

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, August 18, 2020 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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4.	Department of Administration, Facilities Management and Property Services	Easement
5.	Department of Administration, Facilities Management and Property Services	SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC
6.	Department of Administration, Facilities Management and Property Services	Clemson University Lease of 1 Research Drive, Greenville, SC
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MEETING OF August 18, 2020

ITEM NUMBER 1

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification, for informational purposes, of the firms selected and approved:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$100,000,000; Economic Development Revenue Bonds; RecoverSC Local Government Liquidity Program; Series 2020 (South Carolina Jobs-Economic Development Authority -- "SC JEDA")	RecoverSC Local Government Liquidity Program Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Nexsen Pruet – Alan Lipsitz, Laurie Becker
\$23,000,000; South Carolina Jobs-Economic Development Authority Revenue Bonds; Foundation for Affordable Housing – Tamarind at Stoneridge; Series 2020	Foundation for Affordable Housing – Tamarind at Stoneridge Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
\$15,000,000; Multifamily Housing Revenue Bonds; Osprey Place Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - "SCSHFDA")	Standard Osprey Venture, LP (Osprey Place Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$25,000,000; Multifamily Housing Revenue Bonds; Robert Smalls Apartment Project; Series 2020	New Spartanburg Owner, LP (Robert Smalls Apartment Project) Conduit: SCSHFDA	Haynsworth Sinkler Boyd – John Van Duys	Tracey Easton, General Counsel

AUTHORITY ACTION REQUESTED:

In accord with Authority policy, receive the State Treasurer's Office report of bond counsel as information.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its August 18, 2020 meeting:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$100,000,000; Economic Development Revenue Bonds; RecoverSC Local Government Liquidity Program; Series 2020 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	RecoverSC Local Government Liquidity Program Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Nexsen Pruet – Alan Lipsitz, Laurie Becker	08/06/2020
\$23,000,000; South Carolina Jobs-Economic Development Authority Revenue Bonds; Foundation for Affordable Housing – Tamarind at Stoneridge; Series 2020	Foundation for Affordable Housing – Tamarind at Stoneridge Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon	06/25/2020
\$15,000,000; Multifamily Housing Revenue Bonds; Osprey Place Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - “SCSHFDA”)	Standard Osprey Venture, LP (Osprey Place Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel	07/10/2020
\$25,000,000; Multifamily Housing Revenue Bonds; Robert Smalls Apartment Project; Series 2020	New Spartanburg Owner, LP (Robert Smalls Apartment Project) Conduit: SCSHFDA	Haynsworth Sinkler Boyd - John Van Duys	Tracey Easton, General Counsel	07/10/2020

GENERAL OBLIGATION / 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

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF August 18, 2020

ITEM NUMBER 2

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will be expending funds to purchase radio and television public service announcements. The radio and television announcements will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond requests approval to spend \$50,000 for radio and television public service announcements that will begin in the late Fall of 2020. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-160. Approval of the request must be by unanimous vote of the Authority.

Last year, the Authority approved Secretary Hammond's request for the expenditure of \$55,000 for public service announcements at its December 10, 2019, meeting. The exact amount spent for last year's campaign was \$54,891.87.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond to use funds to purchase radio and television public service announcements not to exceed \$50,000 for a public awareness campaign on charitable solicitations fraud. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Dunlap 7/1/20 letter; Code Sections 1-11-470 and 33-56-160

State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
WWW.SOS.SC.GOV



July 1, 2020

Mr. Delbert H. Singleton, Authority Secretary
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

RE: Secretary of State's Request for Wise Charitable Giving Public Service
Announcement

Dear Mr. Singleton:

Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority for approval to use funds for radio and television public service announcements. The public service announcement is designed to raise the awareness of the public to aid with wise charitable giving, and to prevent charitable solicitations fraud. I would appreciate it if you would place this item on the agenda for SFAA's August 18, 2020 meeting.

Secretary Hammond is the administrator of the Solicitation of Charitable Funds Act, and therefore he is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers. Pursuant to S.C. Code §1-11-470, a constitutional officer must receive approval of the Authority to expend appropriated funds to purchase radio or television space with unanimous approval of the Authority. While we are not seeking approval to spend state appropriated general funds, the Secretary requests to appear before the Authority for approval out of a desire for transparency.

Pursuant to S.C. Code §33-56-160, all fees collected under the Solicitation of Charitable Funds Act, and all fine revenue up to \$200,000.00 collected from enforcement of the Act must be transmitted to the State Treasurer. These funds must be deposited in a fund separate and distinct from the state general fund, and are to be used by the Secretary of State for the purpose of administering the Act. Secretary Hammond is requesting approval to spend \$50,000 for the public service announcements that would begin in the late Fall 2020. Last year, \$55,000 was requested and approved at the December 10, 2019, meeting of the Authority. The exact amount spent was \$54,891.87.

Mr. Delbert Singleton – SFAA Authority Secretary – Page 2
July 1, 2020

Please contact me at (803) 734-2157 or mdunlap@sos.sc.gov if you have any questions about this request.

Sincerely,

A handwritten signature in black ink that reads "Melissa Dunlap". The signature is written in a cursive style with a large, stylized "M" and "D".

Melissa Dunlap
Deputy Secretary of State & Chief Legal Counsel

SECTION 1-11-470. Limitations on use of funds appropriated by General Assembly.

(A) No funds appropriated by the General Assembly may be used by a constitutional officer to purchase space including, but not limited to, notices or advertisements, in a print medium or time from a radio or television medium without unanimous prior written approval of the Budget and Control Board.

(B) No funds appropriated by the General Assembly may be used by a constitutional officer to print on, or distribute with, official documents extraneous promotional material or to purchase plaques, awards, citations, or other recognitions without unanimous prior written approval of the Budget and Control Board.

(C) If nonpublic funds are used for the purposes enumerated in subsection (A), the constitutional officer expending the funds must submit the source of the funds showing all contributors to the Budget and Control Board before the funds are expended.

(D) The provisions of this section do not apply to the Governor or to the General Assembly.

SECTION 33-56-160. Administrative fines and fees; disposition.

(A) The first two hundred thousand dollars in administrative fine revenue received pursuant to this chapter in a fiscal year, not including fine revenues collected pursuant to Section 33-56-75, may be retained by the Secretary of State to offset the expenses of enforcing this chapter. All administrative fines collected pursuant to this chapter in excess of two hundred thousand dollars in a fiscal year, not including fine revenues collected pursuant to Section 33-56-75, must be transmitted to the State Treasurer and deposited in the state general fund. All fees collected pursuant to this chapter must be transmitted to the State Treasurer and deposited in a fund separate and distinct from the state general fund and used by the Secretary of State for the purpose of administering the provisions of this chapter.

(B) All administrative fines collected pursuant to Section 33-56-75 in a fiscal year must be transmitted to the State Treasurer and deposited in a fund separate and distinct from the state general fund. The revenue collected from these fines must be directed to the Secretary of State for the purpose of administering the provisions of that section.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase

- a) **Project:** JBRC Item 1. Office of the Adjutant General
E24.9812: Statewide Readiness Center Female Latrines
- Request:** Increase the Phase II budget to continue with the design of the Kingstree and Newberry female latrines.
- Included in CPIP:** Yes – 2019 CPIP Priority 4 of 18 in FY20
(this portion estimated at \$600,000 & estimated at \$2,650,000 for all 12 facilities)
- Phase I Approval:** August 2018 (estimated at \$2,233,435 for all 12 facilities) (JBRC/SFAA)
- Phase II Approval:** April 2019 (estimated at \$2,450,000) (JBRC/SFAA)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	12,500	309,500	322,000	20,250	342,250
Federal, National Guard Bureau	37,500	328,500	366,000	60,750	426,750
All Sources	<u>50,000</u>	<u>638,000</u>	<u>688,000</u>	<u>81,000</u>	<u>769,000</u>

Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway and Rock Hill. The North Charleston facility was completed in this project in October 2019. The Saluda and Rock Hill facilities are under design and construction. The funds in this request will be used for Kingstree and Newberry. 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.

Rationale: Due to the rising number of female soldier's 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.

Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and were constructed from 1958 to 1989 (62 years to 31 years old).

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$1.3 million at June 23, 2020) and Federal, National Guard Bureau Funds (uncommitted balance \$12 million at June 23, 2020). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$3,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$2,650,000 (internal) (for all 11 facilities) funded by Appropriated State and National Guard Bureau Funds. Contract execution is expected in August 2020 for Easley with construction completion in August 2021. Constructed completion in expected in March 2021.

MEETING OF August 18, 2020

ITEM NUMBER 3, Page 3**AGENCY:** Department of Administration, Executive Budget Office**SUBJECT:** Permanent Improvement Projects**Establish Project for A&E Design**

- b) **Project:** JBRC Item 2. Department of Mental Health
J12.9789: Columbia Area Retherm Installation
- Request:** Establish Phase I pre-design to replace the existing retherm equipment located at the Columbia area DMH facilities and Harris hospital in Anderson.
- Included in CPIP:** No – The project was not considered a PIP at the time the 2019 CPIP was submitted.
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				52,500	52,500
All Sources				<u>52,500</u>	<u>52,500</u>

Summary of Work: The project will remove the existing 50amp service and install a new 30amp service to each piece of equipment. All the existing equipment and wire will be removed back to the electrical panels for a clean demolition and installation per code.

Rationale: In 2022 Aladdin Food Service will discontinue supporting and making parts for the existing retherm equipment currently in use. This project will help feed the 850+ individuals requiring service provided by DMH.

Facility Characteristics: The facilities affected are Morris Village, Bryan/Hall Hospital, Harris Hospital, Stone VA Nursing Home, Roddey Nursing Home, and DDSN Midlands Center, which are a total of 332,348 square feet and were constructed between 1971 to 1983 (49 years to 37 years old). The area affected by this project is 23,591 square feet. The programs that utilize the facilities affected are Psychiatric hospitals, Nursing homes and Drug Rehab facilities, and are occupied by a total of 850 patients, residents, clients, plus 1,000+ staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$4.3 million at June 30, 2020). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$5,000 (year

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

1), and \$10,000 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$3,500,000 (internal) funded by Capital Improvement & Maintenance funds.

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:

Agenda item worksheet and attachments

Project List: SFAA Items - August 18, 2020

SFAA Items - August 18, 2020

SFAA Item	JBRC Item	Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CIP? Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	J12	Department of Mental Health	9789	Columbia Area Retherm Installation	Establish Phase I	No -	52,500	52,500	3,500,000	Other - Capital Improvement & Maintenance
(b)	3	E24	Office of the Adjutant General	9812	Statewide Readiness Center Female Latrines	Phase II Increase	Yes 688,000	81,000	50,000	769,000	Appropriated State / Federal - National Guard Bureau

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

The SC Commission on Higher Education (CHE) requests approval to lease 12,906 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC. CHE was previously leasing 23,461 square feet at 1122 Lady Street at a rate of \$11.93/SF however, the current lease expired in June. CHE has since entered into a short-term lease with the proposed landlord at \$18.00/SF while it awaits the review of this request by the State Fiscal Accountability Authority.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Ten responses were received. CHE reviewed all ten proposals and based on a variety of factors, including price, location, safety considerations and access, CHE narrowed its selection to two locations. Of the remaining two proposals, CHE originally proposed selecting the alternative space, however, due to a myriad of factors, including uncertainty around COVID-19, the possibility of needing less space, and a revised offer from the proposed Landlord, it was determined that the selected location was overall the best option and the Agency requested to lease no more than 17, 528 square feet. This request was not approved at the June 30, 2020 meeting of the State Fiscal Accountability Authority. Since that time, the Agency has completed re-evaluating their needs and determined they could reduce office square footage by allowing a number of staff to work from home creating an atmosphere of shared offices and workstations.

The proposed lease term will be ten years and two months commencing on or about October 1, 2020. The monthly rental rate for the first year will be \$17.50 per square foot, for a maximum annual aggregate amount of \$225,855. Thereafter, the rate increases by \$.50 per square foot annually. In addition to upfits and workstations, the landlord will provide one free month's rent in the first year of the lease term and one free month's rent in the second year of the lease term. Taking in to account the two free month's rent the maximum total rent to be paid over the 10-year two month term will be \$2,559,153 as shown in the chart below.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	10/1/2020 - 9/30/2021	\$207,034*	\$18,821	\$17.50
YEAR 2	10/1/2021 - 9/30/2022	\$212,949*	\$19,359	\$18.00
YEAR 3	10/1/2022 - 9/30/2023	\$238,761	\$19,897	\$18.50
YEAR 4	10/1/2023 - 9/30/2024	\$245,214	\$20,435	\$19.00
YEAR 5	10/1/2024 - 9/30/2025	\$251,667	\$20,972	\$19.50
YEAR 6	10/1/2025 - 9/30/2026	\$258,120	\$21,510	\$20.00
YEAR 7	10/1/2026 - 9/30/2027	\$264,573	\$22,048	\$20.50
YEAR 8	10/1/2027 - 9/30/2028	\$271,026	\$22,586	\$21.00
YEAR 9	10/1/2028 - 9/30/2029	\$277,479	\$23,123	\$21.50
YEAR 10	10/1/2029 - 9/30/2030	\$283,932	\$23,661	\$22.00
YEAR 11	10/1/2030 - 11/30/2030	\$48,398	\$24,199	\$22.50

* Annual amount is calculated based on paying 11 months rental with one free month

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

Tenant will be guaranteed seventeen (17) parking spaces in the Building's basement garage for the Term of the Lease ("Parking Allotment") at \$45.00 per space per month, half the cost of the Landlord's current monthly rate. Additional parking spaces at market rates are also available in the basement garage and the City of Columbia parking garage located adjacent to the building. All parking costs are passed on to the employees.

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

Tenant	Location	Rate /SF
SC Department of Natural Resources	2025 Barnwell Street	\$19.11
Office of the Attorney General	1201 Main Street	\$19.06
Vacant	500 Taylor Street	\$18.50

*The above rates are subject to base rent and/or operating expense escalations.

CHE has adequate funds for the lease according to a Budget Approval Form submitted July 16, 2020. Lease payments will be made from a combination of state appropriations, Federal funds, and revenue generated from licensing functions and PASCAL subscription fees.

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

The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As requested by the SC Commission on Higher Education through the Department of Administration, Facilities Management and Property Services, approve the proposed ten-year lease for the SC Commission on Higher Education at 1122 Lady Street, Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from CHE dated July 14, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56;

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 18, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

3. Summary and Background Information:

The SC Commission on Higher Education (CHE) requests approval to lease 12,906 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC. CHE was previously leasing 23,461 square feet at 1122 Lady Street at a rate of \$11.93/SF however, the current lease expired in June. CHE has since entered into a short-term lease with the proposed landlord at \$18.00/SF while it awaits the review of this request by the State Fiscal Accountability Authority.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Ten responses were received. CHE reviewed all ten proposals and based on a variety of factors, including price, location, safety considerations and access, CHE narrowed its selection to two locations. Of the remaining two proposals, CHE originally proposed selecting the alternative space, however, due to a myriad of factors, including uncertainty around COVID-19, the possibility of needing less space, and a revised offer from the proposed Landlord, it was determined that the selected location was overall the best option and the Agency requested to lease no more than 17,528 square feet. This request was not approved at the June 30, 2020 meeting of the State Fiscal Accountability Authority. Since that time, the Agency has completed re-evaluating their needs and determined they could reduce office square footage by allowing a number of staff to work from home creating an atmosphere of shared offices and workstations.

The proposed lease term will be ten years and two months commencing on or about October 1, 2020. The monthly rental rate for the first year will be \$17.50 per square foot, for a maximum annual aggregate amount of \$225,855. Thereafter, the rate increases by \$.50 per square foot annually. In addition to upfits and workstations, the landlord will provide one free month's rent in the first year of the lease term and one free month's rent in the second year of the lease term. Taking in to account the two free month's rent the maximum total rent to be paid over the 10-year two month term will be \$2,559,153 as shown in the chart below.

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

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CHE has adequate funds for the lease according to a Budget Approval Form submitted July 16, 2020. Lease payments will be made from a combination of state appropriations, Federal funds, and revenue generated from licensing functions and PASCAL subscription fees.

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

The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed ten-year lease

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed ten-year lease.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from CHE dated July 14, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

RUSTY MONHOLLON, Ph.D.
PRESIDENT & EXECUTIVE DIRECTOR

July 14, 2020

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Lease for 1122 Lady Street, Columbia

Dear Ms. Lancaster,

The South Carolina Commission on Higher Education (CHE) respectfully requests that the Department of Administration present to the State Fiscal Accountability Authority for approval a proposed lease to rent 12,906 square feet of space at 1122 Lady Street in Columbia. The CHE brought a proposal seeking no more than 17,528 square feet of space to the State Fiscal Accountability Authority for review at its June 30, 2020 meeting, but did not have a favorable review. Over the past month, we realized there is an opportunity for the agency to become more agile in the way it provides services to the state. This includes allowing staff flexibility to spend more hours working from home while providing the same level of service. As a result, the CHE believes it can fit 50 staff in this requested space by having staff share offices and workstations and working from home more frequently if their duties allow.

Both CHE and PASCAL, the Partnership Among South Carolina Academic Libraries, staff will use the space. Our previous lease at 1122 Lady Street expired on June 29, 2020, and, based on the state space standards, is larger than the agency needs to conduct its business. In the interim, CHE signed a month-to-month lease with the landlord at 1122 Lady Street to keep its current space while it awaits the review by the State Fiscal Accountability Authority. The agency is in the process of reducing its current footprint prior to moving into its new space to save state resources due to the increase in rent from \$11.93 a square foot to \$18.00 a square foot.

Originally, the CHE negotiated with and sought space at 500 Taylor Street for review by JBRC at its March 18, 2020 meeting. However, due to myriad factors, including uncertainty around COVID-19, a follow-up offer from 1122 Lady Street, an unwillingness by the Taylor Street landlord to provide workstations, and the impending expiration of its lease at

1122 Lady Street, the CHE broke off the negotiations and sought space at 1122 Lady Street.

The CHE requests the maximum lease of 10 years and 2 months and intends to pay through a combination of state appropriations, federal funds, and revenue generating from its licensing functions and PASCAL subscription fees. Monthly rent in year one, not adjusted for any potential abated rent, is no more than \$18,821, which will increase by no more than \$538 each fiscal year. Including one abated month during the first year, the annual lease cost is a reduction of approximately \$73,000 compared to the recently expired lease because the agency is reducing its footprint significantly.

Thank you for your assistance throughout the process and for consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rusty Monhollon".

Rusty Monhollon, Ph.D.

President & Executive Director

SECTION 1-11-55. Leasing of real property for governmental bodies.

(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.

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

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(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.

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

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF August 18, 2020

ITEM NUMBER 6AGENCY: Department of Administration, Facilities Management and Property ServicesSUBJECT: Clemson University Lease of 1 Research Drive, Greenville, SC

Clemson University's College of Engineering, Computing and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The CECAS has experienced dramatic, unanticipated growth and is need of additional space to support this growth. Therefore, Clemson University (Clemson) requests approval to extend the existing term by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc. The new lease will provide for additional faculty offices, classrooms, and student and research spaces.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Three proposals were received with the selected location submitting the lowest bid. Additionally, the other two proposals do not have space immediately available and include construction renovation fees. These proposals would entail extensive costs for relocation and construction, and since they are not located in close proximity to existing facilities at CU-ICAR, travel time and loss of synergy would reduce productivity. The proposal for 1 Research Drive is immediately adjacent to the current rented space and already upfitted, which saves moving and construction costs, and the space is accordingly selected as the optimum site.

The lease term will be five years commencing on September 1, 2020. The basic rental rate for the first year of the term will be \$16.00 per square foot (which is the same as their current lease rate), for an annual aggregate amount of \$384,000.00. The basic rent will increase annually by two percent (2%) as shown in the chart below. The total basic rent to be paid over the 5-year term will be \$1,998,480.00.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	\$384,000.00	\$16.00
YEAR 2	\$391,680.00	\$16.32
YEAR 3	\$399,600.00	\$16.65
YEAR 4	\$407,520.00	\$16.98
YEAR 5	\$415,680.00	\$17.32

Clemson will be responsible for all operating costs which are estimated at \$6.50 per square foot.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease of 1 Research Drive, Greenville, SC

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Vacant	2000 Wade Hampton Blvd., Greenville	\$16.50
Vacant	200 Executive Center Drive, Greenville	\$21.00

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020, by the Commission on Higher Education on June 22, 2020, and by JBRC on June 23, 2020.

AUTHORITY ACTION REQUESTED:

As requested by Clemson University through the Department of Administration, Facilities Management and Property Services, approve Clemson University's request for a five-year lease at 1 Research Drive, Greenville, SC.

ATTACHMENTS:

Agenda item worksheet; Letter from Clemson University dated July 14, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 18, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Clemson University Lease of 1 Research Drive, Greenville, SC

3. Summary Background Information:

Clemson University's College of Engineering, Computing and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The CECAS has experienced dramatic, unanticipated growth and is in need of additional space to support this growth. Therefore, Clemson University (Clemson) requests approval to extend the existing term by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc. The new lease will provide for additional faculty offices, classrooms, and student and research spaces.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Three proposals were received with the selected location submitting the lowest bid. Additionally, the other two proposals do not have space immediately available and include construction renovation fees. These proposals would entail extensive costs for relocation and construction, and since they are not located in close proximity to existing facilities at CU-ICAR, travel time and loss of synergy would reduce productivity. The proposal for 1 Research Drive is immediately adjacent to the current rented space and already upfitted, which saves moving and construction costs, and the space is accordingly selected as the optimum site.

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YEAR 4	\$407,520.00	\$16.98

YEAR 5 \$415,680.00 \$17.32

Clemson will be responsible for all operating costs which are estimated at \$6.50 per square foot.

The following chart represents comparable lease rates of similar space:

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Vacant	200 Executive Center Drive, Greenville	\$21.00

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020, by the Commission on Higher Education on June 22, 2020, and by JBRC on June 23, 2020.

4. What is the Authority asked to do? Approve the proposed five-year lease.

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed five-year lease.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: *Click or tap here to enter text.*

8. List of Supporting Documents:

(a) Letter from Clemson University dated July 14, 2020

(b) SC Code of Laws Sections 1-11-55 and 1-11-56



July 14, 2020

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

SUBJECT: Clemson University Lease for Space in Greenville, SC
One Research Drive

Dear Ms. Lancaster,

Finance and Operations

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

P 864-656-2421

F 864-656-2008

Clemson University requests approval by the State Fiscal Accountability Authority (SFAA) at their meeting on August 18, 2020, for the attached lease between LICAR, LLC and Clemson University for space located at 1 Research Drive on the CU-ICAR Campus in Greenville, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on February 7, 2020.

Clemson University's College of Engineering, Computing, and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The space is utilized for programming and student enrichment opportunities which are interdisciplinary and include areas such as advanced manufacturing, computer science, mechanical engineering, and automotive engineering. The CECAS programs have grown more quickly than anticipated resulting in the need of additional space to support such growth. The new lease, for approximately 24,000 square feet, will provide for additional faculty offices, classrooms, and student and research spaces and will continue to promote synergistic programming with the programs already occurring in the Clemson University Campbell Graduate Education Center and Greenville Technical College's Center for Manufacturing Innovation.

A solicitation was conducted by the Real Property Services Section of the Department of Administration, and three responses were received. The LICAR, LLC response was selected due to the immediately adjacent space which can accommodate CECAS expansion needs, resulting in lower costs to expand given the space is already upfitted, as well as cost savings related to moving to another location and savings associated with loss of productivity associated with drive time between a separate location and the CU-ICAR campus. In addition, the LICAR space provides synergy with other CU students and faculty already located at CU-ICAR, the student service programs located on the Campus, and access to the Clemson network and the bus route to Clemson's main campus.



The terms of the lease are listed below:

Location: 1 Research Drive
Greenville, SC

Square footage: 24,000

Lease term: September 1, 2020 – August 31, 202

Annual lease amounts: See chart below

Annual rental rate escalation: 2%

Total lease cost for the term: \$2,778,480

Source of Funds: Grant overhead recoveries

Renewal Options: One (1), five (5) year term

Finance and Operations

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

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

Initial Term	Monthly Base Lease Rate	Annual Base Lease Rate	Rent Per Square Foot	Annual Operating Expenses*	Total Monthly Lease Rate	Total Annual Lease Rate
Year 1	\$32,000	\$384,000	\$16.00	\$156,000	\$45,000	\$540,000
Year 2	\$32,640	\$391,680	\$16.32	\$156,000	\$45,640	\$547,680
Year 3	\$33,300	\$399,600	\$16.65	\$156,000	\$46,300	\$555,600
Year 4	\$33,960	\$407,520	\$16.98	\$156,000	\$46,960	\$563,520
Year 5	\$34,640	\$415,680	\$17.32	\$156,000	\$47,640	\$571,680

**Operating expenses will be paid by Clemson as a pass through and are estimated at \$6.50 per rentable square foot.*

Once approved, please send two of the originals of the lease back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Kindest regards,

Anthony E. Wagner
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

SECTION 1-11-55. Leasing of real property for governmental bodies.

(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.

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

Code Commissioner's Note

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- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
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 - (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.

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

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Motor Vehicles Lease at 122 Edgeworth Street, Greenville, SC

The South Carolina Department of Motor Vehicles requests approval to lease 7,917 square feet of office space at 122 Edgeworth Street, Greenville, SC from Blue Creative, LLC. This is a single tenant building. The Department of Motor Vehicles has been in holdover at 300 University Ridge, Suite 105 (which is now owned by the County of Greenville) since July 1, 2018. The County of Greenville intends to redevelop the building and has requested the agency to vacate the space.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space which resulted in four proposals. One proposal was eliminated because the offeror did not own the property and did not demonstrate that it had the ability to acquire the property, and one proposal was eliminated because it was on the 3rd floor of a building with only one elevator with a capacity of 6 persons at a time which would not accommodate the accessibility needs of the DMV for approximately 800 customers per day. Of the remaining two proposals, the selected location was the lowest bid, most accessible to the public, and had the best parking availability for staff, customers, and testing accommodations.

By contract, the proposed landlord has the ability to purchase, but does not yet own 122 Edgeworth Street. Accordingly, the lease is contingent upon Blue Creative, LLC purchasing the property in fee simple and completing the tenant improvements. The landlord will upfit the building as agreeable to the agency with all IT/Cabling and furniture at tenant's expense.

The lease term will be twelve years and is expected to commence on or about December 12, 2020. The base rental rate for the first year of the term is \$27.82 per square foot with a 2.5% annual escalation rate for an annual aggregate amount of \$220,251. The total base rent to be paid over the 12-year term will be \$3,038,483.49. The base rent over the term is as follows:

Term	Base Rent/sq.ft.	Annual Rent	Monthly Rent
Year 1	\$ 27.82	\$ 220,250.94	\$ 18,354.25
Year 2	\$ 28.52	\$ 225,757.21	\$ 18,813.10
Year 3	\$ 29.23	\$ 231,401.14	\$ 19,283.43
Year 4	\$ 29.96	\$ 237,186.17	\$ 19,765.51
Year 5	\$ 30.71	\$ 243,115.83	\$ 20,259.65
Year 6	\$ 31.48	\$ 249,193.72	\$ 20,766.14
Year 7	\$ 32.26	\$ 255,423.57	\$ 21,285.30
Year 8	\$ 33.07	\$ 261,809.15	\$ 21,817.43
Year 9	\$ 33.90	\$ 268,354.38	\$ 22,362.87
Year 10	\$ 34.74	\$ 275,063.24	\$ 22,921.94
Year 11	\$ 35.61	\$ 281,939.82	\$ 23,494.99
Year 12	\$ 36.50	\$ 288,988.32	\$ 24,082.36

Operating expenses, other than electricity, which accrue during the period from the lease commencement date through December 31, 2021 will be included in the base rental rate. Thereafter, increases in these building operating costs are the responsibility of the tenant.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Motor Vehicles Lease at 122 Edgeworth Street, Greenville, SC

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

Tenant	Location	Rate /SF
Vacant	200 E. Broad Street	\$26.00
Vacant	104 S. Main Street	\$25.00
Vacant (Proposed)	2422 Wade Hampton	\$30.00

* The above rates are subject to base rent and/or operating expense escalations.

The South Carolina Department of Motor Vehicles has adequate funds for the lease according to a Budget Approval Form submitted June 26, 2020, which also includes a multi-year plan. Lease payments will be funded through state appropriations. The lease meets the state space standards with a density of approximately 74 usable square foot/employee.

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed twelve-year lease for the Department of Motor Vehicles at 122 Edgeworth Street, Greenville.

ATTACHMENTS:

Agenda item worksheet; Letter from South Carolina Department of Motor Vehicles dated June 26, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56;

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 18, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Department of Motor Vehicles Lease at 122 Edgeworth Street, Greenville, SC

3. Summary and Background Information:

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After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space which resulted in four proposals. One proposal was eliminated because the offeror did not own the property and did not demonstrate that it had the ability to acquire the property, and one proposal was eliminated because it was on the 3rd floor of a building with only one elevator with a capacity of 6 persons at a time which would not accommodate the accessibility needs of the DMV for approximately 800 customers per day. Of the remaining two proposals, the selected location was the lowest bid, most accessible to the public, and had the best parking availability for staff, customers, and testing accommodations.

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Year 11	\$ 35.61	\$ 281,939.82	\$ 23,494.99
Year 12	\$ 36.50	\$ 288,988.32	\$ 24,082.36

Operating expenses, other than electricity, which accrue during the period from the lease commencement date through December 31, 2021 will be included in the base rental rate. Thereafter, increases in these building operating costs are the responsibility of the tenant.

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

Tenant	Location	Rate /SF
Vacant	200 E. Broad Street	\$26.00
Vacant	104 S. Main Street	\$25.00
Vacant (Proposed)	2422 Wade Hampton	\$30.00

* The above rates are subject to base rent and/or operating expense escalations.

The South Carolina Department of Motor Vehicles has adequate funds for the lease according to a Budget Approval Form submitted June 26, 2020, which also includes a multi-year plan. Lease payments will be funded through state appropriations. The lease meets the state space standards with a density of approximately 74 usable square foot/employee.

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed twelve-year lease.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed twelve-year lease.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from the South Carolina Department of Motor Vehicles dated June 26, 2020.
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

Henry McMaster
Governor



Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

June 26, 2020

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Lease for 122 Edgeworth Street, Greenville, SC 29601

Dear Ms. Lancaster:

The South Carolina Department of Motor Vehicles (DMV) requests approval by the Joint Bond Review Committee to enter into a 144-month (12-year) lease with Blue Creative, LLC for 7,917 square feet of space at 122 Edgeworth Street, Greenville, SC 29601. DMV requires new space as our current property owner did not renew DMV's lease located at 300 University Ridge, Suite 105, Greenville, South Carolina 29601.

DMV, in conjunction with the SC Department of Administration, reviewed many locations, over the past five solicitations, and conducted site visits to each location. After evaluations, DMV concluded that the 122 Edgeworth Street property best meets the Agency's requirements. We considered building accessibility for our citizens, security, office design, parking, and cost in our decision-making process.

DMV requests the maximum lease period of 12 years to maintain a secure site to protect citizens, employees, and sensitive customer data. A longer lease period will provide a consistent location for constituents and minimized office relocation costs in the future, especially given that locations are becoming much more difficult to procure in the Greenville area. The total cost of this lease for its entirety is \$3,038,483.49.

Thank you for your assistance and for your consideration of SCDMV's request.

Sincerely,

Kevin A. Shwedo
Executive Director

SECTION 1-11-55. Leasing of real property for governmental bodies.

(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.

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

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(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.

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

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Vocational Rehabilitation Department Lease of 2070 Northbrook Blvd, North Charleston, SC

The South Carolina Vocational Rehabilitation Department requests approval to lease 22,931 square feet of space at its current location at 2070 Northbrook Boulevard in North Charleston from Northbrook, Ltd, a Florida limited partnership made up of SLR Associates of Charleston, L.P as a limited partner and Charleston-Northbrook, Inc. as general partner.

The Disability Determination Services (DDS) Charleston Regional Office of the Vocational Rehabilitation Department currently leases 22,931 square feet at the selected location at a rate of \$18.57 per square foot under a lease that expired June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Five responses were received with the selected location, at 2070 Northbrook Boulevard, being the least expensive option.

The new lease term will be seven years commencing July 1, 2020. Rent will be \$36,556.00 per month or \$438,670.00 per year (\$19.13 per square foot) for the first year of the lease. The base rent portion of the total annual rent begins at \$12.47 per square foot and increases three percent annually and the operating expense portion of the rent is \$6.66 per square foot. Beginning with the second year of the lease, Vocational Rehabilitation Department will be responsible for increases in annual operating expenses over the previous year up to a three percent cap. Assuming operating expenses increase at three percent per year, the maximum total rent to be over the seven year term is \$3,361,704.00 as follows:

Year	Date	Rate/SF w/ Max Operating Increases	Annual Rent w/ Max Operating Increases
1	7/1/2020	\$19.13	\$438,670.00
2	7/1/2021	\$19.71	\$452,064.00
3	7/1/2022	\$20.30	\$465,486.00
4	7/1/2023	\$20.91	\$479,402.00
5	7/1/2024	\$21.54	\$493,821.00
6	7/1/2025	\$22.18	\$508,521.00
7	7/1/2026	\$22.84	\$523,740.00

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The Landlord has allowed an upfit allowance of \$140,000.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Vocational Rehabilitation Department Lease of 2070 Northbrook Blvd, North Charleston, SC

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

TENANT	LOCATION	RATE *
Dept. of Revenue	2070 Northbrook	\$20.36**
Vacant (Proposed)	8085 River Avenue	\$23.42
Vacant (Proposed)	Aviation Business Park	\$28.46
Vacant (Proposed)	4390 Belle Oakes	\$28.46

*Rentable SF average over term

**Subject to operating expense escalations.

Vocational Rehabilitation has adequate funds for the lease according the Budget Approval Form submitted July 17, 2020 which also includes a multi-year plan. The lease meets the state space standards with a density of 151 usable square foot/employee.

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

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed seven-year lease for the South Carolina Vocational Rehabilitation Department located at 2070 Northbrook Boulevard, North Charleston.

ATTACHMENTS:

Agenda item worksheet; Letter from Vocational Rehabilitation dated July 1, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56;

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 18, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Vocational Rehabilitation Department Lease of 2070 Northbrook Blvd, North Charleston, SC

3. Summary and Background Information:

The South Carolina Vocational Rehabilitation Department requests approval to lease 22,931 square feet of space at its current location at 2070 Northbrook Boulevard in North Charleston from Northbrook, Ltd, a Florida limited partnership made up of SLR Associates of Charleston, L.P as a limited partner and Charleston-Northbrook, Inc. as general partner.

The Disability Determination Services (DDS) Charleston Regional Office of the Vocational Rehabilitation Department currently leases 22,931 square feet at the selected location at a rate of \$18.57 per square foot under a lease that expired June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Five responses were received with the selected location, at 2070 Northbrook Boulevard, being the least expensive option.

The new lease term will be seven years commencing July 1, 2020. Rent will be \$36,556.00 per month or \$438,670.00 per year (\$19.13 per square foot) for the first year of the lease. The base rent portion of the total annual rent begins at \$12.47 per square foot and increases three percent annually and the operating expense portion of the rent is \$6.66 per square foot. Beginning with the second year of the lease, Vocational Rehabilitation Department will be responsible for increases in annual operating expenses over the previous year up to a three percent cap. Assuming operating expenses increase at three percent per year, the maximum total rent to be over the seven year term is \$3,361,704.00 as follows:

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Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The Landlord has allowed an upfit allowance of \$140,000.

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**Subject to operating expense escalations.

Vocational Rehabilitation has adequate funds for the lease according the Budget Approval Form submitted July 17, 2020 which also includes a multi-year plan. The lease meets the state space standards with a density of 151 usable square foot/employee.

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

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

-
4. **What is the Authority asked to do?** Approve the proposed seven-year lease for the South Carolina Vocational Rehabilitation Department located at 2070 Northbrook Boulevard, North Charleston.
-

5. **What is recommendation of the division of Facilities Management and Property Services?** Approval of the proposed seven-year lease for the Vocational Rehabilitation Department located at 2070 Northbrook Boulevard, North Charleston.
-

6. **Private Participant Disclosure – Check one:**

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

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

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

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

(a) **Authorized Signature:** _____

(b) **Office Name:** Click or tap here to enter text.

8. List of Supporting Documents:

- (a) Letter from Vocational Rehabilitation dated July 1, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

Henry McMaster
Governor



Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

June 26, 2020

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Lease for 122 Edgeworth Street, Greenville, SC 29601

Dear Ms. Lancaster:

The South Carolina Department of Motor Vehicles (DMV) requests approval by the Joint Bond Review Committee to enter into a 144-month (12-year) lease with Blue Creative, LLC for 7,917 square feet of space at 122 Edgeworth Street, Greenville, SC 29601. DMV requires new space as our current property owner did not renew DMV's lease located at 300 University Ridge, Suite 105, Greenville, South Carolina 29601.

DMV, in conjunction with the SC Department of Administration, reviewed many locations, over the past five solicitations, and conducted site visits to each location. After evaluations, DMV concluded that the 122 Edgeworth Street property best meets the Agency's requirements. We considered building accessibility for our citizens, security, office design, parking, and cost in our decision-making process.

DMV requests the maximum lease period of 12 years to maintain a secure site to protect citizens, employees, and sensitive customer data. A longer lease period will provide a consistent location for constituents and minimized office relocation costs in the future, especially given that locations are becoming much more difficult to procure in the Greenville area. The total cost of this lease for its entirety is \$3,038,483.49.

Thank you for your assistance and for your consideration of SCDMV's request.

Sincerely,

Kevin A. Shwedo
Executive Director

SECTION 1-11-55. Leasing of real property for governmental bodies.

(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.

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

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(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.

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

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

MEETING OF August 18, 2020

ITEM NUMBER 9AGENCY: Department of Administration, Facilities Management and Property ServicesSUBJECT: Department of Revenue Lease at 201 Arbor Lake Dr., Columbia, SC

The South Carolina Department of Revenue requests approval to lease 21,107 square feet of office and warehouse (40% warehouse and 60% office) space at 201 Arbor Lake Drive in Columbia, SC from DRV Fontaine Sub, LLC. This space is required to move the agency's warehouse office and designated disaster recovery site currently located at 1942 Laurel Street, which does not meet the needs of their Business Continuity Plan, as it does not, among other things, allow for a public taxpayer assistance area and support technology and security needs.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Three responses were received with the selected proposal being the least expensive option.

The lease term will be ten years commencing on September 1, 2020. The rental rate, blended for warehouse and office space, for the term will be \$11.08 square foot for an annual aggregate amount of \$233,866.00. Thereafter, the rate increases by 2.5% annually. The total rent to be paid over the 10-year term will be \$2,620,225.00.

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The maximum rent over the term is as follows:

TERM	PERIOD: FROM - TO	ANNUAL RENT	MONTHLY RENT (ROUNDED)	RENT PER SF
YEAR 1	09/01/2020 - 08/31/2021	\$233,866.00	\$19,489.00	\$11.08
YEAR 2	09/01/2021 - 08/31/2022	\$239,776.00	\$19,981.00	\$11.36
YEAR 3	09/01/2022 - 08/31/2023	\$245,685.00	\$20,474.00	\$11.64
YEAR 4	09/01/2023 - 08/31/2024	\$251,807.00	\$20,984.00	\$11.93
YEAR 5	09/01/2024 - 08/31/2025	\$258,139.00	\$21,512.00	\$12.23
YEAR 6	09/01/2025 - 08/31/2026	\$264,682.00	\$22,057.00	\$12.54
YEAR 7	09/01/2026 - 08/31/2027	\$271,225.00	\$22,602.00	\$12.85
YEAR 8	09/01/2027 - 08/31/2028	\$277,979.00	\$23,165.00	\$13.17
YEAR 9	09/01/2028 - 08/31/2029	\$284,945.00	\$23,745.00	\$13.50
YEAR 10	09/01/2029 - 08/31/2030	\$292,121.00	\$24,343.00	\$13.84
Total for 10 years		\$2,620,225.00		
Average for 10 years		\$262,022.50	\$21,835.20	\$12.41

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

Tenant	Location	Rate /SF
Vacant (Proposed)	1628 Browning Road	\$12.59*
Vacant	3827 Broad River Road	\$14.00
Vacant	5017 Two Notch Road	\$14.00
Vacant (Proposed)	120 Research Drive	\$14.63*

*Rentable SF average over term

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Revenue Lease at 201 Arbor Lake Dr., Columbia, SC

The South Carolina Department of Revenue has adequate funds for the lease according to a Budget Approval Form submitted July 16, 2020, which also includes a multi-year plan. The lease meets the state space standards with a density of 170 usable square foot/employee.

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

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed ten-year lease for the South Carolina Department of Revenue located at 201 Arbor Lake Drive in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the South Carolina Department of Revenue dated July 15, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56;

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 18, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Department of Revenue Lease at 201 Arbor Lake Dr., Columbia, SC

3. Summary and Background Information:

The South Carolina Department of Revenue requests approval to lease 21,107 square feet of office and warehouse (40% warehouse and 60% office) space at 201 Arbor Lake Drive in Columbia, SC from DRV Fontaine Sub, LLC. This space is required to move the agency's warehouse office and designated disaster recovery site currently located at 1942 Laurel Street, which does not meet the needs of their Business Continuity Plan, as it does not, among other things, allow for a public taxpayer assistance area and support technology and security needs.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Three responses were received with the selected proposal being the least expensive option.

The lease term will be ten years commencing on September 1, 2020. The rental rate, blended for warehouse and office space, for the term will be \$11.08 square foot for an annual aggregate amount of \$233,866.00. Thereafter, the rate increases by 2.5% annually. The total rent to be paid over the 10-year term will be \$2,620,225.00.

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The maximum rent over the term is as follows:

TERM	PERIOD: FROM - TO	ANNUAL RENT	MONTHLY RENT (ROUNDED)	RENT PER SF
YEAR 1	09/01/2020 - 08/31/2021	\$233,866.00	\$19,489.00	\$11.08
YEAR 2	09/01/2021 - 08/31/2022	\$239,776.00	\$19,981.00	\$11.36
YEAR 3	09/01/2022 - 08/31/2023	\$245,685.00	\$20,474.00	\$11.64
YEAR 4	09/01/2023 - 08/31/2024	\$251,807.00	\$20,984.00	\$11.93
YEAR 5	09/01/2024 - 08/31/2025	\$258,139.00	\$21,512.00	\$12.23
YEAR 6	09/01/2025 - 08/31/2026	\$264,682.00	\$22,057.00	\$12.54
YEAR 7	09/01/2026 - 08/31/2027	\$271,225.00	\$22,602.00	\$12.85
YEAR 8	09/01/2027 - 08/31/2028	\$277,979.00	\$23,165.00	\$13.17
YEAR 9	09/01/2028 - 08/31/2029	\$284,945.00	\$23,745.00	\$13.50
YEAR 10	09/01/2029 - 08/31/2030	\$292,121.00	\$24,343.00	\$13.84

	Total for 10 years	\$2,620,225.00		
	Average for 10 years	\$262,022.50	\$21,835.20	\$12.41

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

Tenant	Location	Rate /SF
Vacant (Proposed)	1628 Browning Road	\$12.59*
Vacant	3827 Broad River Road	\$14.00
Vacant	5017 Two Notch Road	\$14.00
Vacant (Proposed)	120 Research Drive	\$14.63*

*Rentable SF average over term

The South Carolina Department of Revenue has adequate funds for the lease according to a Budget Approval Form submitted July 16, 2020, which also includes a multi-year plan. The lease meets the state space standards with a density of 170 usable square foot/employee.

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

The Joint Bond Review Committee approved this lease at its August 11, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed ten-year lease for the South Carolina Department of Revenue located at 201 Arbor Lake Drive in Columbia.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed ten-year lease for the South Carolina Department of Revenue located at 201 Arbor Lake Drive in Columbia.

6. Private Participant Disclosure – Check one:

- ☐ No private participants will be known at the time the Authority considers this agenda item.
- ☒ A Private Participant Disclosure form has been attached for each private participant.
- As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.
-

7. Recommendation of other office (as required)?

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

8. List of Supporting Documents:

- (a) Letter from the South Carolina Department of Revenue dated July 15, 2020.
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

300A OUTLET POINTE BOULEVARD
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile : (803) 896-0023
Director@dor.sc.gov

July 15, 2020

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 292201

RE: Lease for 201 Arbor Lake Drive, Columbia

Dear Ms. Lancaster:

The South Carolina Department of Revenue (DOR) requests approval by the Joint Bond Review committee of a 10-year lease with DRV Fontaine Sub, LLC for approximately 21,107 square feet of warehouse space at 201 Arbor Lake Drive, Columbia, SC. This space is required to move our warehouse office and designated disaster recovery site currently located at 1942 Laurel St Columbia SC. Our current leased space does not meet the needs of our Business Continuity Plan.

It is not practical or economical to renovate our current location to meet the business needs of our Business Continuity Plan. Our current leased space was built in the late 1940s, and environmental testing results show that the joint compound in the walls contains asbestos. The asbestos must be abated by a licensed asbestos contractor prior to beginning any renovations. In addition, the current heating and air system cannot support up to 100 people, the electrical capacity is limited and is unable to support our technology and security needs, restroom facilities are inadequate, and the current configuration does not allow for a public taxpayer assistance area.

We received three proposals in response to our solicitation and conducted site visits at the two lowest bids. After evaluations, we concluded the 201 Arbor Lake Drive property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, and building accessibility for the taxpayers and deliveries. This location will serve two purposes: a workspace for the warehouse job duties as the primary user and a relocation site

Ms. Lancaster
July 15, 2020
Page Two

in the event of a disaster occurrence. This site meets the requirements of our Business Continuity Plan, allowing DOR to continue business services while we restore or replace our main facility and resume business processes to pre-disaster level.

We request the maximum lease period of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information. Moving the DOR highly sophisticated security systems is costly, so a longer lease term minimizes the significant cost of more frequent office re-locations.

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

Sincerely,



W. Hartley Powell
Director

SECTION 1-11-55. Leasing of real property for governmental bodies.

(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.

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

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(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.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.¹

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: State Housing Finance and Development Authority
 Amount of Issue: \$15,000,000 Multifamily Housing Revenue Bonds
 Allocation Needed: \$15,000,000 (carryforward to be used)
 Name of Project: Osprey Place Apartments
 Employment Impact: N/A
 Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of a 108-unit multifamily affordable housing development located in the Town of North Charleston, Charleston County, South Carolina; the project consists of 5 three-story buildings situated on approximately 19.34 acres with two-bedroom dwelling units.
 Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP
- b. Issuing Authority: State Housing Finance and Development Authority
 Amount of Issue: \$25,000,000 Multifamily Housing Revenue Bonds
 Allocation Needed: \$25,000,000 (carryforward to be used)
 Name of Project: Robert Smalls Apartments
 Employment Impact N/A
 Project Description: Acquisition, construction, furnishing and equipping of a 190-unit multifamily apartment housing facility located in Spartanburg, South Carolina; the project consists of a newly constructed site will consist of 1-, 2-, 3- and 4-bedroom dwelling units on approximately 20 acres.
 Bond Counsel: John Van Duys, Haynsworth Sinkler Boyd, P.A.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolutions with attachments



Emily S. Luther

Partner

Telephone: 803.253.6841

Direct Fax: 803.255.8017

emilyluther@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

July 10, 2020

VIA EMAIL

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

Re:

***Not Exceeding \$15,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Osprey Place Apartments Project)
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020 ("Bonds") in an aggregate principal amount of not exceeding \$15,000,000. On behalf of the Authority, I am writing to request approval of the Bonds by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for August 18, 2020. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. A form of the Preliminary Resolution adopted by the Board of Commissioners of the Authority on June 17, 2020;
3. A form of the Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on August 18, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

Delbert H. Singleton, Jr.
July 10, 2020
Page 2

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to Standard Osprey Venture LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, rehabilitation and equipping of a 108-unit multifamily affordable housing development located in the City of North Charleston, Charleston County, South Carolina ("Development"). The Development will be known as the Osprey Place Apartments.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Bonds following receipt by the State Treasurer of information with respect to the final details of the Bonds (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Bonds. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/encls: Tracey Easton, General Counsel; Director of Legal & Human Resources
Kevin Kibler, Senior Assistant State Treasurer
Robert Macdonald, Assistant State Treasurer
Laurie Fuller, Office of the Executive Director, SFAA

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

DATE: July 10, 2020

Submitted for SFAA Meeting on:

August 18, 2020

FROM:

Parker Poe Adams & Bernstein LLP
Name of Law Firm

1221 Main Street, Suite 1100
Street Address/Box Number

Columbia, South Carolina 29201
City, State, Zip Code

803.255.8000
Area Code/Telephone Number

RE:

\$15,000,000
Amount of Issue

South Carolina State Housing Finance and
Development Authority
Name of Issuing Authority

Multifamily Housing Revenue Bonds
Type of Bonds or Notes

on or around October 30, 2020
Projected Issue Date

Project Name: Osprey Place Apartments

Project Description: See Attachment A

Employment as a result of the project: N/A

Ceiling Allocation Required

X Yes (\$15,000,000) No
Amount

Refunding Involved

 Yes (\$) X No
Amount

Project Approved Previously

 Yes (\$) X No
Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. X Petition (provide detailed information on project owners, e.g., LLPs/LLCs/LPs)
- B. N/A Resolution or Ordinance
- C. X Inducement Resolution or comparable preliminary approval
- D. N/A Department of Health and Environmental Control Certificate *if required*
- E. X State Fiscal Accountability Authority Resolution and Public Notice (*original*)

Plus 1 copies for certification and return to bond counsel


F. X Draft bond counsel opinion letter

G. N/A Processing Fee

Amount: \$
Payor:

Check No:

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: 

SFAA 2/21/2020

ATTACHMENT A TO TRANSMITTAL FORM

The South Carolina State Housing and Finance and Development Authority ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020 ("Bonds"), in the aggregate principal amount of not exceeding \$15,000,000 for the purpose of funding a mortgage loan to Standard Osprey Venture, LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition and rehabilitation of a 108-unit multifamily affordable housing development located in the Town of North Charleston, Charleston County, South Carolina, known as Osprey Place Apartments (the "Project"). The Project consists of 5 three-story buildings situated on approximately 19.34 acres with two-bedroom dwelling units. Of the 108 units, 68% of the units are currently restricted to those who meet the low-income housing tax credit affordability restrictions, and the remaining 32% of the units are unrestricted and leased at market rents. However, the Sponsor will convert all market-rate units to affordable units upon rehabilitation.

The Sponsor has represented to the Housing Authority that it will spend the proceeds of the Bonds to acquire the Project and conduct extensive rehabilitation to the interior of the units, common spaces and exterior of the Project (approximately \$40,000-\$50,000 per unit). Interior upgrades will include improvements and upgrades to the kitchens and bathrooms to consist of new paint, flooring, lighting, fixtures, appliances, plumbing, cabinets and countertops in each unit. Exterior improvements will include roof and exterior façade repair, balcony repair, signage repair, and preservation or improvements to the landscaping and parking. The Sponsor will also update the playground areas as well as improving the resident parking and common areas.

The Sponsor does not anticipate that the rehabilitation will require off-site relocation of any residents but has budgeted funds to be used for temporary on-site relocation during portions of the interior renovations.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$15,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (OSPREY PLACE APARTMENTS PROJECT) SERIES 2020 OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the "**Act**"), the South Carolina State Housing Finance and Development Authority (the "**Authority**"), hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

WHEREAS, on the making of such determination, the Authority may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction 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 or purchase by the Beneficiary Classes;

WHEREAS, prior to issuing its bonds or notes, the Authority must obtain the approval of the South Carolina State Fiscal Accountability Authority (the "**State Board**"); and

WHEREAS, Standard Osprey Venture, LP, a limited partnership duly organized under the laws of the State of South Carolina (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds to be known as Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020, in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$15,000,000 for the purpose of making a loan (the "**Mortgage Loan**") to the Sponsor for the acquisition, rehabilitation and equipping of a 108-unit apartment development located in the City of North Charleston, Charleston County, South Carolina, to be known as the Osprey Place Apartments (the "**Project**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue its bonds, on a taxable or tax-exempt basis, to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$15,000,000 (the "**Bonds**").

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval as is required under the Act, if any, (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the issuance of the Bonds. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this Resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Bonds to a purchaser to be designated by the Executive Director (the "**Purchaser**"), pursuant to the terms and conditions of a term sheet, purchase contract or funding agreement which shall contain the terms and conditions employed by the Authority with respect to the Authority for the sale of its notes and bonds or as are approved by the Executive Director on receipt of advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Bonds are to be purchased directly for investment. The purchase price of the Bonds shall be determined by the Chairman and the

Executive Director but in no event shall be less than 97.5 % of par plus accrued interest on the Bonds from their date to the date of delivery thereof.

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this Resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Petition to State Board. The Chairman, the Executive Director, counsel to the Authority, or any of them, working with bond counsel are authorized and directed to prepare and present to the State Board the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to the Authority, that among other things, sets forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 8. Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Bonds.

Section 9. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10. Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee.

Section 11. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Bond Committee.

Section 12. Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon the Authority.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the Board of Commissioners (the “*Board of Commissioners*”) of the South Carolina State Housing Finance and Development Authority (the “*Authority*”) do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the ____ day of June 2020, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this _____ day of June 2020.

**SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY**

By:

Bonita Shropshire, Secretary
Board of Commissioners

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

)
)
)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY
AUTHORITY OF SOUTH CAROLINA

)
)
)
)

**OSPREY PLACE
APARTMENTS
PROJECT**

The South Carolina State Housing Finance and Development Authority (the “**Authority**”) submits this petition to the State Fiscal Accountability Authority of South Carolina (the “**SFAA**”) pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the “**Act**”) and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the “**Beneficiary Classes**”) are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes;

2. Standard Osprey Venture LP (the “**Sponsor**”), has applied to and requested the Authority to assist the Sponsor by issuing the Authority’s bonds, anticipated to be designated as Multifamily Housing Revenue Bonds (Osprey Place Apartments Project), in one or more taxable or tax-exempt series (“**Bonds**”), in the aggregate principal amount of not exceeding \$15,000,000 for the acquisition, rehabilitation and equipping of a 108-unit multifamily development located in the City of North Charleston, Charleston County, South Carolina, to be known as the Osprey Place Apartments (the “**Project**”).

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on June 17, 2020, to provide funds to make a mortgage loan to the Sponsor for the acquisition, rehabilitation and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

4. The Authority will adopt a final resolution (the “**Resolution**”) authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, 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 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes;
- (e) the method to be employed in selling the Bonds.

8. The Bonds will be a limited a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

9. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

[Remainder of page intentionally left blank. Signature page follows.]

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and and paying the costs and expenses incurred in connection with the issuance of the Bonds.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

Tracey C. Easton
General Counsel

July ____, 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE
BONDS (OSPREY PLACE APARTMENTS PROJECT) SERIES 2020**

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”), 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 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 or 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, Standard Osprey Venture LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire and rehabilitate a multifamily affordable housing development, consisting of 108 units, located in the City of North Charleston, Charleston County, South Carolina (the “Project”); and

WHEREAS, in order to provide money to acquire and rehabilitate the Project, the Authority proposes to issue its revenue bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020 in an aggregate principal amount of not exceeding \$15,000,000 (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition (the “Petition”), which 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.

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 Bonds to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Osprey Place Apartments Project), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$15,000,000.

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 notes and bonds referenced in item (iii); 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.

**NOTICE OF ACTION OF THE
STATE FISCAL ACCOUNTABILITY AUTHORITY**

Notice is given that following the filing of a Petition by the South Carolina State Housing Finance and Development Authority ("Housing Authority") to the State Fiscal Accountability Authority of South Carolina ("State Authority"), approval has been given by the State Authority to the following undertaking ("Undertaking") (including changes in any details of the Undertaking as finally consummated that do not materially affect the Undertaking), viz.:

The Housing Authority will issue its not exceeding \$15,000,000 Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020, in one or more series ("Bonds"), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended ("Act"). The Housing Authority will use the proceeds of the Bonds to fund a mortgage loan to Standard Osprey Venture LP, a South Carolina limited partnership ("Borrower"), to (i) finance the costs of acquiring, rehabilitating and equipping a 108-unit multifamily housing development to be known as the Osprey Place Apartments located in the City of North Charleston, Charleston County, South Carolina, (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Bonds.

The Bonds will be payable solely from the amounts to be paid to the Housing Authority by the Borrower pursuant to a loan agreement between the Housing Authority and the Borrower. The Bonds are not an indebtedness of the State of South Carolina ("State").

The Bonds will be issued pursuant to the Act and a Resolution to be adopted by the Board of Commissioners of the Housing Authority at a meeting of the Board of Commissioners which is expected to be held on or around August 19, 2020. The Bonds will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, other than indebtedness payable solely from a revenue-producing project or special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

Notice is further given that any interested party may, within 20 days after the date of publication of this Notice, but not after, challenge the validity of the State Authority's action in approving the Undertaking by action *de novo* instituted in the Court of Common Pleas for Charleston County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[], 2020

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re:

\$15,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Osprey Place Apartments Project)
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority ("**Issuer**") of its \$15,000,000* Multifamily Housing Revenue Bonds (Osprey Place Apartments Project) Series 2020 ("**Bonds**").

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended ("**Act**"). The Bonds are being issued under a Trust Indenture, dated as of [], 2020 ("**Indenture**"), between the Issuer and [], a national banking corporation, as trustee ("**Trustee**"). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of \$15,000,000* and are dated [], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on []. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan ("**Loan**") from the Issuer to Standard Osprey Venture LP ("**Borrower**"), pursuant to that certain Loan Agreement, dated as of [], 2020 ("**Loan Agreement**"), between the Issuer and the Borrower, for the acquisition, rehabilitation and equipping of a 108-unit multifamily affordable housing development known as the Osprey Place Apartments and located in the City of North Charleston, Charleston County, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina ("**State**"); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on [], 2020 ("**Resolution**"); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority ("**Authority**") relating to the Bonds, including a resolution adopted by the Authority on [], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [], 2020 ("**Regulatory Agreement**"), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [], 2020 ("**Tax Certificate**"), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the "**Bond Documents**"); and (viii) such other records and documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

*Preliminary; subject to change.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.
2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.
3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.
4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.
5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.
6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended ("*Code*"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

Osprey Place
Proforma

Proforma

	Year 1	Year 2	Year 3
Revenue			
Net Potential Rent	\$ 1,332,912	\$ 1,359,570	\$ 1,386,762
Total Adjustments (Incl. Vacancy)	(66,646)	(67,979)	(69,338)
Net Rental Income	\$ 1,266,266	\$ 1,291,592	\$ 1,317,424
Total Other Income	35,849	36,566	37,298
Net Revenue	\$ 1,302,116	\$ 1,328,158	\$ 1,354,721
Expenses			
Leasing & Advertising	\$ (5,000)	\$ (5,150)	\$ (5,305)
General & Administrative	(20,000)	(20,600)	(21,218)
Turnover Expense	(27,000)	(27,810)	(28,644)
Repairs & Maintenance	(27,000)	(27,810)	(28,644)
Utilities	(84,684)	(87,224)	(89,841)
Payroll	(151,200)	(155,736)	(160,408)
Management Fees	(32,553)	(33,529)	(34,535)
Administrative/ Compliance Monitoring Fee	(5,400)	(5,400)	(5,400)
Contract Services	(30,000)	(30,900)	(31,827)
Total Controllable	\$ (382,836)	\$ (394,159)	\$ (405,822)
Taxes	(18,634)	(19,193)	(19,769)
Insurance	(80,028)	(82,429)	(84,902)
Reserves	(32,400)	(33,372)	(34,373)
Total Expenses	\$ (513,898)	\$ (529,153)	\$ (544,866)
NOI	\$ 788,217	\$ 799,005	\$ 809,855
Principal	\$ (166,717)	\$ (173,682)	\$ (180,939)
Interest	(518,697)	(511,732)	(504,476)
Total Debt Service	\$ (685,414)	\$ (685,414)	\$ (685,414)
DSCR	1.15x	1.17x	1.18x
Net Cash Flow	\$ 102,803	\$ 113,590	\$ 124,441

Operating Assumptions

Loan Amount	\$ 12,727,000
Interest Rate	4.10%
Amortization Period	35 Years

SC State Housing Finance and Development Authority
Single Family Bond Program - Debt Service by Year
As of 03/31/2020

PERIOD	PRINCIPAL LAST PERIOD	THIS PERIOD ACCRETION	CURR PRINCIPAL OUTSTANDING	INTEREST PAYABLE	PRINCIPAL PAYABLE	DEBT SERVICE	EST P & I RECEIPTS	DEBT SERVICE COVERAGE RATIO
07/18 - 06/19	386,420,000.00	-	572,220,000.00	14,484,006.28	58,895,000.00	73,704,006.28	88,453,334.99	1.20 B
07/19 - 06/20	513,325,000.00	-	513,000,000.00	18,045,094.17	15,925,000.00	33,970,094.17	79,608,001.49	2.34
07/20 - 06/21	497,075,000.00	-	497,075,000.00	17,084,991.04	18,190,000.00	35,274,991.04	71,647,201.34	2.03
07/21 - 06/22	478,885,000.00	-	478,885,000.00	16,524,351.00	18,870,000.00	35,394,351.00	64,482,481.21	1.82
07/22 - 06/23	460,015,000.00	-	460,015,000.00	15,916,234.81	19,505,000.00	35,421,234.81	58,034,233.09	1.64
07/23 - 06/28	440,510,000.00	-	440,510,000.00	70,544,840.71	85,365,000.00	155,909,840.71	217,628,374.07	1.40
07/28 - 06/33	355,145,000.00	-	355,145,000.00	56,979,383.90	82,815,000.00	139,794,383.90	108,814,187.04	0.78 A
07/33 - 06/38	272,330,000.00	-	272,330,000.00	42,886,128.50	67,145,000.00	110,031,128.50	54,407,093.52	0.49
07/38 - 06/43	205,185,000.00	-	205,185,000.00	31,477,970.00	56,455,000.00	87,932,970.00	27,203,546.76	0.31
07/43 - 06/48	148,730,000.00	-	148,730,000.00	22,048,468.75	46,490,000.00	68,538,468.75	13,601,773.38	0.20
07/48 - 06/53	102,240,000.00	-	102,240,000.00	3,436,282.50	102,240,000.00	105,676,282.50	6,800,886.69	0.06
07/53 - 06/58	-	-	-	-	-	-	-	-
TOTAL						309,427,751.66	571,895,000.00	881,647,751.66

Note A Single Family Mortgage Revenue Bonds, as opposed to many other types of bonds, are designed to be repaid ahead of the maturity schedule. The Authority issues 30-year Bonds to purchase 30-year fixed-rate mortgages. Many borrowers pay extra, move or refinance their mortgage. On average, the Authority's 30-year mortgages are paid-off in 12-14 years. The Authority uses these funds to "Optionally Call" bonds before maturity. The Authority's Bonds are generally paid-off within 10 years.

Note B On July 1, 2020, \$20 million in Bonds were "optionally called" prior to their maturity with proceeds from Series 2019b. Without this call, the Debt Service Coverage Ratio would have been 1.65.

Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: *
 Cost Ctr: * Funded Program: *
 Account Group Selected: SC_TRIAL_BALANCE_DETAIL Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENUE ACCT-SERV PRG	480,243,142.58		480,243,142.58
1000070200 PROGRAM FUND-LN PRG			
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB RES LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT			
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS		32,310.80-	32,310.80-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	359,600.14	362,188.85-	2,588.71-
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR			
1312000000 LOANS PENDING - SINGLE FAMILY	77,248.99-	7,545,057.95	77,248.99-
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE	75,376,815.40		82,921,873.35
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR			
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-	30,806.94-	2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

Accounts Payable		2,813.10	2,813.10
**	2090010000 INTERFUND PAYABLES	42,000.00-	
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	0.02
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-	513,325,000.00-
	2200400001 LIAB RST - BD PY- LT		
	2200600000 PREPAID MORTGAGE INTEREST		
	2400130000 OTHER CURRENT LIABILITIES		
	2406061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	19,261,845.59-
**	Other Liabilities	535,776,762.01-	532,586,845.57-
***	Total Liabilities	535,776,762.01-	532,584,032.47-
	3000010000 RET EARN & FD BAL ON	288,158,935.43-	288,158,935.43-
**	Fund Balance Accounts	288,158,935.43-	288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-	18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	2,575,435.48-
**	Revenue	15,743,678.62-	17,519,786.30-
	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	7,780,959.01
*	Debt Service Payments	11,196,177.57	7,780,959.01
*	5170700000 ALLOC ST AGENCIES	3,651,000.00	3,651,000.00
	Allocations	3,651,000.00	3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02	86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78	288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-	307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02	26,097.02
*	5830006000 DEFERED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-	95,419.42-
	Loan Programs	1,677,352.27	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-	26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48	853,813.48
**	Transfers	1,883,629.47	1,982,063.40
***	Total Fund Balance_Detail	285,494,454.74-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	822,306,409.89-
*****	Total		



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/18/20

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020
 Borrower (if not Issuer): Standard Osprey Venture LP
 Bond Caption: Multifamily Housing Revenue Bonds (Osprey Place Apartments Project)
 Bond Resolution Amount: \$15,000,000.00 Est. Production/Par Amt: \$12,727,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

ENTITY: Standard Osprey Venture LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: 803.255.8000
 Email: emilyluther@parkerpoe.com

Final Production/Par Amt: \$0.00

Transaction Type/Method of Sale:

☐ Public Offering: Competitive: ☐ Negotiated: ☐
☒ Direct Placement: Competitive: ☐ Negotiated: ☒
☐ Governmental Loan/Governmental Purchaser
☐ Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Osprey Place Apartments
 Project Address/Location: 2390 Baker Hospital Blvd. N, Charleston, Amount: \$12,727,000.00
 Project Type: Multifamily Housing Facility County: Charleston
 Projected Avg Interest Rate: _____ Final Maturity: 12/1/2055 (est.)

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 Ref. Bds)
N/A		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton
 Underwriter: Citi Community Capital Trustee: TBD
 Paying Agent: N/A Other: N/A

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

The purpose of the financing is to provide funding for the acquisition and substantial rehabilitation of a 108-unit multifamily housing development in the Town of North Charleston, Charleston County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from Citi Community Capital, the purchaser of the Bonds, and Alliant Capital, Ltd., the tax credit equity provider.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 06/17/20	SC Housing
JBRC Approval: 00/00/00	
SFAA Approval: 08/18/20	SFAA

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 - Entire Project
 Cost Estimate - \$0

a.

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
\$ 8,937,161.00	4/30/2021	Acquisition of Land; Commence Site Work
\$ 3,789,839.00	10/31/2021	Rehabilitation Complete
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 12,727,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 12,727,000.00	\$ 5,655,008.00	Project Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 4,801,093.00	\$ 26,090.00	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$	\$ 308,612.00	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - Def. Dev./GP Equity	\$ 117,986.00	\$ 754,172.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$ 1,477,307.00	Developer Fee
(6) Other		\$ 8,937,161.00	Land Purchase Costs/Site Work
(a) GF -	\$	\$ 171,299.00	Operating Reserve
(a) FF -	\$	\$ 316,430.00	Other Fees
(c) OF -	\$		Other
Total Project Sources	\$ 17,646,079.00	\$ 17,646,079.00	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

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	N/A	N/A	\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Tracey Easton (GC)			\$	\$	\$
Underwriter's Counsel	TBD			\$ 50,000.00	\$	\$ 50,000.00
Underwriter Expenses		N/A	N/A		\$	\$
Trustee's Counsel	TBD	N/A	N/A	\$ 10,000.00	\$	\$ 10,000.00
Tax Credit Equity Counsel (LIHTC)				\$ 75,000.00	\$	\$ 75,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a			\$	\$	\$
Rating Agency - Fitch	n/a			\$	\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 347,723.00	\$	\$ 347,723.00
Trustee Fees	TBD	N/A	N/A	\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent	n/a			\$	\$	\$
Accountant	n/a			\$	\$	\$
Verification Agent	n/a			\$	\$	\$
Printing	n/a			\$	\$	\$
Publishing	n/a			\$	\$	\$
Advertising	n/a			\$	\$	\$
Contingency				\$ 75,000.00	\$	\$ 75,000.00
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 121,449.00	\$	\$ 121,449.00
				\$ 754,172.00	\$	\$ 754,172.00

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%	#DIV/0!
0.51%	#DIV/0!
1.57%	#DIV/0!
0.00%	#DIV/0!

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

2.73%	#DIV/0!
1.62%	#DIV/0!
5.93%	#DIV/0!

HAYNSWORTH SINKLER BOYD

HAYNSWORTH SINKLER BOYD, P.A.
1201 MAIN STREET, 22ND FLOOR
P.O. BOX 11889 (29211)
COLUMBIA, SOUTH CAROLINA 29201
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JOHN VAN DUYS, ESQUIRE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7826
jvanduys@hsblawfirm.com

July 10, 2020

By Hand Delivery

Delbert H. Singleton, Jr.
State Fiscal Accountability Authority
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

Re: Not to exceed \$25,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Robert Smalls Apartments Project), Series 2020

Dear Delbert:

The South Carolina State Housing Finance and Development Authority (the “**Authority**”) proposes to issue its Multifamily Housing Revenue Bonds (Robert Smalls Apartments Project) Series 2020 (the “**Bonds**”) in an aggregate principal amount of not exceeding \$25,000,000. On behalf of the Authority, I am writing to request approval of the Bonds by the State Fiscal Accountability Authority (the “**SFAA**”) at its meeting scheduled for August 18, 2020. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. A form of the Preliminary Resolution adopted by the Board of Commissioners of the Authority on May 20, 2020;
3. Executed Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on August 18, 2020;
5. A form of bond counsel’s opinion letter;
6. An organizational chart of the Sponsor (as defined herein); and
7. Biographies of each of the principals of the Sponsor.

I am sending a copy of this package and a New Debt Information Form to Kevin Kibler at the State Treasurer’s Office. He will forward that form to you separately. If I can provide you with any additional information, please do not hesitate to let me know.

The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to New Spartanburg Owner, LP, a South Carolina limited partnership (the “**Sponsor**”), for the acquisition, rehabilitation and equipping of a 190-unit multifamily affordable housing development located in the City

**HAYNSWORTH
SINKLER BOYD**

July 10, 2020

Page 2

of Spartanburg, South Carolina ("*Development*"). The Development will be known as Robert Smalls Apartments.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Bonds following receipt by the State Treasurer of information with respect to the final details of the Bonds (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Bonds. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. Please do not hesitate to contact me if you have any questions or need any additional information.

Thank you very much for your assistance.

With best regards, I remain

Sincerely Yours,

HAYNSWORTH SINKLER BOYD, P.A.


John Van Duys

Enclosures

cc: Kevin Kibler, Office of the State Treasurer
with enclosures and NDIF

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Jr., Secretary
State Fiscal Accountability Authority
604 Wade Hampton Building
Columbia, SC 29201

DATE: July 10, 2020

Submitted for SFAA Meeting on:
August 18, 2020

OR P.O. Box 12444, Columbia, SC 29211

FROM:

Haynsworth Sinkler Boyd, P.A.

\$25,000,000

Name of Law Firm

Amount of Issue

1201 Main Street, 22nd Floor

SC State Housing & Finance Authority

Street Address/Box Number

Name of Issuing Authority

Columbia, SC 29201

Multifamily Housing Revenue Note

City, State, Zip Code

Type of Bonds or Notes

803-779-3080

August 27, 2020

Area Code/Telephone Number

Projected Issue Date

Project Name: Robert Smalls Apartments

Project Description: Acquisition, construction, furnishing and equipping of a 190-unit multifamily apartment housing facility located in Spartanburg, South Carolina

Employment as a result of the project:

Ceiling Allocation Required

Refunding Involved

Project Approved Previously

Yes*() ☒ No

Yes(\$) ☒ No

Yes(\$) ☒ No

\$

Amount

Amount

Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

A. ☒ Petition

B. ☐ Resolution or Ordinance (Inducement Agreement)

C. ☒ Inducement Resolution or comparable preliminary approval

D. ☐ Department of Health and Environmental Control Certificate *if required*

E. ☒ Fiscal Accountability Authority Resolution (original)

Plus 5 copies for certification and return to bond counsel

F. ☒ Draft bond counsel opinion letter

G. ☐ Processing Fee

Amount: \$ Check No:

Payor:

Bond Counsel: Haynsworth Sinkler Boyd, P.A.

By:

Bond Counsel – John Van Duys

Signature

* Bond Volume Cap will come from Carry-forward allocation made to the Authority.

ATTACHMENT A TO TRANSMITTAL FORM

The South Carolina State Housing and Finance Development Authority ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Robert Smalls Apartments Project) Series 2020 ("Bonds"), in the aggregated principal amount if not exceeding \$25,000,000 for the purpose of funding a mortgage loan to New Spartanburg Owner LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition and construction of a 190-unit multifamily affordable housing development located in the City of Spartanburg, Spartanburg County, South Carolina known as Robert Smalls Apartments (the "Project"). The Project consists of newly constructed site will consist of 1-, 2-, 3- and 4-bedroom dwelling units on approximately 20 acres. The project is subject to a project-based Section 8 Housing Assistance Payment (HAP) Contract with the U.S. Department of Housing and Urban Development, which covers 100% of the units and provides rental assistance payments to residents residing at the Project.

The Sponsor has represented to the Housing Authority that it will spend the proceeds of the Bonds to acquire the project and construct new units, green space, playground and on-site management office and community center (approximately \$70,000 per unit). Each dwelling unit will offer its own front porch, back patio, full kitchen and baths, appliances, HVAC system and washer/dryer. Development amenities include a 3,000-sf clubhouse with a computer center, management office and community space. There is a recreational trail being constructed on the interior of the Project that ties into Spartanburg's "The Dan Recreational Trail" connecting East and West sides of Spartanburg.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$25,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY RENTAL HOUSING REVENUE BONDS (ROBERT SMALLS APARTMENT PROJECT), OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

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 the South Carolina State Housing Finance and Development Authority (the "**Authority**"), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore, and that a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Classes; and

WHEREAS, upon making such determination and upon the approval of the State Fiscal Accountability Authority, (the "**SFAA**") the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make permanent mortgage loans to a Housing Sponsor who agrees to and shall be required to provide for construction or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act, provided, 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 or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; or (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the notes or bonds to the purchasers 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; 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 mortgages or other security agreement in transactions with banks, institutional investors, or other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and 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 rights with respect to, any collateral or security pledged to secure the notes or bonds; and

WHEREAS, New Spartanburg Owner LP (the "**Housing Sponsor**"), a South Carolina limited partnership, has requested the Authority to assist it through the issuance of its bonds to be known as Multifamily Rental Housing Revenue Bonds (Robert Smalls Apartment Project), in the aggregate principal amount of not exceeding \$25,000,000 to provide a mortgage loan (the "**Mortgage Loan**") to finance the acquisition, construction, furnishing and equipping of Robert

Smalls Apartments, a 190-unit affordable rental housing facility to be constructed on an approximately 21 acre site located at 571 Wofford St, Spartanburg SC 29301 in Spartanburg County, South Carolina (the "*Project*");

NOW, THEREFORE, BE IT RESOLVED BY BOND COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds, and to pay the costs and expenses of the Authority in connection therewith, the Authority will undertake to issue a series of bonds to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Robert Smalls Apartment Project), to be issued in one or more series, in the aggregate principal amount of not exceeding \$25,000,000.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval, if any, as is required under the Act, (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the SFAA and (b) the right of the Authority in its sole discretion, to rescind this resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Housing Sponsor. If the plan proceeds as contemplated, the Housing Sponsor agrees as follows:

(a) to make the Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request; such that the Bonds are supported by appropriate reserves, which arrangements are expected to result in an acceptable investment grade rating from a national rating agency, issuance of mortgage insurance or the ability to market the Bonds to private institutional investors for investment purpose, as the Authority determines sufficient for purposes of the Act;

(c) to enter into a mortgage loan agreement with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as reasonably may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of S.E.C. Rule 15c2-12, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Housing Sponsor may elect not to proceed with the financing. The Authority shall not be obligated hereby to the Housing Sponsor or any other person by virtue of the adoption of this resolution. Neither the Housing Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Housing Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Housing Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell any or all series and subseries of the Bonds to an institutional purchaser or to an investment banking firm selected by the Housing Sponsor reasonably acceptable to the Executive Director (the “*Underwriter*”) pursuant to the terms and conditions of a Purchase Contract in substantially the form heretofore employed by the Authority in connection with the sale of its multifamily residential rental housing bonds. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not cause the interest rate on the Mortgage Loan to exceed seven and 00/100 per cent (7.00%) per annum and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody’s Investors Services, Inc. or Standard & Poor’s Corporation, (ii) the Bonds are secured by mortgage insurance or (iii) the Bonds are to be sold to an institutional investor for investment. The purchase price of the Bonds shall be determined by the Chairman and the Executive Director but in no event shall be less than 98% of par plus accrued interest on the Bonds from their date to the date of delivery thereof. The Chairman and the Executive Director shall ensure that the arrangements for any public sale of the Bonds comply with the Authority’s general policy regarding distribution of bonds and availability to residents of South Carolina and with the terms and conditions stated herein.

Section 6. Mortgage Loan; No Waiver of Existing Rights of Authority. The Executive Director of the Authority is hereby authorized to execute a Mortgage Purchase Agreement or a Loan Agreement in substantially the form employed previously for the purchase of mortgage loans as may be appropriate at such time as she deems desirable at or before the delivery of the Bonds. The Executive Director is hereby authorized to alter any terms in such Agreement or Mortgage Loan to the extent necessary or desirable so long as such modification does not significantly alter the obligations of the Authority thereunder.

Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing Mortgage Loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Preliminary and Final Official Statements. There is hereby authorized the distribution of preliminary and final official statements in connection with any public sale of the Bonds. Said official statements shall be in substantially the form heretofore used in connection with the distribution of the Authority's multifamily revenue bonds and such changes, additions, deletions, or modifications as are consistent with the details of the Bonds or as are recommended by the Underwriter and accepted by bond counsel and the staff of the Authority. The Chairman and the Executive Director of the Authority are hereby authorized and directed to take such action as they deem appropriate or as is requested of either of them in connection with the distribution of preliminary or final official statements. The Authority hereby delegates to the Executive Director the power to deem any such Official Statement "Final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

Section 8. Petition to State Fiscal Accountability Authority. The Executive Director or the General Counsel of the Authority is hereby authorized and directed to prepare and present to the State Fiscal Accountability Authority a petition requesting approval of the Bonds by the State Fiscal Accountability Authority as prescribed in Section 31-13-220 of the Act, which petition (the "*Petition*") shall, among other things, set forth the pertinent provisions relating to the Bonds required by the Act.

Section 9. Designation of Fiduciaries. The Housing Sponsor shall select a bank or corporate trust company reasonably acceptable to the Executive Director to serve as Trustee, paying agent, and registrar under the Trust Indenture to be entered into with respect to the Bonds.

Section 10. General Authority. The Commissioners of the Authority, the Executive Director of the Authority and their appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 11. Expiration. This resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Authority.

Section 12. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

Section 13. Non-Transferable. This resolution may not be transferred by the Housing Sponsor to any entity without the prior express written consent of the Authority.

Section 14. Official Action; Declaration of Intent. It is the intention of the Authority that this Resolution shall constitute an official action by the Authority evidencing its present intent to permit the Housing Sponsor to reimburse expenditures made for the Project prior to the issuance of the Bonds from the proceeds of the Bonds within the meaning of the Regulation §§1.142-4(b) and 1.150-2 of the United States Department of the Treasury relating to the issuance of tax exempt bonds under the Internal Revenue Code of 1986, as amended.

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”) do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 20th day of May, 2020, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

I further certify that due notice of a meeting of the Bond Committee of the Board, called to be held in Columbia, South Carolina at 9:30 am on May 20, 2020, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this ____ day of _____, 2020.

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

By: _____
Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG) PETITION

TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)

) NEW SPARTANBURG
) OWNER, LP

This Petition of the South Carolina State Housing Finance and Development Authority (the "**Authority**") is submitted to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to 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**") and respectfully shows:

1. The Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the class in need therefore, then, upon obtaining the approval of the SFAA pursuant to the Act and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its notes and bonds for the purpose of obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of either beneficiary class; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either beneficiary class; provided, 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 or more of the following conditions must be met: (i) there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages 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 of them must be assured by the maintenance of adequate reserves, insurance, or a guaranty of a responsible entity which has been determined to be sufficient by the Authority and 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 as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and 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 rights with respect to, any collateral or security pledged to secure the notes or bonds. The Act further provides that the Authority may refund any of its outstanding notes or bonds through the issuance of refunding notes or bonds.

2. **NEW SPARTANBURG OWNER, LP**, a South Carolina limited partnership (the "**Sponsor**"), has requested the Authority to assist it through the issuance of its note to be known as Multifamily Housing Revenue Note (Robert Smalls Apartments Project) Series 2020, in the aggregate principal amount not to exceed \$25,000,000 (the "**Note**"), by entering into a Funding Loan Agreement under which **Allianz Life Insurance Company of North America** (the "**Funding Lender**") will make a loan (the "**Funding Loan**") to the Authority, the proceeds of which will be loaned to the Sponsor pursuant to a Borrower Loan Agreement (the "**Borrower Loan Agreement**"), to finance a portion of the costs of the acquisition of a parcel of land located in the City of Spartanburg, South Carolina, and the construction, furnishing and equipping of a multifamily apartment housing facility consisting of total of 190 units and related personal property and equipment located in Spartanburg, South Carolina, known as Robert Smalls Apartments (the "**Project Facilities**"). The Project will be occupied continuously by members of the Beneficiary Classes of the Authority, constituting families of low income. The Sponsor's repayment obligations under the Borrower Loan Agreement are evidenced by its Promissory Note (the "**Borrower Note**"), and the obligations of the Sponsor under the Borrower Note will be secured by a lien on and security interest in the Project Facilities pursuant to a Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing made by the Sponsor to the Authority and assigned to U.S. Bank National Association, a National Banking Association, the Fiscal Agent (together with its successors and assigns, the "**Fiscal Agent**"), covering the Project Facilities (the "**Mortgage**"); and

3. The Authority has determined that:

(a)(i) Sufficient persons or families of the Beneficiary Classes are unable to pay rent in the amounts at which private enterprise is providing decent, safe and sanitary housing; (ii) through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing would become available to members of the Beneficiary Classes in need therefore; and (iii) a series of bonds must be sold in order to alleviate the lack of decent, safe and sanitary housing available to individuals of the Beneficiary Classes;

(b) In order to provide the monies necessary to continue to implement the Authority's program, the Note must be issued;

(c) Arrangements have been made to market the Note to the Funding Lender which is a private institutional investor for investment purposes, the revenues or other monies estimated to thereafter be available for the repayment thereof will provide monies required for the repayment of the principal and interest on the bonds of the Authority and the Note.

4. The Authority will adopt a final resolution authorizing the issuance and sale of the aggregate amount of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended (the "**Code**").

5. The Authority has submitted to the SFAA and to the Office of the State Treasurer the items required pursuant to the provisions of Section 31-13-220 of the Act, certain of which are pro forma schedules because the Note has not been priced or sold as of the date of this Resolution, to wit:

(i) a pro forma (in lieu of final schedules) of the principal amount of the Note to be issued;

(ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Note to be issued; and

(iii) the method to be employed in selling the Note.

6. Schedules showing the annual debt service requirements of all outstanding bonds and notes of the Authority and the sources of revenues available for the payment of such debt service requirements have previously been provided to the Office of the State Treasurer by Authority and are available on-line at <https://emma.msrb.org>.

7. U.S. Bank National Association will serve as Fiscal Agent under the Funding Loan Agreement. The Note is a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto. The documents pursuant to which the Note is being issued provide that all expenses, costs and fees of the Authority in connection with the issuance of the Note, including legal fees, printing and all disbursements shall be paid by the Sponsor.

8. The Authority will produce any further information with respect to the Note required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Note in the aggregate principal amount set forth above for the purpose of financing and paying the costs of issuance the Project Facilities.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**



General Counsel

July 10, 2020

A RESOLUTION

of the

SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE NOTE (ROBERT SMALLS APARTMENTS PROJECT), SERIES 2020.

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 (the “*SFAA*”), 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 by 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 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; (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 Authority and 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 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 rights with respect to, any collateral or security pledged to secure the notes or bonds; and

WHEREAS, **NEW SPARTANBURG OWNER, LP**, a South Carolina limited partnership (the “*Sponsor*”), has requested the Authority to assist it in an undertaking to provide certain residential rental property, as defined in the Act, consisting of the financing of the acquisition of a parcel of land located in the City of Spartanburg, South Carolina and the construction, furnishing and equipping of a multifamily apartment housing facility consisting of a total of 190 units and related personal property and equipment, located in Spartanburg, South Carolina (the “*Project*”); and

WHEREAS, in order to provide money to purchase and to construct, furnish and equip the Project, the Authority proposed to issue its note to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Robert Smalls Apartments Project), Series 2020, in the principal amount not to exceed \$25,000,000 (the “*Note*”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of July 10, 2020 (the "**Petition**"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Note; and

WHEREAS, the following have been submitted with the Petition in response to the requirements of Section 31-13-220 of the Act, certain of which are pro forma schedules because the Note has not been priced or sold as of the date of this Resolution, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Note to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Note to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Housing Authority have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii) have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;
- (v) the method to be employed in selling the Note.

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.

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 Note (Robert Smalls Apartments Project) Series 2020, in the principal amount not to exceed \$25,000,000.

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

- (a) The approval of the State Treasurer of the form and substance of such documents as he deems necessary therefore;
- (b) Prior to the issuance of the Note, 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 final principal amount of the Note to be issued;

(ii) the final maturity schedule of the Note 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 said note; and

(v) the method to be employed in selling the Note;

(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 Note, will be sufficient to provide for the payment of the principal and interest thereon;

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

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

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

HAYNSWORTH SINKLER BOYD

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August __, 2020

Board of Commissioners
South Carolina State Housing
Finance and Development Authority
Columbia, South Carolina

Re: \$25,000,000 South Carolina State Housing Finance and Development Authority Multifamily
Housing Revenue Note (Robert Smalls Apartments Project), Series 2020

Ladies and Gentlemen:

As bond counsel to South Carolina State Housing Finance and Development Authority (the “**Issuer**”) we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the Issuer of its \$25,000,000 Multifamily Housing Revenue Note (Robert Smalls Apartments Project), Series 2020 (the “**Note**”). The Note is issued pursuant to the provisions of (i) Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (the “**Act**”), (ii) a Funding Loan Agreement, dated as of August 1, 2020 (the “**Funding Loan Agreement**”), among the Issuer, Allianz Life Insurance Company of North America, as Funding Lender (the “**Funding Lender**”) and U.S. Bank National Association, as Fiscal Agent (the “**Fiscal Agent**”), (iii) a Borrower Loan Agreement, dated as of August 1, 2020 (the “**Borrower Loan Agreement**”), between the Issuer and Robert Smalls, LP, a South Carolina limited partnership (the “**Housing Sponsor**”), and (iv) a resolution (the “**Resolution**”) adopted by the Board of Commissioners of the Issuer authorizing the issuance and sale of the Note. Pursuant to the Borrower Loan Agreement, the Issuer will make a mortgage loan (the “**Borrower Loan**”) to the Housing Sponsor to be used to provide construction and permanent financing for the acquisition and construction of a multifamily rental housing development (the “**Project**”) described in the Funding Loan Agreement and Borrower Loan Agreement. The Note and Borrower Loan will be secured by Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of August 1, 2020 (the “**Mortgage**”) made by the Borrower to the Issuer and assigned to the Fiscal Agent covering the Project. Under the Borrower Loan Agreement, the Housing Sponsor has agreed to make the payments to or on behalf of the Issuer sufficient to pay, when due, the principal of, premium, if any, and interest on the Note. The obligations to the Borrower are pledged by the Issuer under Section 2.1 of the Funding Loan Agreement to secure the Note (collectively, the “**Security**”). The Note is payable exclusively from the Security.

The Project is subject to an Agreement as to Restrictive Covenants (the “**Regulatory Agreement**”) between the Housing Sponsor and the Issuer, and a Federal Tax Agreement and Non-Arbitrage Certificate, dated the date hereof (the “**Tax Agreement**”), between the Housing Sponsor and the Issuer. The Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Tax Agreement and the Issuer’s assignment of the Mortgage are collectively referred to herein as the “**Note Documents**.” The Note Documents contain covenants that include requirements regarding the application and investment of the

HAYNSWORTH SINKLER BOYD

August __, 2020

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proceeds of the sale of the Note, the use and occupancy of the residential units of the Project, and the rebate of certain investment proceeds to the United States government.

With respect to the power of the Housing Sponsor to enter into and perform its obligations under the Borrower Loan Agreement and the other documents to which it is party, the due authorization, execution, and delivery of the Borrower Loan Agreement and the other documents by the Housing Sponsor, and the validity and enforceability thereof against the Housing Sponsor, we refer you to the opinion of Pepper Hamilton LLP, as counsel to the Housing Sponsor of even date herewith addressed to you.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Housing Sponsor and the Issuer contained in the Resolution, the Mortgage and the Note Documents, certificates of public officials furnished to us, and certificates of representatives of the Housing Sponsor, the Issuer, and other parties, in each case, without undertaking any independent verification. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine; all documents, certificates, and instruments submitted to us as originals are authentic; and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence, and powers of such other parties other than the Issuer.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Note and we express no opinion relating thereto.

Based on the foregoing, as of the date hereof we are of the opinion, under existing law, as follows:

1. The Issuer is validly existing as a body corporate and politic of the State of South Carolina with the corporate power to enter into and perform its obligations under the Note Documents and to issue the Note.
2. The Note Documents have been duly authorized, executed, and delivered by the Issuer, and (assuming due authorization, execution, and delivery thereof by the other parties thereto) are valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.
3. The Note has been duly authorized and executed by the Issuer, and is the valid and binding limited obligation of the Issuer, payable solely from the Security. The Note is not a general obligation or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and does not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but is payable solely from the Security.
4. Interest on the Note is exempt from South Carolina income taxation; and (a) interest on the Note is excludable from gross income for federal income tax purposes, except for interest on the Note for any period during which it is held by a "substantial user" of the facilities financed by the Note or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the

HAYNSWORTH SINKLER BOYD

August __, 2020

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“Code”) and (b) is not a specific preference item for purposes of the federal alternative minimum tax. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Note. The opinion set forth in this paragraph is subject to the condition that the parties to the Note Documents comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Note in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Note to be so included in gross income retroactively to the date of issuance thereof.

It is to be understood that the rights of the owners of the Note and the enforceability of the Note, the Mortgage, and the Note Documents are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

We express no opinion regarding the perfection or priority of the lien on the Security under the Indenture.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Note. Owners of the Note should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Note, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Our services as Bond Counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements contained in this letter with respect to the validity of the Note and the tax-exempt status of the interest on the Note. We have not examined any documents or other information concerning the business or financial resources of the Issuer or the Housing Sponsor, and we express no opinion as to the accuracy or completeness of any information with respect to the Issuer or the Housing Sponsor that may have been relied upon by the purchaser of the Note in making its decision to purchase the Note.

Very truly yours,

Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: *
 Cost Ctr: * Funded Program: *
 Account Group Selected: SC TRIAL BALANCE DETAIL

Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENUE ACCT-SERV PRG			
1000070200 PROGRAM FUND-LN PRG	480,243,142.58		480,243,142.58
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB RES LIA FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT		32,310.80-	32,310.80-
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS	359,600.14	362,188.85-	2,588.71-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT			
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR	77,248.99-		77,248.99-
1312000000 LOANS PENDING - SINGLE FAMILY	75,376,815.40	7,545,057.95	82,921,873.35
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE			
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR			
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-	30,806.94-	2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

Accounts Payable		2,813.10	2,813.10
2090010000 INTERFUND PAYABLES	42,000.00-	42,000.00	
2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	3,415,218.56	0.02
2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-		513,325,000.00-
2200400001 LIAB RST - BD PY- LT			
2200600000 PREPAID MORTGAGE INTEREST			
2400130000 OTHER CURRENT LIABILITIES			
2400061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	267,302.12-	19,261,845.59-
** Other Liabilities	535,776,762.01-	3,189,916.44	532,586,845.57-
*** Total Liabilities	535,776,762.01-	3,192,729.54	532,584,032.47-
3000010000 RET EARN & FD BAL ON	288,158,935.43-		288,158,935.43-
** Fund Balance Accounts	288,158,935.43-		288,158,935.43-
4310010000 FEES AND RECEIPTS-OTHER	18,711.33-		18,711.33-
4600030000 BOND PREMIUM/DISCOUNT AMORTIZATION	941,834.05-	267,302.12	674,531.93-
4680090000 LOAN INTEREST RECEIVED	11,895,172.59	2,355,934.97-	14,251,107.56-
4660010000 INVESTMENT EARNINGS	2,887,960.65	312,525.17	2,575,435.48-
** Revenue	15,743,678.62-	1,776,107.68-	17,519,786.30-
5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	3,415,218.56-	7,780,959.01
Debt Service Payments	11,196,177.57	3,415,218.56-	7,780,959.01
5170700000 ALLOC ST AGENCIES	3,651,000.00		3,651,000.00
Allocations	3,651,000.00		3,651,000.00
5830001001 TRUSTEE FEES	86,110.02		86,110.02
5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	2,813.10-	54,326.43
5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	346,934.14	1,766,068.42
5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	29,051.52	108,886.97
5830004001 LOAN SRVC EXP ACQR NO FM	144,828.78	143,703.19	288,531.97
5830005000 BOND ISSUANCE EXPENSE	9,565.45-	317,286.94	307,720.49
5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02		26,097.02
5830006000 DEFERRED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-	30,800.94	95,419.42-
Loan Programs	1,677,352.27	864,969.63	2,542,321.90
** Expenditure Detail by Group	16,524,529.84	2,550,248.93-	13,974,280.91
6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-		26,194.90-
6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	98,433.93	1,154,444.82
6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48		853,813.48
** Transfers	1,883,629.47	98,433.93	1,982,063.40
*** Total Fund Balance Detail	285,494,454.74-	4,227,922.68-	289,722,377.42-
**** Total Liabilities and Fund Balance Det	821,271,216.75-	1,035,193.14-	822,306,409.89-
***** Total			

	1	2	3
Robert Smalls Pro Forma	2021	2022	2023
Gross Potential Income	\$ 2,370,384	\$ 2,417,792	\$ 2,466,148
Vacancy	\$ (94,815)	\$ (96,712)	\$ (98,646)
Expenses	\$ (1,029,791)	\$ (1,060,685)	\$ (1,092,505)
NOI	\$ 1,245,778	\$ 1,260,395	\$ 1,274,997
1st Mortgage	\$ (1,080,410)	\$ (1,080,410)	\$ (1,080,410)
FILOT		\$ -	\$ -
Cashflow	\$ 165,368	\$ 179,986	\$ 194,587
DSC	1.15	1.17	1.18

Operating Assumptions	
Loan Amount	\$22,367,290
Interest Rate	3.75%
Amortization	40 years



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/18/20

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: SC State Housing Finance & Development Authority Series: 2020
 Borrower (if not Issuer): New Spartanburg Owner, LP
 Bond Caption: Multifamily Housing Revenue Note (Robert Smalls Apartments Project) Series 2020
 Bond Resolution Amount: \$25,000,000.00 Est. Production/Par Amt: \$25,000,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

ENTITY: Haynsworth Sinkler Boyd, P.A.
 BY: John Van Duys, Esq.
 ITS: Bond Counsel
 Tel: 803-779-3080
 Email: jvanduys@hsblawfirm.com

Final Production/Par Amt: \$0.00

Transaction Type/Method of Sale:

☐ Public Offering: Competitive: _____ Negotiated: _____
☒ Direct Placement: Competitive: _____ Negotiated: X
☐ Governmental Loan/Governmental Purchaser
☐ Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Robert Smalls Apartments
 Project Address/Location: 571 Wofford Street, Spartanburg, SC 29301 Amount: \$25,000,000.00
 Project Type: Multi-family low income housing County: Spartanburg
 Projected Avg Interest Rate: 3.75% Final Maturity: 40 years

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 Ref. Bds)
N/A		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: None Disclosure Counsel: None
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Tracey Easton, General Counsel
 Underwriter: None (R4, Placement Agent) Trustee: U.S. Bank National Association
 Paying Agent: U.S. Bank National Association Other: Pepper Hamilton LLP, Borrower's Counsel

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

The Project is new construction of a 190-unit multifamily housing development for families in Spartanburg County, South Carolina. The property will consist of 65 one-bedroom units, 93 two-bedroom units, 25 three-bedroom units and 7 four-bedroom units on approximately 21 acres of land generally located at 571 Wofford Street, Spartanburg, South Carolina, 29301. The Note is a vehicle to cause the project to be eligible for the 4% low income housing tax credit. Costs of issuance listed in 9 exclude costs relating to the tax credits.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 08/19/20	SC Housing
JBRC Approval: N/A	
SFAA Approval: 08/18/20	SFAA

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

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?

X

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

Sq. Footage - See item 5.
 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	FYI	Spend Down Schedule Notes
\$ 19,000,000.00	4/30/2021	COI, acquisition of land, design, construction of apartments.
\$ 6,000,000.00	10/31/2021	Completion of construction, equipping and furnishing.
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 25,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 25,000,000.00	\$ 38,154,418.33	Project Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 23,977,861.58	\$ 2,233,238.30	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$	\$ 540,204.95	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type - Def. Dev./GP Equity	\$	\$ 425,000.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$ 425,000.00	Cost of Issuance (Other Sources)
(6) Other (a) GF - (a) FF - (c) OF -	\$ \$ \$	\$ 3,000,000.00	Other - Developer Fee
		\$ 4,200,000.00	Other - Land Purchase
		\$	Other Fees
		\$	Other
		\$	Other
		\$	Other
Total Project Sources	\$ 48,977,861.58	\$ 48,977,861.58	Total Project Uses
Surplus/Deficit		\$ -	

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (** Added COI entities beyond the following need an attached description **)

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	Haynsworth Sinkler Boyd			\$ 115,000.00	\$	\$ 115,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Tracey Easton (GC)			\$	\$	\$
Purchaser's Counsel	Kutak Rock			\$ 50,000.00	\$	\$ 50,000.00
Borrower's Counsel	Pepper Hamilton			\$ 50,000.00	\$	\$ 50,000.00
Trustee's Counsel	Burr Foreman	N/A	N/A	\$ 10,000.00	\$	\$ 10,000.00
				\$	\$	\$
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a			\$	\$	\$
Rating Agency - Fitch	n/a			\$	\$	\$
Underwriter's Compensation	R4 (Placement Agent)	N/A	N/A	\$ 375,000.00	\$	\$ 375,000.00
Trustee Fees	TBD	N/A	N/A	\$	\$	\$
Escrow Agent	n/a			\$	\$	\$
Accountant	Novogradac			\$	\$	\$
Verification Agent	n/a			\$	\$	\$
Printing	n/a			\$	\$	\$
Publishing	n/a			\$	\$	\$
Advertising	n/a			\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 250,000.00	\$	\$ 250,000.00
				\$ 850,000.00	\$	\$ 850,000.00

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%	#DIV/0!
0.46%	#DIV/0!
0.90%	#DIV/0!
0.00%	#DIV/0!

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

1.50%	#DIV/0!
1.00%	#DIV/0!
3.40%	#DIV/0!

AGENCY: Executive Director

SUBJECT: Ceiling Allocation Request

The initial balance of the 2020 state ceiling allocation is \$540,614,970. In accord with Code Section 1-11-520, \$216,245,988 (40% of the total) is designated as the state pool and \$324,368,982 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$540,614,970 remaining for 2020. Allocation requests for 2020 totaling \$107,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$47,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA, Last Step Recycling, LLC, (Chester County) \$47,000,000 (an Automotive Shredder Residue ("ASR") receiving and processing facility in Chester County consisting of an approximately 225,00 square foot warehouse that will employ at least one shift of workers, with the potential to employ a second shift; employment impact is 63 (direct) and 100 (indirect) jobs within 12 months.).

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$493,614,970 (state pool - \$216,245,988; local pool - \$277,368,982) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

- A. In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation from the local pool:

JEDA, Last Step Recycling, LLC, (Chester County) \$47,000,000.

ATTACHMENTS:

2020 Ceiling Allocation Requests; Jones 8/11/20 letter with attachments; Young 7/20/20 Memo; Code Section 1-11-500 et seq.

2020 Ceiling Allocation Requests

	Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request		Location	NOTES
							Alloc	St.Law		
1	01/02/20	JEDA	The Heritage at Forest Acres Properties	60,000,000	60,000,000	Kimberly Witherspoon	x		Richland	
2	07/10/20	JEDA	Last Step Recycling, LLC	47,000,000			x		Chester	

2020 South Carolina State Ceiling Allocations

Summary, CY 2019

2020 State Ceiling
Initial Allocations
Expired/Relinquished
Actual Allocations
Certified for Issue
Carried Forward

540,614,970
107,000,000
60,000,000
47,000,000
0

Balance Available: 493,614,970

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 3/3/20 JEDA	Expiration: 6/1/20 The Heritage at Forest Acres	60,000,000	60,000,000		expired	Witherspoon
Allocation: 8/18/20 JEDA	Expiration: 11/16/20 Last Step Recycling, LLC	47,000,000				Jones

2020 South Carolina State Ceiling

Balance as of February 4, 2020, if ceiling allocation granted

State Pool (40%)	216,245,988
Total State Pool (40%)	216,245,988
Local Pool (60%)	324,368,982
Total Local Pool (60%)	324,368,982
Certified State Ceiling 2020	540,614,970

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
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01/02/19 STATE POOL 216,245,988

TOTAL, STATE POOL

216,245,988	0	216,245,988	0
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LOCAL POOL

01/02/19	JEDA	The Heritage at Forest Acres	324,368,982	0	0	0	expired	Witherspoon Jones
02/04/20	JEDA	Last Step Recycling, LLC		47,000,000				

TOTAL, LOCAL POOL

324,368,982	47,000,000	277,368,982	0
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GRAND TOTAL

540,614,970	47,000,000	493,614,970	0
-------------	------------	-------------	---



Ray E. Jones

Partner

Telephone: 803.253.8917

Direct Fax: 803.255.8017

rayjones@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

August 11, 2020

Via Email and Hand Delivery

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

***Re: Not Exceeding \$47,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Last Step Recycling Project) Series 2020
Revised***

Dear Delbert:

Last Step Recycling, LLC ("LSR"), together with the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), submits this request to the State Fiscal Accountability Authority ("SFAA") for a tentative allocation of the State ceiling in the amount of not exceeding \$47,000,000 in connection with the above-referenced bonds ("Bonds"). I am writing to request that this request be included on the SFAA's August 18, 2020, meeting.

The proceeds of the Bonds will be used by LSR to acquire, design, construct, and equip an automobile shredder residue ("ASR") processing and recycling facility ("Facility") located in Chester County, South Carolina. The Facility will take ASR and further process the ASR to extract precious metals and other valuable material, which will reduce the amount of material that is sent to landfills.. The Facility is expected to result in a positive economic, job creation, and infrastructure impact to the State, as more particularly detailed in Attachment A to the transmittal form.

Please find enclosed with this letter the following documents:

1. A completed Transmittal Form and Attachment A
2. JEDA's Petition to the SFAA;
3. JEDA's Inducement Resolution and Inducement Agreement;
4. JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED");

5. CCED's Resolution approving the Bonds;
6. Organizational Chart of LSR; and
7. Biographies of each of the principals of LSR.

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

The financing and Project teams are working towards an efficient issuance of the Bonds with construction of the Facility beginning immediately thereafter. However, because of current uncertainties caused by the COVID-19 global pandemic, which have resulted in volatile market conditions and fluctuating meeting schedules, the timing of the sale of the Bonds may be delayed past the current closing timeline (which is estimated for September 2020).

While the financing and Project teams believe the Bonds will be issued and closed by the end of the year, LSR requests, together with JEDA, that the SFAA further approve the allocation for a carry-forward election to give the financing and Project team additional flexibility in case the issuance and sale of the Bonds are delayed past the end of the year. The Project is an exempt facility (i.e. a solid waste recycling facility) under Section 142 of the Internal Revenue Code, and therefore the allocation is eligible for a carry-forward election.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. Please do not hesitate to contact me with any questions or if you should need additional information.

Sincerely,



Ray E. Jones

Enclosures: stated

cc: Harry Huntley, Executive Director
South Carolina Jobs-Economic Development Authority
(via email: hhuntley@scjeda.com)

Claudia Miller, Administrative Manager
South Carolina Jobs-Economic Development Authority
(via email: cmiller@scjeda.com)

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 7/10/2020
(updated on August 13, 2020)
Submitted for SFAA Meeting on:
8/18/2020

FROM: Click or tap here to enter text.

Parker Poe Adams & Bernstein LLP
1221 Main Street, Suite 1100
Columbia, South Carolina 29201

RE: NTE \$47,000,000 South Carolina Jobs-Economic Development Authority Solid Waste Disposal Revenue Bonds (Last Step Recycling Project) Series 2020 (Green Bonds)

Project Issue Date: 12/31/2020

Project Name: Last Step Recycling Project

Project Description: Auto Shredder Residue Facility. See attachment A for more detail.

Employment as a result of the project: 63 (direct) and 100 (indirect) within 12 months

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 47,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Parker Poe Adams & Bernstein, LLP
Typed Name of Bond Counsel

By: 
Signature

ATTACHMENT A TO TRANSMITTAL FORM

Last Step Recycling, LLC, a Georgia limited liability company ("Last Step"), intends to open an Automotive Shredder Residue ("ASR") receiving and processing facility ("Facility") in Chester County in South Carolina. The Facility will consist of an approximately 225,00 square foot warehouse, and will employ at least one shift of workers, with the potential to employ a second shift. The Facility will be designed to process ASR to recover metal (Copper, Aluminum, etc.) and other valuable material. This green initiative, in total, reduces the amount of material going to the landfill by over 25% and improves the environment.

Last Step will process the ASR and recover approximately 72 million pounds of metal per year. The various metallic products will sell at an average market price of \$0.93 per pound or \$67 million in sales per year. Last Step will also extract 15% rock and glass to return to the industry as aggregate.

In North America, approximately 40 million tons of scrap is shredded each year. Roughly 25% of the input is converted into ASR, which is then shipped to the landfill. For each ton of ASR taken to the landfill, a fee (roughly \$35 per ton) is paid to dispose of the ASR. Because of the incomplete recovery of the nonferrous metals by the shredder operators, the total value of the metal being lost to the land fill is staggering. North America produces 6.9 million tons of ASR each year that goes to landfills. As a result, we are losing 1.4 billion pounds of metal to the landfills per year.

Last Step will acquire up to 360,000 tons of ASR per year to process for metals and other sellable products. The shredder operators will be highly incentivized to send their waste to Last Step because it will lower their landfill cost by \$20 per ton, or approximately 57% on their waste bill.

STATE OF SOUTH CAROLINA)
)
 RICHLAND COUNTY)
 _____)
 TO THE STATE FISCAL)
)
 ACCOUNTABILITY AUTHORITY)
)
 OF SOUTH CAROLINA)

**PETITION OF THE
 SOUTH CAROLINA JOBS-ECONOMIC
 DEVELOPMENT AUTHORITY**

This Petition of the South Carolina Jobs-Economic Development Authority ("**Authority**"), pursuant to Title 1, Chapter 11 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), and specifically Section 1-11-530 thereof, respectfully shows:

1. The Act, among other things, authorizes the State Fiscal Accountability Authority ("**SFAA**") to allocate the State of South Carolina's ("**State**") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

2. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry- forward election) is valid only for the calendar year in which the State ceiling allocation is made.

3. The Authority has agreed to assist Last Step Recycling, LLC and one or more of its related or affiliated entities by issuing one or more series of its Economic Development Revenue Bonds ("**Bonds**"), in an amount not to exceed \$47,000,000, taxable or tax exempt, to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility ("**Facility**") in a yet to be determined county in South Carolina, all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility and potentially for periods thereafter, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**"). The Authority has petitioned the South Carolina Coordinating Council for Economic Development for approval of the Bonds at its meeting on June 4, 2020, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

4. The Facility is expected to be a solid waste disposal facility as described under Section 142 of the Internal Revenue Code ("**Code**").

5. The Bonds to be issued for the Project would require an allocation of not exceeding \$47,000,000 of the State ceiling. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable and (iii) approve a State ceiling allocation for the Bonds of \$47,000,000.

May 20, 2020



Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Harry A. Huntley, Executive Director

**THE SOUTH CAROLINA
JOBS-ECONOMIC DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND LAST STEP RECYCLING, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED \$47,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS; AND OTHER RELATED MATTERS

WHEREAS, the South Carolina Jobs-Economic Development Authority ("**Authority**"), acting by and through its Board of Directors ("**Board**"), is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("**State**") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and

WHEREAS, in order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, Last Step Recycling, LLC, and its related or affiliated entities (collectively, "**Borrower**"), has applied to the Authority to issue not to exceed \$47,000,000 of its Economic Development Revenue Bonds ("**Bonds**") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility ("**Facility**") in a to-be-determined county in South Carolina ("**County**"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**"), and the Authority wishes to induce the Borrower to undertake the Project; and

WHEREAS, it is in the public interest, for public benefit and in furtherance of the public purposes of the Authority, that its Board provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development ("**Coordinating Council**"), in compliance with Section 41-43-110 of the Act, a petition (described below) of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds which are anticipated to be placed by B.C. Ziegler and Company in a limited offering to qualified institutional buyers and/or accredited investors; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("**SFAA**"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting not exceeding \$47,000,000 of the State ceiling be allocated by the SFAA to the Bonds and that such allocation be approved for a carry-forward election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party and the proposed Project is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 50 people within 12 months and 100 people within 24 months, and (B) direct employment for 37 people within 12 months and 63 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the Coordinating Council, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower and the purchasers of the Bonds, and shall be subject to completion of proceedings for issuance, sale and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper (taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of jobs involved), and the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by counsel to the Authority), in the name and on behalf of the Authority and to affix the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a petition requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be placed by B.C. Ziegler and Company in a limited offering to qualified institutional buyers and/or accredited investors, and (ii) a petition requesting the SFAA allocate not exceeding \$47,000,000 of the State ceiling to the Bonds and that the SFAA make a carry-forward election with respect to such allocation.

Section 8. The Executive Director shall be and is hereby authorized and directed to execute the petitions in the name and on behalf of the Authority, and to affix the seal of the Authority to the petitions, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the SFAA.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

{SIGNATURE PAGE FOLLOWS}
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Passed and approved: **May 20, 2020**

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an agency and duly constituted authority of the State of South Carolina ("**Authority**"), and LAST STEP RECYCLING, LLC, a North Carolina limited liability company, and its related entities (collectively, "**Borrower**").

W I T N E S S E T H

ARTICLE I RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("**State**") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State.

Section 1.02. In order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues.

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$47,000,000 of its Economic Development Revenue Bonds ("**Bonds**") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility ("**Facility**") in a to-be-determined county in South Carolina ("**County**"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**"), and the Authority wishes to induce the Borrower to undertake the Project.

Section 1.04. (a) The Borrower is a responsible party and the Project is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 50 people within 12 months and 100 people within 24 months, and (B) direct employment for 37 people within 12 months and 63 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the South Carolina Coordinating Council for Economic Development ("**Coordinating Council**"), and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

Section 2.02. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid, and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act, including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition of the Project, including land, buildings, equipment, and other items permitted by the Act, the repayment of any funds, advances or loans incurred by the Borrower for such purposes, the creation of a debt service reserve fund, and the provision of funds for capitalized interest.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds and the number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower

providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the issuance of the Bonds proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project, including the acquisition of real property, or leasehold interests therein, the construction of a building or buildings and additions to a building or buildings, and the acquisition and installation of the equipment and furnishings, prior to the issuance of the Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

[SIGNATURE PAGE FOLLOWS]
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Dated: May 20, 2020

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 
Harry A. Huntley, Executive Director

LAST STEP RECYCLING, LLC

By: _____

Name: _____

Title: Authorized Representative

Dated: May 20, 2020

INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY AND LAST STEP RECYCLING, LLC
[SIGNATURE PAGE]

STATE OF SOUTH CAROLINA

RICHLAND COUNTY

TO THE SOUTH CAROLINA

COORDINATING COUNCIL

FOR ECONOMIC DEVELOPMENT

PETITION OF THE
SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority ("**Authority**"), pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("**State**") and for other purposes described in the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State; (ii) act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (iii) subject to the approval of the Coordinating Council of the issuance of its bonds pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist Last Step Recycling, LLC ("**Borrower**") by issuing one or more series of its Economic Development Revenue Bonds ("**Bonds**") to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility ("**Facility**") in a to-be-determined county in South Carolina ("**County**"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**").

3. The Authority has been advised by the Borrower that the estimated cost of the Project and related costs will be approximately \$[] and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$47,000,000 to defray such costs.

4. The Bonds are anticipated to be placed by B.C. Ziegler and Company in a limited offering to qualified institutional buyers and/or accredited investors, which arrangement the Authority has determined to be most advantageous.

5. The Authority hereby finds that:

(a) The Borrower is a responsible party and the Project is located in the County.

(b) It is anticipated that the Project will benefit the general public welfare of the State, and the County in particular, by providing for (i) the creation of (A) indirect employment of approximately 50 people within 12 months and 100 people within 24 months, and (B) direct employment for 37 people within 12 months and 63 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of funds of the Borrower committed to the Project.

6. Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing in connection with the Project and provide notice of the public hearing to the local governing body of the County;

(b) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the financing of the Project, the Bonds proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the Project;

(d) Undertake such review as is necessary to conclude that the Borrower is an organization with established credit and is a responsible party; and

(e) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

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Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a limited offering pursuant to the Act to defray the costs of financing the Project (including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the Authority).

May 20, 2020

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



By: _____

Harry A. Huntley, Executive Director

A RESOLUTION OF THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$47,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("**Act**"), petitioned the South Carolina Coordinating Council for Economic Development ("**Coordinating Council**") for approval of the issuance by the Authority of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$47,000,000 ("**Bonds**") through a limited offering, as the Authority may determine to be most advantageous, in order to make a loan to Last Step Recycling, LLC ("**Borrower**"), for the purposes described in the Authority's petition; and

WHEREAS, the Authority represents to the Coordinating Council that the Bonds will be sold in a manner acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Coordinating Council as follows:

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Passed and approved this 20th day of June 2020.



Alan Daniel Young, Executive Director
South Carolina Coordinating Council for
Economic Development



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *DY*

Date: July 20, 2020

Re: Last Step Recycling

Upon the request of SC State Fiscal Accountability Authority, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing information provided by the law firm of Parker Poe Adams Bernstein, LLP, regarding the Last Step Recycling project the Department of Commerce recommends approval at the August 18, 2020 meeting of the State Fiscal Accountability Authority. The company is committing to create 63 new direct jobs. The score of 9 is based almost entirely on the size of the investment in a Tier IV county.

Name	Amount	Score	County
Last Step Recycling	\$47,000,000	9	Chester

Please let me know if you have any questions.

Thank you.

ARTICLE 3
Allocation of State Ceiling on Issuance of Private Activity Bonds

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the State Fiscal Accountability Authority secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

(A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

(A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.

(B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.

(C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

(A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the State Fiscal Accountability Authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Fiscal Accountability Authority to adopt policies and procedures.

The State Fiscal Accountability Authority, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Fiscal Accountability Authority to make quarterly payments on certain insurance contracts.

The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF August 18, 2020

ITEM NUMBER 12

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, October 13, 2020, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on October 13, 2020, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: