and verification  
 \$2,000  
 Credit enhancement/bond insurance  
 N/A  
 Publication, printing, contingencies and all other  
 expenses  
 Total: \$37,875.00

**Series 2016B (Taxable)**

Outstanding bonds proposed to be refinanced	Series 2009B. Outstanding: \$1,335,000
Average interest rate of bonds refinanced	
6.35%	
Projected average interest rate of refinancing bonds	
3.50%	
True interest cost of refinancing bonds	
3.50%	
Projected net present value savings (net of costs)	
\$146,818	
Projected net present value savings as a percentage of the bonds refinanced	
11.00%	
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
23%	
Underwriting	
N/A	
Legal fees – bond, disclosure and general counsel	
\$18,750	

Rating agency fees

N/A

Advisory fees

\$15,000

Bond trustee/registrar

\$250

Accounting and verification

N/A

Credit enhancement/bond insurance

N/A

Publication, printing, contingencies and all other  
expenses: N/A

Total: \$34,000

Prepared by: Lyman Wray, Stephens Inc.

Date: 02/01/2016

**A RESOLUTION APPROVING THE UNDERTAKING OF WINTHROP UNIVERSITY TO ISSUE  
AND SELL ITS NOT EXCEEDING \$9,100,000 HIGHER EDUCATION  
REVENUE REFUNDING BONDS,  
SERIES 2016, OF WINTHROP UNIVERSITY, SOUTH CAROLINA,  
AND OTHER MATTERS RELATING THERETO.**

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

**ARTICLE I: FINDINGS OF FACT**

As an incident to the adoption of this resolution, the State Fiscal Accountability Authority of the State of South Carolina (the "State Authority") hereby finds and determines as follows:

Section 1.01

The Trustees of Winthrop University (the "Board of Trustees") are authorized by Chapter 147, Title 59, of the South Carolina Code of Laws 1976, as such may be amended from time to time (the "Revenue Bond Act"), to make provision for the issuance of Revenue Refunding Bonds (the "Revenue Refunding Bonds") 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 designated by the Board of Trustees on the campus of Winthrop University (the "University"), and to refund bonds that may from time to time be outstanding pursuant to the provisions of the Revenue Bond Act. Pursuant to the authorization of the Revenue Bond Act, the Board of Trustees adopted on April 12, 2002, a Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF HIGHER EDUCATION REVENUE REFUNDING BONDS OF WINTHROP UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," which Resolution was amended on February 12, 2005 (as amended, the "Bond Resolution"). Pursuant to the Bond Resolution, and under the authority of the Revenue Bond Act, the Board of Trustees has provided for the pledge of the net revenues of the facilities of the University as such are defined in the Bond Resolution (the "Facilities") to secure the payment of the Revenue Refunding Bonds issued from time to time thereunder.

Section 1.02

The Board of Trustees has been advised that it is in the interests of the University to issue Revenue Refunding Bonds, in accordance with the provisions of the Revenue Bond Act, that are payable from the net revenues of the Facilities, for the purposes of refunding the following obligations secured by the net revenues of the Facilities:

- (a) the \$4,500,000 Winthrop University Higher Education Revenue Bond, Series 2009A, dated June 5, 2009 (the "Series 2009A Bond");
- (b) the \$2,100,000 Winthrop University Taxable Higher Education Revenue Bond, Series 2009B, dated June 5, 2009 (the "Series 2009B Bond"); and
- (c) the \$5,200,000 Winthrop University Higher Education Revenue Bond, Series 2011, dated March 9, 2011 (the "Series 2011 Bond", and together with the Series 2009A Bond and the Series 2009B Bond, the "Prior Bonds").

Section 1.03

Pursuant to the Bond Resolution, the Board of Trustees adopted on January 29, 2016, a Series Resolution entitled PROVIDING FOR THE ISSUANCE AND SALE OF HIGHER EDUCATION REVENUE REFUNDING BONDS, SERIES 2016, OF WINTHROP UNIVERSITY, SOUTH CAROLINA, IN A PRINCIPAL AMOUNT OF NOT EXCEEDING NINE MILLION ONE HUNDRED THOUSAND DOLLARS (\$9,100,000) AND OTHER MATTERS RELATING THERETO” (the “Series Resolution”). In and by the Series Resolution, the Board of Trustees determined to issue Revenue Refunding Bonds, Series 2016, of the University for the purpose of refunding the Prior Bonds and paying certain costs and expenses relating to the issuance of the Series 2016 Bonds. The Board of Trustees has determined that an amount of not exceeding \$9,100,000 of proceeds of the Series 2016 Bonds will be needed to defray such costs.

Section 1.04

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2016 Bonds, including those required by the Bond Resolution and the Revenue Bond Act, have been met or will be met upon the issuance of the Series 2016 Bonds.

Section 1.05

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

Section 1.06

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.



**ARTICLE II: AUTHORIZATION TO ISSUE AND SELL SERIES 2016 BONDS**

**Section 2.01**

The State Authority hereby approves the issuance of the Series 2016 Bonds in an amount of not exceeding Nine Million One Hundred Thousand Dollars (\$9,100,000), and authorizes the University to sell the same in the manner and under the conditions prescribed by the Series Resolution, as the same has been presented to the State Authority and as may be amended subsequent to the date hereof. The Series 2016 Bonds may be sold in one or more Series by such method (including at public or private and competitive or negotiated sale) as may be determined to be most advantageous to the University by the State Treasurer of the State of South Carolina (the "Treasurer").

\* \* \* \*



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 02/17/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Winthrop University Series: 2016 Series A&B  
 Borrower (if not Issuer): \_\_\_\_\_ Amount: \_\_\_\_\_  
 Bond Caption: \_\_\_\_\_

**Initial/Current Version:****ISSUER**NAME: Winthrop UniversityBY: J. P. McKeeITS: VP Finance and BusinessDATE: 2/17/2016**Final:****ISSUER**

NAME: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: \_\_\_\_\_  
 Project Address/Location: \_\_\_\_\_ Amount: \$0.00  
 Project Type: \_\_\_\_\_ County: \_\_\_\_\_  
 Projected Avg Interest Rate: 0.00% True Interest Cost: 0.00%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Bds)
	00/00/00	\$	0.00%	0.00%	\$	0.00%
2009A HE Facs Revs	4/1/17-4/1/24	\$ 2,715,000.00	4.07%	2.05%	\$ 222,560.00	8.20%
2009B Taxable HE Facs	4/1/17-4/1/24	\$ 1,335,000.00	6.35%	3.50%	\$ 147,000.00	11.00%
2011 HE Facs. Revs.	4/1/17-4/1/23	\$ 4,560,000.00	5.20%	2.05%	\$ 184,000.00	4.03%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
<b>Total</b>		<b>\$ 8,610,000.00</b>	<b>0.00%</b>	<b>0.00%</b>	<b>\$ 553,560.00</b>	<b>0.00%</b>

### 4. FINANCING WORKING GROUP

Financial Advisor: Stephens Inc. Disclosure Counsel: \_\_\_\_\_  
 Bond Counsel: Haynsworth Sinker Boyd Issuer's Counsel: \_\_\_\_\_  
 Underwriter: \_\_\_\_\_ Other: \_\_\_\_\_  
 Other: \_\_\_\_\_ Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs of the financing/project, and the basis for these cost estimates)

Refund 3 outstanding revenue bonds for economical savings. Series 2009A and 2009B taxable bonds are current refundings, 2011 has negative arbitrage of approx. \$131,212 with NPV savings of \$184,000. The bonds will be sold in 2 series through private placement with one or more qualified banking institutions.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	01/29/16	
JBRC Approval:	00/00/00	N/A refunding
SFAA Approval:	03/01/16	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

### 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes	No
	X

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

Yes	No
	X

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -	
Cost Estimate -	\$0

Est. Expenditures - Through 6 Months  
 Est. Expenditures - Through 12 Months  
 Est. Expenditures - Through 18 Months  
 Est. Expenditures - Through 24 Months  
 Est. Expenditures - Through 36 Months  
 Est. Expenditures - Through 48 Months  
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$		

**8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES**

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 9,075,000.00	\$	Project Fund
(2) Issuer/Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$ 9,003,375.00	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 71,625.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$	Cost of Issuance (Incl. UW Disc.)
<b>Residual Project Sources</b>		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
<b>Total Project Budget (Source)</b>	<b>\$ 9,075,000.00</b>	<b>\$ 9,075,000.00</b>	<b>Total Project Budget (Uses)</b>

Surplus/Deficit \$ -

**9. ESTIMATED/ACTUAL BOND COI EXPENDITURES**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Stephens			\$ 30,000.00	\$	\$ 30,000.00
Bond Counsel	Haynsworth Sinker Boyd			\$ 37,500.00	\$	\$ 37,500.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	BNY Mellon			\$ 250.00	\$	\$ 250.00
Escrow Agent	BNY Mellon			\$ 1,875.00	\$	\$ 1,875.00
Accountant				\$	\$	\$
Verification Agent				\$ 2,000.00	\$	\$ 2,000.00
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Other				\$	\$	\$
				<b>\$ 71,625.00</b>	<b>\$</b>	<b>\$ 71,625.00</b>

*Est. / Actual COI Fees (% of Transaction):*

Financial Advisor: % of Transaction  
 Bond Counsel: % of Transaction  
 Total Legal Costs: % of Transaction  
 Rating Agencies: % of Transaction

#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!

UW Comp: % of Transaction  
 Other COI: % of Transaction  
 Total COI: % of Transaction

#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF March 8, 2016

REGULAR SESSION  
ITEM NUMBER 11

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AGENCY: State Fiscal Accountability Authority

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SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, June 7, 2016, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2016

Tuesday, August 9  
Tuesday, September 20  
Tuesday, November 1  
Tuesday, December 13

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AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, June 7, 2016, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: