

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

**May 14, 2019 – 9:30 A. M.**

The State Fiscal Accountability Authority (Authority) met at 9:30 a.m. on Tuesday, May 14, 2019, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Henry McMaster, Chair;  
Mr. Curtis M. Loftis, Jr., State Treasurer;  
Mr. Richard Eckstrom, Comptroller General;  
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and  
Representative G. Murrell Smith, Chairman, Ways and Means Committee.

Also attending were State Fiscal Accountability Authority Executive Director Grant Gillespie; Authority General Counsel Keith McCook; State Auditor George Kennedy; Governor's Deputy Chief of Staff Mark Plowden; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr., and other State Fiscal Accountability Authority staff.

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

Mr. Gillespie noted that there was a request to delete item 3(a) from the agenda.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority deleted item 3(a) and adopted the remainder of the agenda as proposed.

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

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Authority approved the minutes of the March 5, 2019, and March 21, 2019, Authority meetings.

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

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

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**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$5,000,000; Economic Development Revenue Bonds; Series 2019 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Greer Middle College Charter High School Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon	Howell Linkous Nettles – Sam Howell
\$25,000,000; Economic Development Revenue Bonds; Series 2019 (SC JEDA)	Wofford College Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon	Nexsen Pruet – Laurie Becker
\$8,000,000; Economic Development Revenue Bonds; Series 2019 (SC JEDA)	Technical College of the Lowcountry Foundation Conduit: SC JEDA	Burr Forman McNair – Michael Seezen	Parker Poe – Emily Luther
\$26,000,000; Economic Development Revenue Bonds; Series 2019 (SC JEDA)	Quantum Power Spartanburg, LLC Conduit: SC JEDA	Nexsen Pruet – Alan Lipsitz	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
\$12,500,000 Multifamily Housing Revenue Bonds, Belle Meade Apartments Project; Series 2019 (SC State Housing Finance and Development Authority - “SCSHFDA”)	Steele Belle Meade, LLC (Belle Meade Apartments Project) Conduit: SCSHFDA	Parker Poe – Emily Luther	Tracey Easton, General Counsel

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

***Dept. of Administration, Capital Budget Office: Permanent Improvement Projects (R#2)***

The Authority was asked to approve the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office. All items were reviewed favorably by the Joint Bond Review Committee.

**Establish Project for A&E Design**

- (a) Summary 6-2019: JBRC Item 1. (H09) The Citadel  
 Project: 9619, Johnson Hagood Stadium CRC Exterior Repairs  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 2 of 4 in FY20 (estimated at \$1,300,000)  
 JBRC/SFAA Phase I Approval: N/A  
 CHE Recommended Approval: 4/4/19

<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, Misc. Revenue	-	-	-	9,750	9,750
Other, Athletic Facility Fees	-	-	-	9,750	9,750
All Sources	=	=	=	<u>19,500</u>	<u>19,500</u>

Funding Source: \$9,750 Other, Misc. Revenue Funds, which are funds received from the SC Army National Guard who occupies space in the stadium and pays 50% of the cost to do so. The stadium is home to SCARNG HHC 218<sup>TH</sup> MEB. \$9,750 Other, Athletic Facilities Fees, which are generated through student fees. The Athletic Facility Fee is \$346 per academic year. The fee was implemented in 1995.

Request: Establish project and budget for \$19,500 (Other, Misc. Revenue and Other, Athletic Facility Fees) to begin Phase I A&E pre-design to make repairs to the exterior building envelope of the administrative offices and athletic club level and suites attached to the West Stands at Johnson Hagood Stadium. Numerous instances of rain water infiltration from the roof of the plaza and the north and south stairwells along with minor exterior façade separation have been realized. This project will identify and repair the sources of the leaks, seal roofs, windows and doors, and repair the damaged interior finishes, windows and doors. The 44,406 square foot building was constructed in 2006 and houses a media center, luxury suites, club level lounge, press box, and office space for SCARNG. The agency estimates total project costs at \$1,300,000 (See attachment 1 for this agenda item for additional annual operating cost savings.)

Mr. Eckstrom asked if half the cost was going to be borne by the SC Army National Guard. Jeff Lamberson, The Citadel Vice President for Facilities and Engineering, replied that the cost is a 50/50 split between The Citadel and the Army National Guard. Mr. Eckstrom asked

if the cost had been budgeted by the Military Department to which Mr. Lamberson said it has been budgeted.

- (b) Summary 6-2019: JBRC Item 2. (H09) The Citadel  
 Project: 9620, Johnson Hagood Stadium Sansom Field Turf Replacement  
 Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 8 in FY20 (Johnson Hagood Stadium East Stands Reconstruction estimated at \$15,000,000 – Field Turf Replacement estimated at \$1,500,000)  
 JBRC/SFAA Phase I Approval: N/A  
 CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Gift In-Kind	-	-	-	22,500	22,500
All Sources	=	=	=	<u>22,500</u>	<u>22,500</u>

Funding Source: \$22,500 Other, Gift In-Kind, which is a construction related gift from a private donor.

Request: Establish project and budget for \$22,500 (Other, Gift In-Kind) for engineering and construction services to replace the natural grass playing surface on Sansom Field at Johnson Hagood Stadium on The Citadel campus. Sansom Field is approximately 85,000 square feet in size, and the natural grass field was originally constructed in 1948. It plays host as the football home of the NCAA FCS Southern Conference Citadel Bulldogs and is also used for club sports and outside events. The current natural field surface has become maintenance intensive and has extensive drainage and flooding problems. Extent of the new synthetic turf shall be the football field itself to include the sidelines between the east and west grandstands, and a section of turf behind each end zone. During the fall football season game days, it hosts up to 15,000 spectators, players, coaches and staff. Other revenue generating events such as high school football jamborees, bowl games, concerts and trade shows could be hosted without fear of damage to the field turf. The agency estimates total project costs at \$1,500,000. (See attachment 2 for this agenda item for additional annual operating cost savings.)

Mr. Eckstrom asked if a gift was going to pay for the entire turf replacement. Mr. Lamberson said that a gift was going to pay for the entire turf replacement. Mr. Eckstrom asked if the money had been received. Mr. Lamberson said that they have a letter of promise for the

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money. He said they have the money for Phase I and they will receive the money for Phase II.

- (c) Summary 6-2019: JBRC Item 3. (H12) Clemson University  
 Project: 9942, Lehotsky Hall Renovation  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 6 in FY19 (estimated at \$30,000,000)  
 JBRC/SFAA Phase I Approval: N/A  
 CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Maintenance & Stewardship	-	-	-	700,000	700,000
All Sources	=	=	=	<u>700,000</u>	<u>700,000</u>

Funding Source: \$700,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Establish project and budget for \$700,000 (Other, Maintenance & Stewardship Funds) to begin Phase I pre-design to renovate Clemson’s approximately 94,000 square foot Lehotsky Hall, which houses departments of the College of Agriculture, Forestry and Life Sciences and the College of Behavioral Social and Health Sciences. The Phase I pre-design budget is requested at 2.33% of the estimated cost to complete the project, and the additional amount will allow the university to provide for additional field investigation on the existing facility, site investigations for utilities, and the pre-construction services of a construction manager. The programs housed in the facility generated 20,819 student credit hours in 2017-18. The renovation will include replacing the HVAC system, making structural reinforcements, installation a fire sprinkler system, making electrical, plumbing, information technology, and ADA improvements, and upgrading the building envelope and building finishes. It will also include reprogramming portions of the interior space and reconfiguring floorplans to meet functional and academic needs. Lehotsky Hall is 42 years old and is one of the most energy inefficient buildings on the Clemson campus. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire sprinkler and plumbing systems serving the labs are not code compliant and need to be modified to ensure occupant safety, and

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structural improvements are needed to meet building code requirements as well. The facility will be used by approximately 1,250 students, 70 faculty and 45 staff members. The agency estimates total project costs at \$30,000,000.

- (d) Summary 6-2019: JBRC Item 4. (H51) Medical University of South Carolina  
Project: 9848, Basic Science Building Air Handler Units 4 and 4A Replacement  
Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 4 in FY19 (Capital Renewal Projects estimated at \$25,000,000 – Air Handler Units 4 and 4A estimated at \$1,200,000)  
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, FY19 Deferred Maintenance	-	-	-	18,000	18,000
All Sources	=	=	=	<u>18,000</u>	<u>18,000</u>

Funding Source: \$18,000 Other, FY19 Deferred Maintenance, which are investment fund deferred maintenance funds. The university adopted RMC (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

Request: Establish project and budget for \$18,000 (Other, FY19 Deferred Maintenance Funds) to proceed with Phase I schematic design to replace the Air Handler Units #4 and #4A in the Basic Science Building. Both units are 23+ years old, past their useful life and need to be replaced. It is anticipated that these units can be replaced with a single larger unit. The building is 47 years old. There are 8 total air handler units in the building, all varying ages. The 335,663 square foot building houses 300 to 400 faculty and staff. Additionally, the building is a major academic building with 400 to 500 students entering it daily. The 2 air handler units being replaced serve approximately 11,700 square feet of the facility. The agency estimates total project costs at \$1,200,000.

**Establish Construction Budget**

- (e) Summary 6-2019: JBRC Item 9. (H27) University of South Carolina - Columbia  
 Project: 6125, Swearingen Roof Replacement  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 5 of 11 in FY19 (estimated at \$2,000,000)  
 JBRC/SFAA Phase I Approval: May 2018 (estimated at \$2,000,000)  
 CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institutional Capital Project	30,000	-	30,000	1,970,000	2,000,000
All Sources	<u>30,000</u>	=	<u>30,000</u>	<u>1,970,000</u>	<u>2,000,000</u>

Funding Source: \$2,000,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

Request: Increase budget to \$2,000,000 (add \$1,970,000 Other, Institutional Capital Project Funds) to remove and replace the existing original roof on the 32-year-old Swearingen Engineering Center which was constructed in 1987. The project will provide a new modified bitumen or PVC roof membrane, new rigid insulation and include the replacement of all associated roof flashing at parapets, skylights, and roof-mounted mechanical equipment and piping. The new roof system will provide a 20-year warranty. The Swearingen Engineering Center roof is approximately 71,000 gross square feet. The facility is utilized by an estimated 4,070 students, faculty, staff and clients. It has classrooms, faculty offices, and administrative space. The agency estimates that the completed project will cost approximately \$2,000,000. The agency anticipates execution of the construction contract in September 2019 and completion of construction in March 2020.

- (f) Summary 6-2019: JBRC Item 10. (H27) University of South Carolina - Columbia  
 Project: 6126, LeConte College Maintenance Renovation  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 8 of 11 in FY19 (estimated at \$15,000,000)  
 JBRC/SFAA Phase I Approval: August 2018 (estimated at \$15,000,000)  
 CHE Recommended Approval: 4/4/19

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<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institutional Capital Project	225,000	-	225,000	19,775,000	20,000,000
All Sources	<u>225,000</u>	=	<u>225,000</u>	<u>19,775,000</u>	<u>20,000,000</u>

**Funding Source:** \$20,000,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

**Request:** Increase budget to \$20,000,000 (add \$19,775,000 Other, Institutional Capital Project Funds) for the comprehensive building renovation of the LeConte College facility. These 77,103 square feet 67-year-old building is a contributing structure to the old campus district which is on the National Historic Registry. The last comprehensive renovation was completed in 1979. This comprehensive building renovation will include, but not limited to, a roof replacement, a new HVAC system with fresh air intake, complete plumbing replacement, an entirely new electrical system, reconfigured restrooms for ADA accessibility, an elevator replacement and life safety improvements that include new fire alarm and new sprinkler system. The existing slate roof is original to the building and only has received some localized repairs to valley flashing in the last several years. The work will include removing the existing slate and felt and installation of a new ice and water shield-type underlayment over the existing concrete panels since they are in good condition. New and the original slate will be reinstalled after all flashings are replaced in valleys, ridges and at dormers. Gutters will also be replaced, and downspouts as required. The new roof will come with a 20-year minimum warranty but slate roofs typically last up to 75 years. Hazardous material abatement on areas affected by renovations will also be accomplished. The exterior stucco façade will be patched and repainted. Exterior trim which is no longer watertight and allows water intrusion will be repaired and sealed. New gutters and downspouts will be provided. Exterior subsurface utilities will be replaced, and a generator will be added to serve the building. This building is utilized by the Department of Mathematics and Statistics which has approximately 6,600 students and faculty. The building has classrooms, faculty offices, and administration space. The building serves a larger population of other undergraduate majors who take math in their curriculum. The estimated cost to complete the project has increased from \$15,000,000 in the CPIP and the Phase I estimate due to the need to replace the roof, replace all plumbing pipes rather than only portions, completely reconfigure toilet rooms for accessibility and



sprinklers in the building. Also, the cost of the mechanical system is more accurate since sufficient schematic design occurred in Phase I, further defining the scope of work and estimate its cost. The agency estimates total project costs at \$20,000,000. (See attachment 3 for this agenda item for additional annual operating cost savings.) The agency anticipates execution of the construction contract in April 2020 and completion of construction in August 2021.

- (g) Summary 6-2019: JBRC Item 11. (H29) University of South Carolina - Aiken  
 Project: 9555, USC Aiken Scholars Academy Renovation  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 2 of 2 in FY19 (estimated at \$2,800,000)  
 JBRC/SFAA Phase I Approval: August 2018 (estimated at \$2,500,000)  
 CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, USC Aiken Institutional	37,500	-	37,500	2,962,500	3,000,000
All Sources	<u>37,500</u>	=	<u>37,500</u>	<u>2,962,500</u>	<u>3,000,000</u>

Funding Source: \$3,000,000 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Increase budget to \$3,000,000 (add \$2,962,500 Other, USC Aiken Institutional Funds) to repurpose the existing 40-year-old single-story Supply Maintenance Building to serve an academic mission for the Aiken campus. This project will include roof replacement, minor asbestos abatement, and site work around the building. The existing 26-year-old ballast roof is at the end of its life. The new roof is expected to be a 3-ply modified bitumen with granular cap roofing system with R-30 insulation. The new roof will have a minimum 20-year warranty. This renovation project continues a strategic planning effort to relocate maintenance activities to the campus periphery. Specifically, the 12,520 gross square foot building, constructed in 1978, will be internally reconfigured to accommodate the Aiken Scholars Academy and provide classrooms, meeting space, offices, and support space. No other space exists on the campus to permanently accommodate the Scholars Academy. The renovations will be completed to meet Green Globes certification standards with anticipated energy savings of \$83,676.88 over a 30-year period. The building is expected to accommodate up to 200 students and approximately 20 faculty members will use the space. The estimated

cost to complete the project has increased due to the needed site work that was identified during the Phase I process, the cost of 2 Green Globes certifications, and a general increase in material costs that could be more accurately estimated after the Phase I design effort was complete. The agency estimates total project costs at \$3,000,000. The agency anticipates execution of the construction contract in January 2020 and completion of construction in August 2020.

- (h) Summary 6-2019: JBRC Item 12. (H51) Medical University of South Carolina Project: 9845, Basic Science Building Air Handler Units 3 and 5 Replacement Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 4 in FY19 (Capital Renewal Projects estimated at \$25,000,000 – Air Handler Units 3 and 5 estimated at \$1,200,000) JBRC/SFAA Phase I Approval: October 2018 (estimated at \$1,200,000)

CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Deferred Maintenance	18,000	-	18,000	1,182,000	1,200,000
All Sources	<u>18,000</u>	=	<u>18,000</u>	<u>1,182,000</u>	<u>1,200,000</u>

Funding Source: \$1,200,000 Other, Deferred Maintenance, which are investment fund deferred maintenance funds. The university adopted RMC (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

Request: Increase budget to \$1,200,000 (add \$1,182,000 Other, Deferred Maintenance Funds) to replace the Air Handler Units #3 and #5 in the Basic Science Building. Both units are 23+ years old, past their useful life and need to be replaced. It is anticipated that these units can be replaced with a single larger unit. The building and these specific air handling units are 47 years old. There are 8 total air handler units in the building, all varying ages. The 335,663 square foot building houses 300 to 400 faculty and staff. Additionally, the building is a major academic

building with 400 to 500 students entering it daily. The 2 air handler units being replaced serve approximately 26,000 square feet of the facility. The agency estimates total project costs at \$1,200,000. The agency anticipates execution of the construction contract in November 2019 and completion of construction in August 2020.

- (i) Summary 6-2019: JBRC Item 13. (H59) Greenville Technical College  
 Project: 6143, Bldg. 102 Renovation – Barton Campus  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 2 of 3 in FY20 (estimated at \$16,750,000)  
 JBRC/SFAA Phase I Approval: October 2018 (estimated at \$18,600,000)  
 CHE Recommended Approval: 4/4/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Local College Plant	390,000	-	390,000	18,105,019	18,495,619
All Sources	<u>390,000</u>	=	<u>390,000</u>	<u>18,105,019</u>	<u>18,495,619</u>

**Funding Source:** \$18,495,619 Other, Local College Plant Funds, which is an accumulation of appropriated funds from Greenville County that are used to perform maintenance and renovations to physical facilities of Greenville Technical College.

**Request:** Increase budget to \$18,495,619 (add \$18,105,019 Other, Local College Plant Funds) to begin Phase II design development for the renovation of 44,600 square foot of the 51,400 square foot Building 102, Technical Resource Center, on the Barton Campus. The existing TRC building #102 was constructed in 1990. The existing mechanical, plumbing and electrical and lighting system are in urgent need of renovation. The building will also receive a new and fully compliant sprinkler system and full elevator renovation. To improve accessibility, the new center will include an addition (bringing the center up to 57,400 square feet), that will provide a new, fully-accessible and welcoming entry on the campus side of the building that will assist Greenville Tech in their objective of becoming a more pedestrian focused campus. The project will also include a comprehensive space renovation that will consolidate and expand the Student Services, Student Intake, Financial Aid functions and Administration offices currently located in the ARC Facility that lies one mile from the Barton Campus. It will also provide much needed flexible space for cross-programmable meetings and counseling for all departments as well as dedicated computer labs for student services access. The renovation will include a complete modernization to Audio/Visual, Security and Telecom systems

throughout the building. The renovation will include modernization of the main auditorium adjacent to the current main entry and public face of the building, improving access and visibility of all the campus’s programs. The program of public-use activities will also be expanded with additional public meeting rooms including a 200 seat Community Room. A café with small retail capabilities will also be included, providing dual use of supporting the Community Spaces and Student Service areas. The Second Floor of the building will be renovated to include multiple office suites for groups and organizations related to Student Success, Placement Testing facilities and a medium size conference room for College and Community use. The project will include new landscape and hardscape around the north and west sides of the building. The renovation project will meet Green Globes certification standards with anticipated energy savings of \$184,080 over 30 years. The Phase II contingency amount requested is 21% of the estimated cost to complete the project and the additional amount is needed due to potential difficulties specific to Building 102. The agency estimates total project costs at \$18,495,619. (See attachment 4 for this agenda item for additional annual operating cost savings.) The agency anticipates execution of the construction contract in June 2019 and completion of construction in June 2020.

- (j) Summary 6-2019: JBRC Item 14. (D50) Department of Administration  
 Project: 9997, Dennis Building and Blatt Building – Elevator Modernization  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 11 in FY19 (estimated at \$2,825,000)  
 JBRC/SFAA Phase I Approval: December 2017 (estimated at \$2,825,000)

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Depreciation Reserve	42,375	-	42,375	2,660,762	2,703,137
All Sources	<u>42,375</u>	=	<u>42,375</u>	<u>2,660,762</u>	<u>2,703,137</u>

Funding Source: \$2,703,137 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies.

Request: Increase budget to \$2,703,137 (add \$2,660,762 Other, Depreciation Reserve Funds) to obtain final design and construction of the modernization of the 4 (four) passenger elevators in the Solomon Blatt Building and 2 (two) passenger elevators in the Rembert C. Dennis Building. The scope of work includes, but is not limited to, the modernization of the elevators and elevator machines and related

HVAC exhaust, electrical, plumbing and fire protection. The current elevators are original to the buildings and are becoming increasingly difficult to maintain and keep in operation, due to age, outdated technology and scarcity of replacement parts. The Dennis elevators service approximately 750 building staff from the office of the Attorney General, Revenue and Fiscal Affairs Office, the Department of Natural Resources and the Legislative Council of the General Assembly. The Blatt elevators service 345 employees, staff and visitors to the building annually. The Dennis Building elevators are 50 years old and the Blatt elevators are 43 years old. The agency estimates that the completed project will cost approximately \$2,703,137. (See attachment 5 for this agenda item for additional annual operating cost savings.) The agency anticipates execution of the construction contract in August 2019 and completion of construction in September 2021.

- (k) Summary 6-2019: JBRC Item 17. (E24) Office of the Adjutant General  
 Project: 9812, Statewide Readiness Center Female Latrines  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 18 in FY19 (estimated at \$450,000)  
 JBRC/SFAA Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities)

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	12,500	-	12,500	200,000	212,500
Federal, National Guard Bureau	37,500	-	37,500	-	37,500
All Sources	<u>50,000</u>	=	<u>50,000</u>	<u>200,000</u>	<u>250,000</u>

Funding Source: \$212,500 Appropriated State. \$37,500 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau.

Request: Increase budget to \$250,000 (add \$200,000 Appropriated State Funds) to establish the Phase II construction budget to renovate and expand existing female latrines in various readiness centers across the state. The funds in this request will be used for the construction of the North Charleston facility. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway and Rock Hill. The scope of work includes renovating existing female latrine and constructing

additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work. When these armories were constructed the number of female soldiers was significantly lower than it is now. Therefore, due to the rising number of female soldiers, due in part to all branches now allowing females, adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training. Over 50 female soldiers assigned to each of the 12 armories, will utilize the space. The facilities will also be used by females when the armory is rented or when it is being used for other public functions. The facilities range in age from 31 years to 62 years old and vary in size from 72 square feet to 339 square feet. The agency estimates total project costs at \$200,000 per facility for a total of \$2,450,000 for all 12 facilities. (See attachment 6 for this agenda item for additional annual operating costs.) The agency anticipates execution of the construction contract in June 2019 and completion of construction in October 2019.

**Establish Construction Budget (transfer to)**

- (1) Summary 6-2019: JBRC Item 22. (N04) Department of Corrections  
 Project: 9752, Water & Wastewater Statewide Maintenance  
 Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 6 in FY19 (estimated at \$3,700,000)  
 JBRC/SFAA Phase I Approval: October 2018 (estimated at \$2,340,475.77)  
 CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, (nonrecurring) (transfer from 9692)	35,000	-	35,000	2,424,550	2,459,550
All Sources	<u>35,000</u>	=	<u>35,000</u>	<u>2,424,550</u>	<u>2,459,550</u>

Funding Source: \$2,459,550 Appropriated State, (nonrecurring) Funds.  
 Request: Increase budget to \$2,459,550 (add \$2,424,550 Appropriated State, (nonrecurring)) as a transfer from N04-9692 to begin Phase II final design and construction to complete the most critical renovations and equipment upgrades needed for the water treatment facilities and wastewater systems (i.e. wastewater treatment plants, bar screens etc.), to keep system operations compliant with DHEC and local municipal

permit requirements. The correctional institutions included in this project are Turbeville, Broad River, MacDougall, Wateree River, Tyger River, Lee, Ridgeland and Kershaw. Most of the equipment is original to the construction of each institution and is 20+ years old. The work will be accomplished by general contractors and utilizing SCDC’s in-house/inmate labor forces where most feasible. The agency estimates total project costs at \$2,459,550. The agency anticipates execution of the construction contract in May 2019 and completion of construction in March 2021.

**Phase II Increase**

- (m) Summary 6-2019: JBRC Item 24. (H09) The Citadel  
 Project: 9617, Boat Center Redevelopment  
 Included in Annual CPIP: Yes – 2016 CPIP Priority 3 of 4 in FY17 (estimated at \$3,000,000)  
 JBRC/SFAA Phase I Approval: August 2016 (estimated at \$3,000,000)  
 JBRC/SFAA Phase II Approval: January 2017 (estimated at \$5,000,000)  
  
 CHE Recommended Approval: 5/2/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Gifts	45,000	4,955,000	5,000,000	3,000,000	8,000,000
All Sources	<u>45,000</u>	<u>4,955,000</u>	<u>5,000,000</u>	<u>3,000,000</u>	<u>8,000,000</u>

Funding Source: \$5,000,000 Other, Gifts, which are funds provided by a private donor to support this recreational opportunity for the Cadets and the greater Citadel community.

Request: Increase budget to \$8,000,000 (add \$3,000,000 Other, Gifts) to complete all phases of the project at the Boat Center. This project is for the facilities to support sailing and crew rowing programs at The Citadel. At the time of the Phase II approval the overall project was divided into four phases – 1) dredging, 2) early sitework and demolition of existing facilities 3) waterside shoreline and docks and 4) construction of a pavilion, dock manager’s office and main Boat Center facility. As each phase of the project was completed, the scope and requirements have been refined. Construction costs have increased, and the economy has seen a drastic rise in construction prices. Market conditions continue to dictate prices in the Charleston area. In June 2018 The Citadel bid the site work, main Boat House, Pavilion and Dock House for public bids. The low bid was \$4,380,500. All bids exceeded available funding and bids were rejected. The Citadel has

decided to modify the plans to only include the majority of the sitework, the Pavilion and Dock house and re-bid the project in order to get the boating program started and available to cadets, faculty and staff. Bids were opened for the sitework, Pavilion and Dock House on March 19, 2019. The low bid was \$1,157,950 and it is their intent to award to the low bidder. Therefore, The Citadel's Boat Center Redevelopment overall project will now be divided into five phases – 1) dredging, 2) early sitework and demolition of existing facilities, 3) waterside shoreline and docks, 4) construction of a pavilion and dock manager's office, and 5) construction of the main Boat Center facility. Several phases of this overall project have been bid and completed. They are 1) dredging, 2) sitework and demolition of existing facilities, 3) waterside shoreline and docks. Phase 4 includes the construction of a pavilion and dock manager's office. Phase 5, the last phase, is the main Boat Center facility which has not been bid. The 7,759 square foot facility was constructed in 1920. The facility has outlived its useful life expectancy and numerous improvements are required to meet the college's intended purpose and use. The total square footage for all three new buildings is 11,907 square feet. The Pavilion will be 1,200 square feet. The Dock Manager's Office will be 263 square feet. The Boat House will be 10,444 square feet. The conditioned gross square footage of the buildings is 4,953 square feet (dock manager and main Boat House). The Bulkhead is 222 linear feet and the new docks are 5,931 square feet. The facility will be used by 50 students and up to 5 faculty and 5 staff regularly for instruction and club meetings. Occasionally, there will be an estimated 100+ person occupancy in the multi-purpose room. The waterside and shoreline enhancements are available to all 2,300 cadets, and all 1,000 faculty and staff members. The agency estimates total project costs at \$8,000,000. (See attachment 7 for this agenda item for additional annual operating costs.) The agency anticipates execution of the Boat Center portion of the project (Phase 5), September 2019 and completion of construction in summer of 2020.

- (n) Summary 6-2019: JBRC Item 25. (H51) Medical University of South Carolina  
Project: 9841, Storm Eye Institute Chiller Replacement  
Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 4 in FY18 (Capital Renewal  
Projects 2017-2018 estimated at \$4,000,000 – Storm Eye Institute Chiller Replacement  
estimated at \$2,050,000)  
JBRC/SFAA Phase I Approval: October 2017 (estimated at \$2,500,000)  
JBRC/SFAA Phase II Approval: May 2018 (estimated at \$2,050,000)  
  
CHE Recommended Approval: 4/4/19



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<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, Institution Deferred Maintenance	37,500	2,012,500	2,050,000	-	2,500,000
Other, Capital Project Reserves	-	-	-	450,000	450,000
All Sources	<u>37,500</u>	<u>2,012,500</u>	<u>2,050,000</u>	<u>450,000</u>	<u>2,500,000</u>

Funding Source: \$2,050,000 Other, Institution Deferred Maintenance Funds, which are funds allocated to this account based on the Responsibility Centered Management (RCM) budgeting model adopted in 2013. State appropriations, tuition/fees and grant indirect cost recoveries are allocated to this fund. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. \$450,000 Other, Capital Project Reserve Funds, which are funds received from the sale of the Harborview Office Tower this fiscal year and several other properties in prior years.

Request: Increase budget to \$2,500,000 (add \$450,000 Other, Sale of Property Funds) to cover the construction bids which came in significantly higher than expected. This project will replace two existing 20+ year old failing air-cooled chillers on the roof of the Storm Eye Institute. One existing 200-ton chiller has completely failed, and the second existing 350-ton chiller has partially failed and currently can only operate at 50% capacity. These chillers will be replaced with one 600-ton water cooled chiller including associated cooling towers and pumps. The new chiller and tower water pumps will be located in an enclosure to protect them from outside elements. The 42-year-old building is 92,605 square feet and is utilized by 100 faculty, staff, and students plus 200 patients. This project was included in the FY17-18 CPIP combined with other maintenance items utilizing funding approved by MUSC for its “Investment Fund – Deferred Maintenance” account. At the time of the CPIP submittal, the Sightlines Building condition assessment was in the process of being updated and not complete at the time of CPIP submittal. Once the assessment was completed, facilities identified the highest priority items to match the \$4,000,000 funding available. The agency estimates total project costs at \$2,500,000. The agency anticipates execution of the construction contract in July 2019 completion of construction in March 2020.

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- (o) Summary 6-2019: JBRC Item 27. (P28) Department of Parks, Recreation & Tourism Project: 9735, Lake Wateree Campground Expansion  
 Included in Annual CPIP: No – The need for the budget increase was not known at the time the 2018 CPIP was submitted.  
 JBRC/SFAA Phase I Approval: February 2014 (estimated at \$1,000,000)  
 JBRC Staff Phase II Approval: April 2014 (estimated at \$1,101,959)  
 CHE Recommended Approval: N/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>
Appropriated State, FY17-18 Proviso 118.14 (nonrecurring)	-	-	-	91,124	91,124
Other, FY14 Proviso 49.9 (Motion Picture Incentive Act)	15,000	1,086,959	1,101,959	-	1,101,959
All Sources	<u>15,000</u>	<u>1,086,959</u>	<u>1,101,959</u>	<u>91,124</u>	<u>1,193,083</u>

Funding Source: \$91,124 Appropriated State, FY17-18 Proviso 118.14 (nonrecurring) funds. \$1,101,959 Other, FY14 Proviso 49.9 (Motion Picture Incentive Act).

Request: Increase budget to \$1,193,083 (add \$91,124 Appropriated State, FY17-18 Proviso 118.14 (nonrecurring) Funds) to cover increased costs. The additional funding will enable the comfort station construction to be completed, including all utilities. The project includes expanding the campground and associated infrastructure at Lake Wateree State Park Campground in Fairfield County. The scope of this project is to add 50 campsites, a restroom /shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 72 site campground is heavily used with demand significantly exceeding supply during peak demand periods. The additional campsites will bring in approximately 50,000 additional campers a year. The agency estimates total project costs at \$1,193,083. The agency anticipates completion of construction in December 2019.

- (p) Summary 6-2019: JBRC Item 28. (P28) Department of Parks, Recreation & Tourism Project: 9764, State Park Piers Repair  
 Included in Annual CPIP: Yes – 2016 CPIP Priority 3 of 10 in FY18 (estimated at \$2,200,000)  
 JBRC/SFAA Phase I Approval: May 2017 (estimated at \$2,200,000)  
 JBRC/SFAA Phase II Increase Approval: August 2018 (estimated at \$3,090,525.88)  
 CHE Recommended Approval: N/A

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<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>
FY17 Appropriated State, Proviso 118.16 nonrecurring	2,200,000	-	2,200,000	-	2,200,000
Other, Insurance Reserve	-	890,525	890,525	64,511	955,037
All Sources	<u>2,200,000</u>	<u>890,525</u>	<u>3,090,525</u>	<u>64,511</u>	<u>3,155,037</u>

Funding Source: \$2,200,000 Appropriated State, FY17-18 Proviso 118.16 (nonrecurring) funds. \$955,037 Other, Insurance Reserve Funds.

Request: Increase budget to \$3,155,037 (add \$64,511 Other, Insurance Reserve Funds) to add insurance proceeds due to additional damage sustained during Hurricane Michael. The funds will be expended to make repairs suffered during the storm that were not part of the original repair plan. The current scope of work includes completely replacing the entire dock at Edisto Beach, replacing pilings at Myrtle Beach that have been infected by sea worms, and replacing hardware. As this project progresses, there will also be future budget increases requested for this project as project repairs are completed that are eligible for FEMA reimbursements. Age and usage have deteriorated these facilities making repairs necessary for continued operation and visitor safety. The agency estimates total project costs at \$3,155,037. The agency anticipates execution of the construction contract for these additional repairs in April 2019 and completion of construction in December

- (q) Summary 6-2019: JBRC Item 29. (P28) Department of Parks, Recreation & Tourism Project: 9759, Huntington Beach State Park Education Center Reconstruction Included in Annual CPIP: No – The need for the budget increase was not known at the time of the 2018 CPIP submission.  
 JBRC/SFAA Phase I Approval: November 2016 (estimated at \$891,830)  
 JBRC/SFAA Phase II Approval: May 2017 (estimated at \$855,189)

CHE Recommended Approval: N/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>
Appropriated State, FY17-18 Proviso 118.14 (nonrecurring)	-	-	-	352,261	352,261
Other, Park Revenue	13,377	241,912	255,289	-	255,289

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Other, Insurance Reserve Fund	599,900	599,900	599,900	-	599,900
All Sources	<u>613,277</u>	<u>841,812</u>	<u>855,189</u>	<u>352,261</u>	<u>1,207,450</u>

Funding Source: \$352,261 Appropriated State, FY17-18 Proviso 118.14 (nonrecurring) funds. \$255,289 Other, Park Revenue, which is revenue generated by the SC State Park Service through admissions, cabins, camping, retail sales, etc. \$599,900 Other, Insurance Reserve Fund, which is proceeds from insurance claims.

Request: Increase budget to \$1,207,450 (add \$352,261 Appropriated State, FY17-18 Proviso 118.14 (nonrecurring) Funds) to cover costs realized when the project was bid and exceeded the original estimates. Bids were received in January 2019. The increase will cover the additional construction and inspection costs. This project is for the replacement of the Education Center along with associated site improvements at Huntington Beach State Park. The previous 15-year-old Nature Center burned to the ground due to a lightning strike on July 20, 2016 and the insurance funding has been received for this claim. The new facility will be 3,300 square feet. The original architect has been contacted and the original plans will be updated to meet current code criteria and reconstruct the original facility. Annual park attendance is around 600,000 with many visitors utilizing this facility. The agency estimates total project costs at \$1,207,450. The agency anticipates completion of construction in April 2020.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office as noted herein.

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

***Department of Administration, Facilities Management and Property Services: Easements (Regular Item #3)***

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority approved granting the following easements as recommended by the Department of Administration, Facilities Management and Property Services:

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- (a) County Location: Charleston **DELETED FROM AGENDA**  
From: Department of Administration  
  
To: SEGRA  
Consideration: \$3,398.00  
Description/Purpose: ~~To grant a 14.49 acre easement for the installation, operation and maintenance of fiber optic facilities beneath the Cooper River at Charlotte Street on the Charleston Peninsula. The easement area is the same as that included in the 2003 utility easements previously granted to SCE&G and BellSouth Telecommunications. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.~~
- (b) County Location: Charleston  
From: Department of Administration  
To: Charleston Area Regional Transportation Authority (CARTA)  
Consideration: \$5  
Description/Purpose: To grant a 124 square foot easement for the purpose of establishing and maintaining a public transportation system stop, including a bench, shelter and other related facilities and equipment. CARTA will erect a new transit shelter adjacent to the Voc Rehab office on Dorchester Road in North Charleston. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to Voc Rehab and CARTA. The Division of Facilities Management and Property Services has determined that Voc Rehab has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (c) County Location: Florence and Lee  
From: Department of Administration  
To: Spectrum Southeast, LLC  
Consideration: \$700  
Description/Purpose: To grant a 0.425 acre easement for the installation, operation and maintenance of fiber optics and cable communication lines beneath the Lynches River to accommodate SCDOT's US 76 Bridge Replacement Project. The existing conduit is attached to the bridge and must be relocated before SCDOT can demolish the existing bridge. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

Mr. Eckstrom asked how the consideration was calculated. Ashlie Lancaster with the Department of Administration appeared before the Authority on this matter. She said consideration is calculated pursuant to the 2008 easement policy that was adopted the Budget and Control Board. She noted that the cost is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands. Mr. Eckstrom asked if that was for per partial acre as well. Ms. Lancaster said if there is a partial acre the cost rounds up to \$200 for the first acre.

Mr. Loftis asked if it is known what other states charge for these types of easements. Ms. Lancaster said she did not know but would find out. Mr. Loftis asked with regard to the bridge in question if there will be a series of cables involved or one big cable. Ms. Lancaster said that generally there is a series of cables. She said her understanding is that there may be times when cables are shared.

- (d) County Location: Greenville  
From: Department of Administration  
To: Duke Energy Carolinas, LLC  
Consideration: \$5  
Description/Purpose: To grant a 0.25 acre easement, together with the right of ingress and egress, for the purpose of constructing, reconstructing, operating, patrolling, maintaining, inspecting, repairing, replacing, relocating, adding, modifying and removing electric lines and facilities on property controlled by the South Carolina Department of Corrections (SCDC) to provide service to the Shaw Industries' mobile office at Perry Correctional Institution as part of SCDC's Prison Industries Program. The term of the easement will be fifty (50) years. The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The easement is being sought by SCDC for the benefit of the property. The Division of Facilities Management and Property Services has determined that SCDC has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (e) County Location: Horry  
From: Horry-Georgetown Technical College  
To: Spectrum Southeast, LLC  
Consideration: \$5

Description/Purpose: To grant a permanent 2.14 acre easement, together with the right of ingress and egress, for the purpose of constructing, extending, inspecting, operating, replacing, relocating, repairing and maintaining various communications lines on property of Horry-Georgetown Technical College's Grand Strand Campus. The easement is part of the College's efforts to make upgrades and improvements to its satellite campus in Myrtle Beach. The College is partnering with the City of Myrtle Beach to place all utilities underground in the area of the campus. The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The Division of Facilities Management and Property Services has determined that the College has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

- (f) County Location: Horry  
From: Horry-Georgetown Technical College  
To: South Carolina Public Service Authority (Santee Cooper)  
Consideration: \$5  
Description/Purpose: To grant a permanent 2.14 acre easement, together with the right of ingress and egress, for the purpose of constructing, extending, inspecting, operating, replacing, relocating, repairing and maintaining electric lines and associated facilities on property of Horry-Georgetown Technical College's Grand Strand Campus. The easement is part of the College's efforts to make upgrades and improvements to its satellite campus in Myrtle Beach. The College is partnering with the City of Myrtle Beach to place all utilities underground in the area of the campus. The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The Division of Facilities Management and Property Services has determined that the College has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

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

***Division of Procurement Services: Procurement Audits and Certifications (Regular Item 4)***

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services audited the following agencies and recommends certification within the parameters described in the audit report for the following agencies for a period of three years.

- a. College of Charleston:** supplies and services<sup>1</sup>, \$500,000\* per commitment; information technology<sup>2</sup>, \$200,000\* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

The College's procurement policies and procedures comply with the South Carolina Consolidated Procurement Code and ensuing regulations, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommended the Authority approve the recommended increase in the College of Charleston's certification limits as noted above.

- b. Department of Commerce:** supplies and services<sup>1</sup>, \$100,000\* per commitment; information technology<sup>2</sup>, \$100,000\*per commitment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

The internal controls of the Department of Commerce's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommended the



Authority grant the Department of Commerce procurement certification at the limits noted above.

Mr. Eckstrom noted that the Department of Commerce's audit report revealed a peculiarity with the P-card program. He said he is working with Procurement Services to prevent agencies from directly contacting Bank of America to raise limits on P-cards which is contrary to State policy.

- c. Horry-Georgetown Technical College:** supplies and services<sup>1</sup>, \$250,000\* per commitment; information technology<sup>2</sup>, \$150,000\* per commitment; construction contract award, \$150,000 per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

The internal controls of the Horry-Georgetown Technical College's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommended the Authority grant the Department of Commerce procurement certification at the limits noted above.

- d. Trident Technical College:** supplies and services<sup>1</sup>, \$750,000\* per commitment; information technology<sup>2</sup>, \$350,000\* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

The internal controls of the Trident Technical College's procurement system are adequate to

ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommended the Authority grant Trident Technical College procurement certification at the limits noted above.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority granted procurement certification, in accord with Section 11-35-1210, for the following agencies within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

- a. College of Charleston:** supplies and services<sup>1</sup>, \$500,000\* per commitment; information technology<sup>2</sup>, \$200,000\* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

- b. Department of Commerce:** supplies and services<sup>1</sup>, \$100,000\* per commitment; information technology<sup>2</sup>, \$100,000\*per commitment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

- c. Horry-Georgetown Technical College:** supplies and services<sup>1</sup>, \$250,000\* per commitment; information technology<sup>2</sup>, \$150,000\* per commitment; construction contract award, \$150,000 per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

- d. Trident Technical College:** supplies and services<sup>1</sup>, \$750,000\* per commitment; information technology<sup>2</sup>, \$350,000\* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

<sup>1</sup> Supplies and Services includes non-IT consulting services

<sup>2</sup> Information technology includes consulting services for any aspect of information technology, systems, and networks

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

***Division of Procurement Services: Waiver to Extend the Maximum Time on a Multi-Term Contract for the University of South Carolina (Regular Item 5)***

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 University of South Carolina (USC) sought Authority approval to solicit a contract with a term of up to ten (10) years for Trademark and Licensing, which includes a primary apparel program and a primary apparel partner. USC believes a contract term of up to ten years will allow the apparel partner to cover its upfront investments, reduce year to year revenue fluctuations and create a more stable program, and increase total revenue.

Senator Leatherman commented that USC Athletic Director (AD) Ray Tanner did a terrific job in forming this contract.

Mr. Eckstrom asked if the contract will be competitively bid. AD Tanner said USC is requesting to move forward with an RFP and that they believe the process will be very competitive.

Mr. Loftis commented that given the consolidation in the industry it seems that IMG College has all of the business. AD Tanner said that with recent merges IMG College does have a large portion of the business. Mr. Loftis asked AD Tanner if he expected there to be other competitors. AD Tanner said that there is competition in the market place.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, and under authority of

SC Consolidated Procurement Code Section 11-35-2030(4) as requested by the University of South Carolina through the Division of Procurement Services, the Authority approved USC's request for a multi-term contract for Trademark and Licensing and authorized the solicitation of proposals and award of a contract with a term of up to ten (10) years.

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

***Executive Director: Revenue Bonds (Regular Session 6)***

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

Issuing Authority:	State Housing Finance and Development Authority
Amount of Issue:	\$12,500,000 Multifamily Housing Revenue Bonds
Allocation Needed:	\$12,500,000 (will use carryforward)
Name of Project:	Belle Meade Apartments project (formerly known as Fleetwood Manor Apartments project)
Employment Impact:	N/A
Project Description:	for the purpose of funding a mortgage loan to Steele Belle Meade, LLC for the acquisition and rehabilitation of a 100-unit multifamily affordable housing development located in Greenville County
Bond Counsel:	Emily S. Luther, Parker Poe Adams & Bernstein LLP,

Mr. Eckstrom asked if the bond issuance is for \$9.1 million. Emily Luther, bond counsel, said the anticipated bond issuance is \$9.17 million. Mr. Eckstrom asked if the proceeds would be used to acquire property or fund construction for rehabilitation. Ms. Luther said it will be used to acquire and rehabilitate the property. She said it is a near 50/50 split for acquisition costs and rehabilitation costs. Mr. Eckstrom asked if the investor is putting equity into the property. Ms. Luther said there is tax credit equity and a portion of the developer's fees will be deferred during construction as their portion of the equity. She said a portion of the deferred fees is about \$500,000 which is about half of the developer's fee. Mr. Eckstrom noted that the other contribution is the anticipated tax credit on the project. Ms. Luther said that is correct and that the tax credit has been syndicated and sold. She stated that a portion of the tax credit equity will be received at closing and the remainder will be received as the project reaches certain bench marks.

Senator Leatherman said that he noticed the amount needed was \$12.5 million and that carryforward would be used. He asked Ms. Luther to explain the use of carryforward. She stated that it is excess volume cap leftover at the end of the calendar year that was granted to the Housing Authority for use in succeeding years. She said the Housing Authority has sufficient volume cap carryforward to allocate to projects and will not be using any of the State's current year volume cap. Senator Leatherman asked how much carryforward would be used. Ms. Luther said \$9.17 million in carryforward would be used which is the amount of the bonds to be issued.

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority adopted the resolution approving the referenced proposal to issue revenue bonds.

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

***Executive Director: Economic Development (2019 Ceiling Allocation) (Regular Session 7)***

The initial balance of the 2019 state ceiling allocation is \$533,833,335. In accord with Code Section 1-11-520, \$213,533,334 (40% of the total) is designated as the state pool and \$320,300,001 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$523,833,335 remaining for 2019. Allocation requests for 2019 totaling \$30,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totaled \$10,000,000. The Department of Commerce made the following recommendation for allocation from the local pool:

JEDA, Probitas Ventures, LLC (Marlboro County), \$10,000,000

Authority approval of the recommended request will leave an unexpended state ceiling balance of \$513,833,335 (state pool - \$213,533,334; local pool - \$300,300,001) to be allocated later in the calendar year.

In accord with Code Section 1-11-500 et seq., and upon a motion by Representative Smith, seconded by Senator Leatherman, and upon the recommendation of the Department of Commerce, granted the following tentative ceiling allocation from the local pool:

JEDA, Probitas Ventures, LLC (Marlboro County), \$10,000,000.

Mr. Eckstrom asked what is the scale used by the Department of Commerce in assigning a score of 7 to the project. He asked if it was 7 out of a 10-point scale. John Van Duys, bond counsel, said that he did not know. Mr. Singleton stated that in the past the Department of Commerce has indicated that it is a 10-point scale. Mr. Eckstrom asked if the ranking was 7 because of the few number of jobs being created or the projected cash flow. Mr. Van Duys said that the project is highly automated and is designed to operate with less labor.

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

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #8)***

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority agreed to meet at 10:00 a.m. on Tuesday, June 18, 2019, in Room 252, Edgar A. Brown Building.

***Adjournment***

The meeting adjourned at 9:50 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Authority Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:10 a.m. on Monday, May 13, 2019.]