

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Thursday, August 31, 2017 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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B.	ADOPTION OF PROPOSED AGENDA	
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3.	Department of Administration, Facilities Management and Property Services	Easements
4.	Department of Administration, Facilities Management and Property Services	Real Property Conveyances
5.	Division of Procurement Services	Procurement Audit and Certification
6.	Executive Director	Revenue Bonds
7.	Executive Director	Economic Development (2017 Ceiling Allocations)
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2.	Department of Administration, Capital Budget Office	Permanent Improvement Products
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STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Thursday, August 31, 2017 -- 10:00 A.M.

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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
4.	Department of Administration, Facilities Management and Property Services	MUSC Parking Lease Out to CareAlliance Health Services at 165 Cannon Street in Charleston
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7.	Division of Procurement Services	Waiver to Extend the Maximum Time on a Multi- term Contract for the South Carolina Forestry Commission
8.	University of South Carolina	Not Exceeding \$26,000,000 Higher Education Refunding Revenue Bonds, Series 2017A
9.	University of South Carolina	Not Exceeding \$58,000,000 Athletic Facilities Revenue Bonds and Bond Anticipation Notes of the University of South Carolina, Series 2017B
10.	State Fiscal Accountability Authority	Future Meeting

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

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

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$33,000,000 Hospital Revenue Refunding Bond	Regional Medical Center of Orangeburg & Calhoun Counties Conduit: JEDA	Haynsworth Sinkler Boyd	Mc Nair Law Firm
\$5,300,000 Economic Development Revenue Refunding Bond	Pinewood Preparatory School Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$8,740,000 Economic Development Revenue Bond	EdVenture Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn
\$69,925,000 Hospital Revenue Bond	Bon Secours Health Inc. – St. Francis Hospital Conduit: JEDA	Chapman & Cutler	Haynsworth Sinkler Boyd
\$57,000,000 Revenue Bond	165 Cannon Street Associates, Inc. Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous
\$38,000,000 Special Source Revenue Refunding Bond	Charleston County – Mercedes Benz Vans, LLC	Howell Linkous & Nettles	Joe Dawson
\$81,000,000 Economic Development Revenue Refunding Bond	Self Regional Hospital Conduit: Greenwood County	Haynsworth Sinkler Boyd	Greenwood County Attorney
\$16,000,000 Multifamily Rental Housing Facilities Bond	The Preserve at Logan Park Conduit: SC State Housing Finance and Development Authority	Howell Linkous & Nettles	Tracey Easton, General Counsel

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$58,000,000 Athletic Facilities Revenue Refunding Bond	University of South Carolina	McNair
\$26,000,000 Higher Education Revenue Refunding Bond	University of South Carolina	Nexsen Pruet

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for August 31, 2017 State Fiscal Accountability Authority
Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$33,000,000 Hospital Revenue Refunding Bond	Regional Medical Center of Orangeburg & Calhoun Counties Conduit: JEDA	Haynsworth Sinkler Boyd	Mc Nair Law Firm	6/14/2017
\$5,300,000 Economic Development Revenue Refunding Bond	Pinewood Preparatory School Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous & Nettles	7/6/2017
\$8,740,000 Economic Development Revenue Bond	EdVenture Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn	7/6/2017
\$69,925,000 Hospital Revenue Bond	Bon Secours Health Inc. – St. Francis Hospital Conduit: JEDA	Chapman & Cutler	Haynsworth Sinkler Boyd	8/14/2017
\$57,000,000 Revenue Bond	165 Cannon Street Associates, Inc. Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous	8/14/2017
\$38,000,000 Special Source Revenue Refunding Bond	Charleston County – Mercedes Benz Vans, LLC	Howell Linkous & Nettles	Joe Dawson	7/6/2017
\$81,000,000 Economic Development Revenue Refunding Bond	Self Regional Hospital Conduit: Greenwood County	Haynsworth Sinkler Boyd	Greenwood County Attorney	7/6/2017
\$16,000,000 Multifamily Rental Housing Facilities Bond	The Preserve at Logan Park Conduit: SC State Housing Finance and Development Authority	Howell Linkous & Nettles	Tracey Easton, General Counsel	7/6/2017

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$58,000,000 Athletic Facilities Revenue Refunding Bond	University of South Carolina	McNair	6/9/2017
\$26,000,000 Higher Education Revenue Refunding Bond	University of South Carolina	Nexsen Pruet	6/9/2017

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 31, 2016

BLUE AGENDA
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 time. The radio and television time will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond expects to expend no more than \$80,000 toward the cost of the radio and television public service announcements. The funds are from administrative fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 1-11-470. Approval of the request must be by unanimous vote of the Authority.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond concerning the expenditure of funds to purchase radio and television public service announcements not to exceed \$80,000 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 7/6/17 letter; Code Sections 1-11-470

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 6, 2017

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

Re: Secretary of State Charitable Solicitations Fraud Public Service Announcements

Dear Mr. Singleton:

Pursuant to S. C. Code §1-11-470, Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority for approval to use funds for radio and television public service announcements concerning charitable solicitations fraud. I would appreciate it if you would please place this item on the August 31, 2017 meeting agenda.

As administrator of the Solicitation of Charitable Funds Act, the Secretary of State is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers. Along with requiring transparency from charitable organizations, public education has been an effective tool for enforcing the Act. Not only does the public need to know how to find information on how their charitable contributions are used, but also the Secretary of State needs to know when South Carolina citizens receive fraudulent solicitations. To this end, the Secretary of State has created a web-based charities complaint form so that members of the public can submit their concerns online. The public service announcements would serve to promote awareness of this option for contacting the Secretary of State's Division of Public Charities, as well as remind South Carolinians to be vigilant when making charitable donations.

This year, Secretary Hammond would like approval to expend no more than \$80,000.00 toward the cost of radio and television public service announcements. The requested funds are collected by the agency from fees and fines imposed on charities and professional fundraisers pursuant to the Solicitation of Charitable Funds Act. The sole purpose of the public service campaign is to protect charitable donors in South Carolina and to facilitate enforcement of the Solicitation of Charitable Funds Act. Please contact me at 734-2157 if you have any questions about this request. Secretary Hammond looks forward to seeing you on August 31, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Dunlap".

Melissa Dunlap
Deputy Secretary of State & Chief Legal Counsel

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

The Department of Administration requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Berkeley
From: Department of Administration
To: South Carolina Electric and Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.28 acre easement for the construction, installation, operation and maintenance of a 2-inch gas main beneath Ralston Creek between Daniel Island and Rhodens Island to provide service to Rhodens Island. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Charleston
From: Department of Administration
To: Central Electric Power Cooperative, Inc.
Consideration: \$1,342
Description/Purpose: To grant a 4.21 acre easement for the construction, installation, operation and maintenance of an underground electric transmission line beneath Bohicket Creek between Wadmalaw Island and John's Island to provide system reliability, redundancy and resilience. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (c) County Location: Jasper
From: Department of Administration
To: Hargray Communication Group, Inc.
Consideration: \$1
Description/Purpose: To grant a 0.31 acre permanent easement for the purpose of constructing, extending, inspecting, operating, replacing, relocating, repairing and perpetually maintaining a telecommunications conduit and video and/or broadband facilities, together with the right of ingress and egress, on property of the Department of Mental Health's Jasper County Mental Health Clinic. The easement is needed to build out a new video network for the Community Telepsychiatry Program. The easement will contain the State's standard reverter language that if Hargray discontinues usage of the conduit and facilities, the easement will terminate. The easement is being sought by the Department of Mental Health for the benefit of the property. The Division of Facilities' Management and Property Services has determined that SCDMH has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

- (d) County Location: Sumter
From: Department of Administration
To: Black River Electric Cooperative, Inc.
Consideration: \$1
Description/Purpose: To grant a 0.23 acre easement for the construction, installation, operation and maintenance of an electric distribution line and facilities on property of Manchester State Forest to improve reliability by providing an alternate electric feed to the area. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to the South Carolina Forestry Commission and Black River Electric Cooperative. The Division of Facilities Management and Property Services has determined that the Forestry Commission has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (e) County Location: Richland
From: Midlands Technical College
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to sanitary sewer lines and appurtenances together with a 0.245 acre permanent easement for the purpose of ingress, egress, operation, reconstruction and maintenance of said lines serving the new Midlands Technical College's Beltline Campus Library and Classroom/Building. Also includes an access easement along the entrance drives, private roadways and private driveways for the operation, maintenance, extension of services, reconstruction and repair of the sanitary sewer lines and appurtenances for this development. The easement is being sought by the College for the benefit of the property. The Division of Facilities Management and Property Services has determined that the College has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (f) County Location: Richland
From: Midlands Technical College Enterprise Campus Authority
To: City of Columbia
Consideration: \$1
Description/Purpose: To transfer title to sanitary sewer lines and appurtenances together with 0.71 acre and 0.28 acre permanent easements for the purpose of ingress, egress, operation, reconstruction and maintenance of said lines serving the Enterprise Campus Industrial Park. Also includes an access easement along the entrance drives, private roadways and private driveways for the operation and maintenance of the sanitary sewer lines and appurtenances for this development. The easement is being sought by the Authority for the benefit of the property. The Division of Facilities Management and Property Services has determined that the Authority has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

- (g) County Location: Richland
From: Clemson University
To: Department of Transportation
Consideration: \$90,400
Description/Purpose: To grant a permanent easement measuring approximately 3.2 acres for the purpose of access, ingress and egress over existing roads on Clemson University's property to a detention pond and drainage facilities located at the rear of the property. SCDOT will inspect, monitor, maintain, repair and improve the drainage facilities for a term of ten years. The easement is part of the negotiated sale of right of way property for SCDOT's roadway expansion of Hard Scrabble Road. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (h) County Location: Greenville
From: Department of Administration
To: Greenville Water System
Consideration: \$1
Description/Purpose: To transfer title to water lines and appurtenances together with a 0.176 acre permanent easement for the purpose of access, ingress, egress, operation, reconstruction and maintenance of said lines serving the Greenville Farmers Market property. The easement is being sought by the Department of Agriculture for the benefit of the property. Approximately 23 acres of the property is currently under contract for sale to the House of Raeford. The sale was approved by SFAA on September 20, 2016. There is a 12" public main at the Greenville Farmers Market that steps down to a 6" private main that runs down to the portion of the property to be sold. Greenville Water System requires that the private water main be deeded to them for operation and maintenance to provide service to the new owners.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easements as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 31, 2017

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Division of Facilities Management
and Property Services
- (b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Department of Administration requests approval of the following easements in accordance with SC Code of Laws:

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

5. **What is recommendation of the Department of Administration?** Recommend approval of the referenced easements.

6. **List of Supporting Documents:**

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) South Carolina Electric and Gas Company
 - (b) Central Electric Power Cooperative, Inc.
 - (c) Hargray Communication Group, Inc.
 - (d) Black River Electric Cooperative, Inc.
 - (e) City of Columbia
 - (f) City of Columbia
 - (g) Department of Transportation
 - (h) Greenville Water System

SOUTH CAROLINA CODE OF LAWS

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

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

HISTORY: 1962 Code Section 1-357.1; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "Department of Administration, upon approval of the State Fiscal Accountability Authority," for "State Budget and Control Board".

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

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

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

Effect of Amendment

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

SOUTH CAROLINA CODE OF LAWS

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

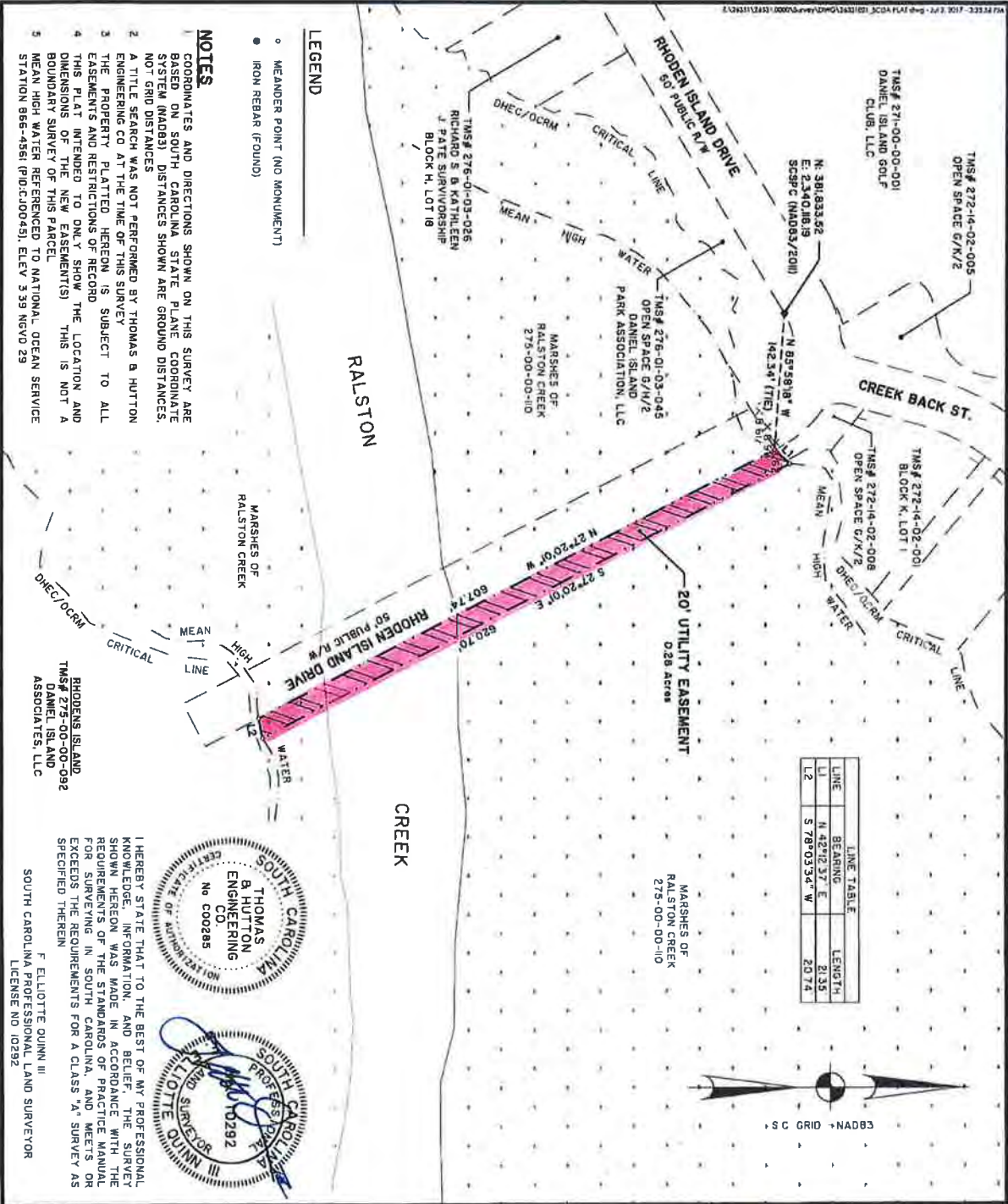
The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements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

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

Effect of Amendment

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

(a)



VICINITY MAP not to scale

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PLAT OF

A PROPOSED 20' WIDE

UTILITY EASEMENT

SOUTH CAROLINA DEPARTMENT OF

ADMINISTRATION, DIVISION OF GENERAL

SERVICES, REAL PROPERTY SERVICES

CROSSING

RALSTON CREEK

Prepared for
SOUTH CAROLINA ELECTRIC
& GAS COMPANY (SCE&G)

THOMAS & HUTTON
 Engineering | Surveying | Planning | GIS | Consulting

682 Johnnie Dodds Boulevard • Suite 100
 Mt. Pleasant, SC 29464 • 843.849.0200

www.thomasandhutton.com

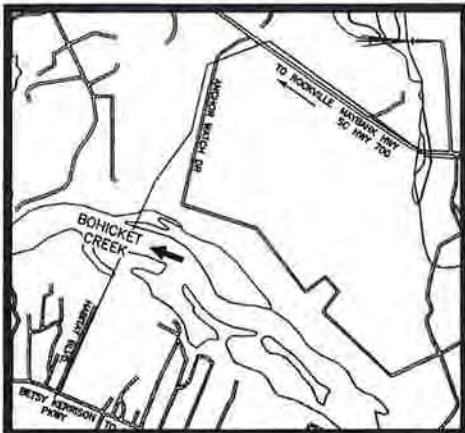
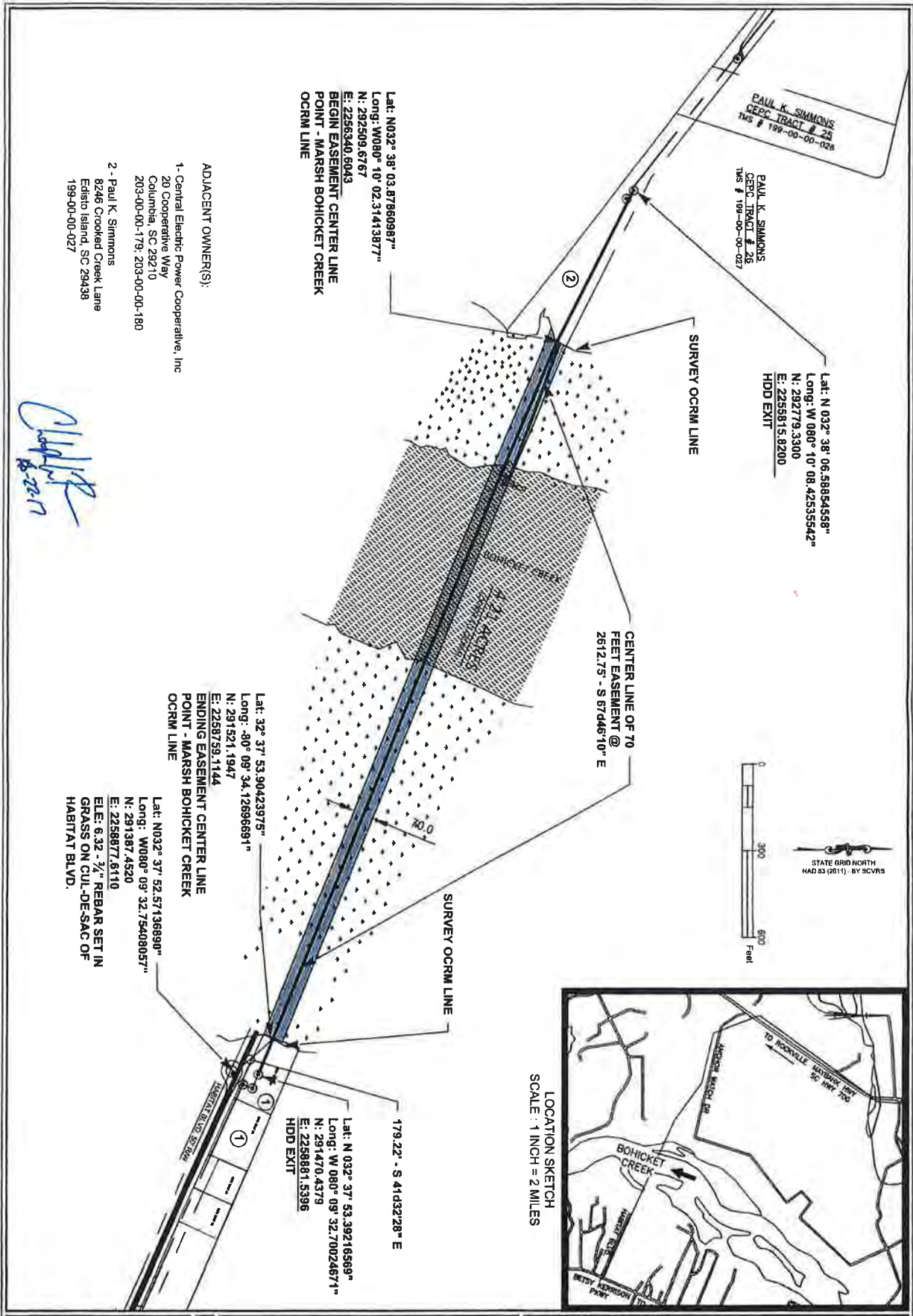
1"=100'

plot drawn reviewed field crew
 05/23/17 Jp fed 04/10/17 nh

job 26331 SHEET 1 OF 1

100 0 100 200

(b)



Handwritten signature and date: 8-22-17

CENTRAL ELECTRIC POWER COOPERATIVE, INC.
1915 ROUTE 1455 | 131 GREYSTONE BOULEVARD
COLUMBIA, SOUTH CAROLINA 29202
(803) 779-4978

SHEET 1 OF 1

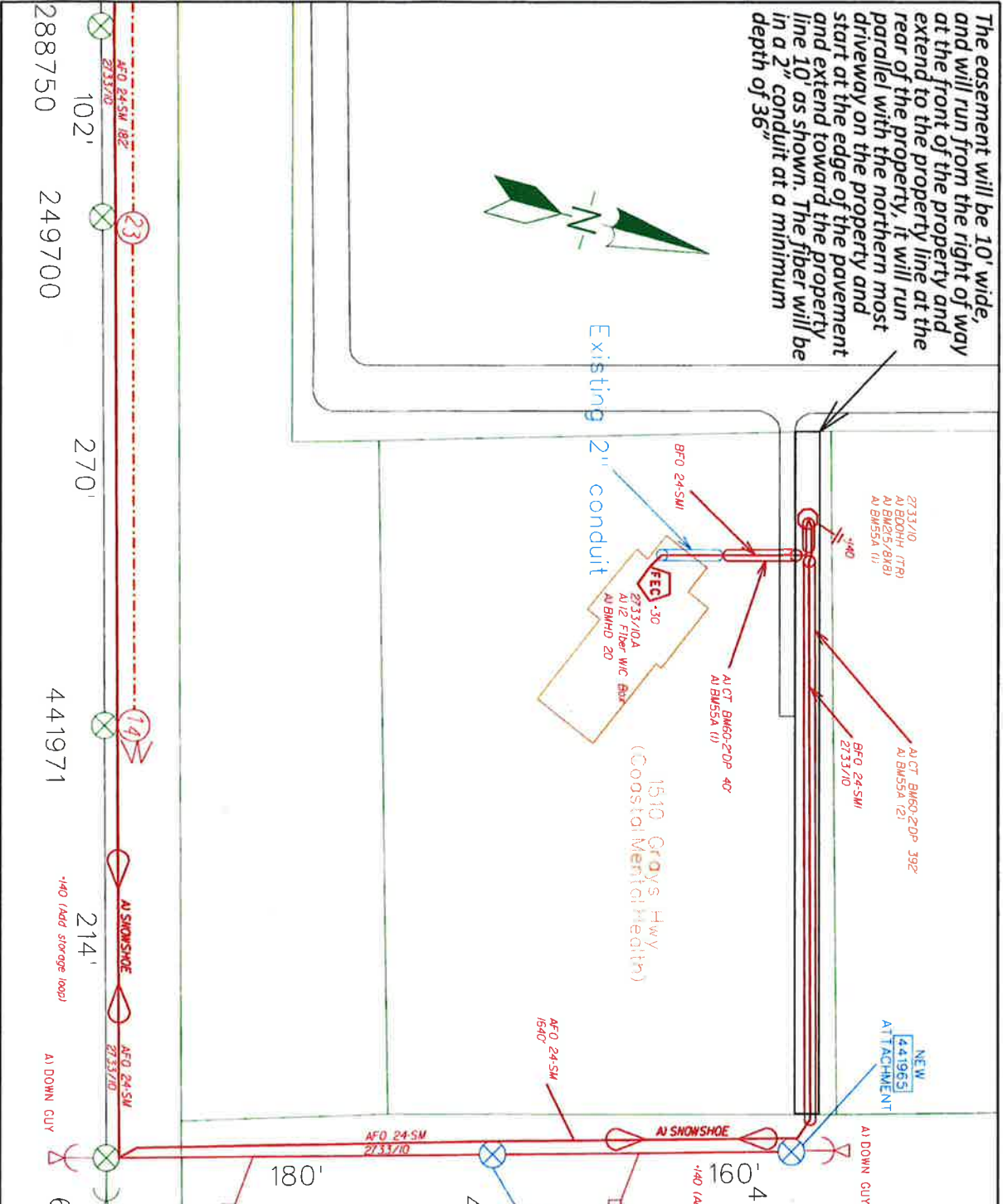
CENTRAL ELECTRIC POWER COOPERATIVE
4.21 ACRES EASEMENT ACROSS BOHICKET CREEK
WADMALAW / JOHN'S ISLANDS, CHARLESTON CO. SC

DATE	BY	APP	REVISION

NO	BY	DATE	APP	REVISION

(c)

The easement will be 10' wide, and will run from the right of way at the front of the property and extend to the property line at the rear of the property. It will run parallel with the northern most driveway on the property and start at the edge of the pavement and extend toward the property line 10' as shown. The fiber will be in a 2" conduit at a minimum depth of 36"



HARGRAY ENGINEERING SERVICES
 PROJECT: 1510 Grays Hwy
 (Coastal Mental Health)

W/O: 2 Sheet 002 Of 2
 Contractor Type
 Contractor 2

STRAND	BY	DATE	KEY	REVISION
SS 2-13-17			Keo + Ridgmond	
AS BLDG:			Leobert + 688	
TRANS TO W/O:			Map No. - 20000240	
208.993455151807			DScale - 50	

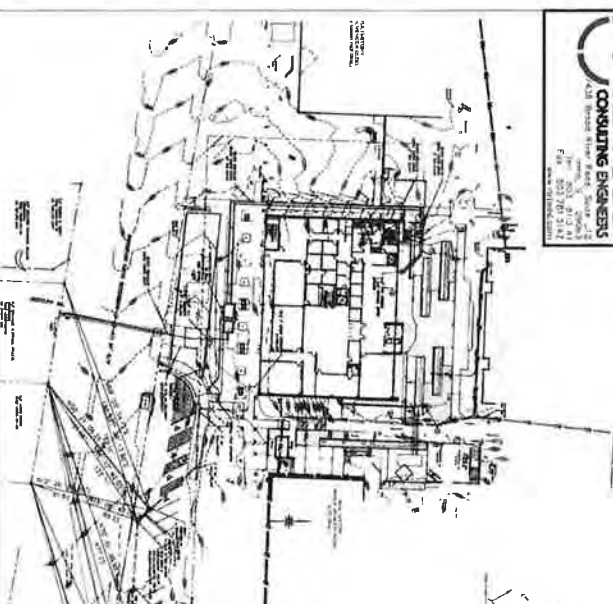
NOTE: CONTRACTOR TO LOCATE ALL UTILITIES

441965
 160'
 A/I DOWN CUV
 A/I SNOWSHOE
 AFO 24-SM 27.33/10
 441969
 NEW 441965 ATTACHMENT
 A/I CO 6M 180"
 180'
 214'
 A/I SNOWSHOE
 AFO 24-SM 27.33/10
 A/I DOWN CUV
 140 (Add storage loop)
 441971
 270'
 249700
 102'
 288750
 AFO 24-SM 182 27.33/10
 A/I 23

(d)



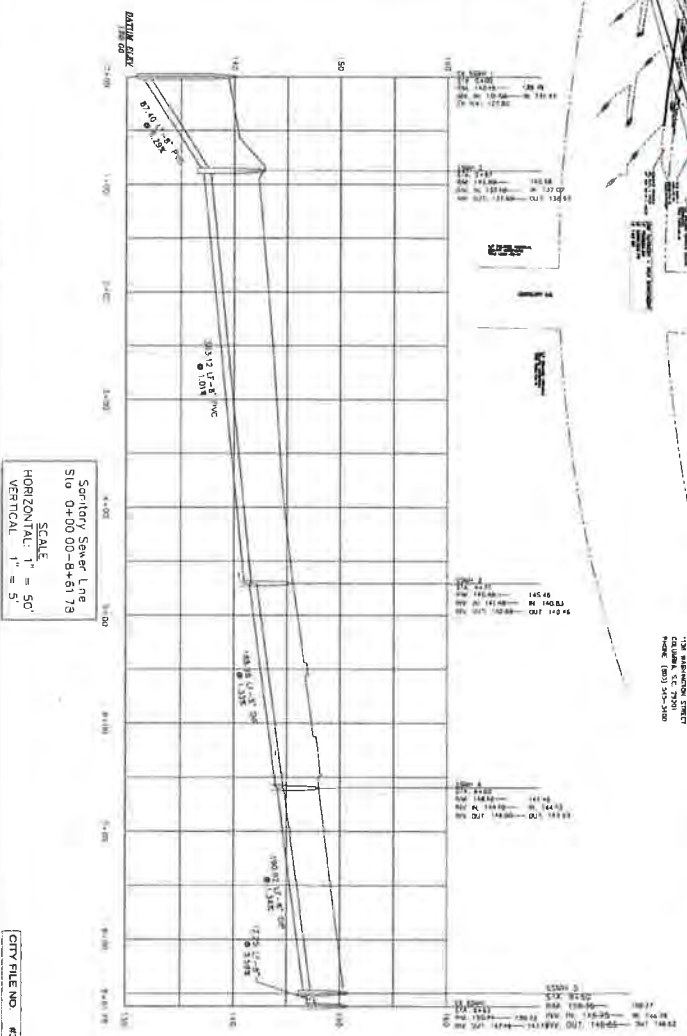
(e)



NOTES:
1. ALL UTILITIES SHOWN ARE BASED ON FIELD SURVEY.

GENERAL NOTES
1. PREPARE SUBJECT AND LOCATE BY SHEET ONE (1:1) ON THE PROJECT.

Table with columns: SYMBOL, EXISTING, DESCRIPTION. Includes symbols for manholes, street centerlines, and other utility features.



Scale information: HORIZONTAL 1" = 50', VERTICAL 1" = 5'

CITY FILE NO. #331-06A

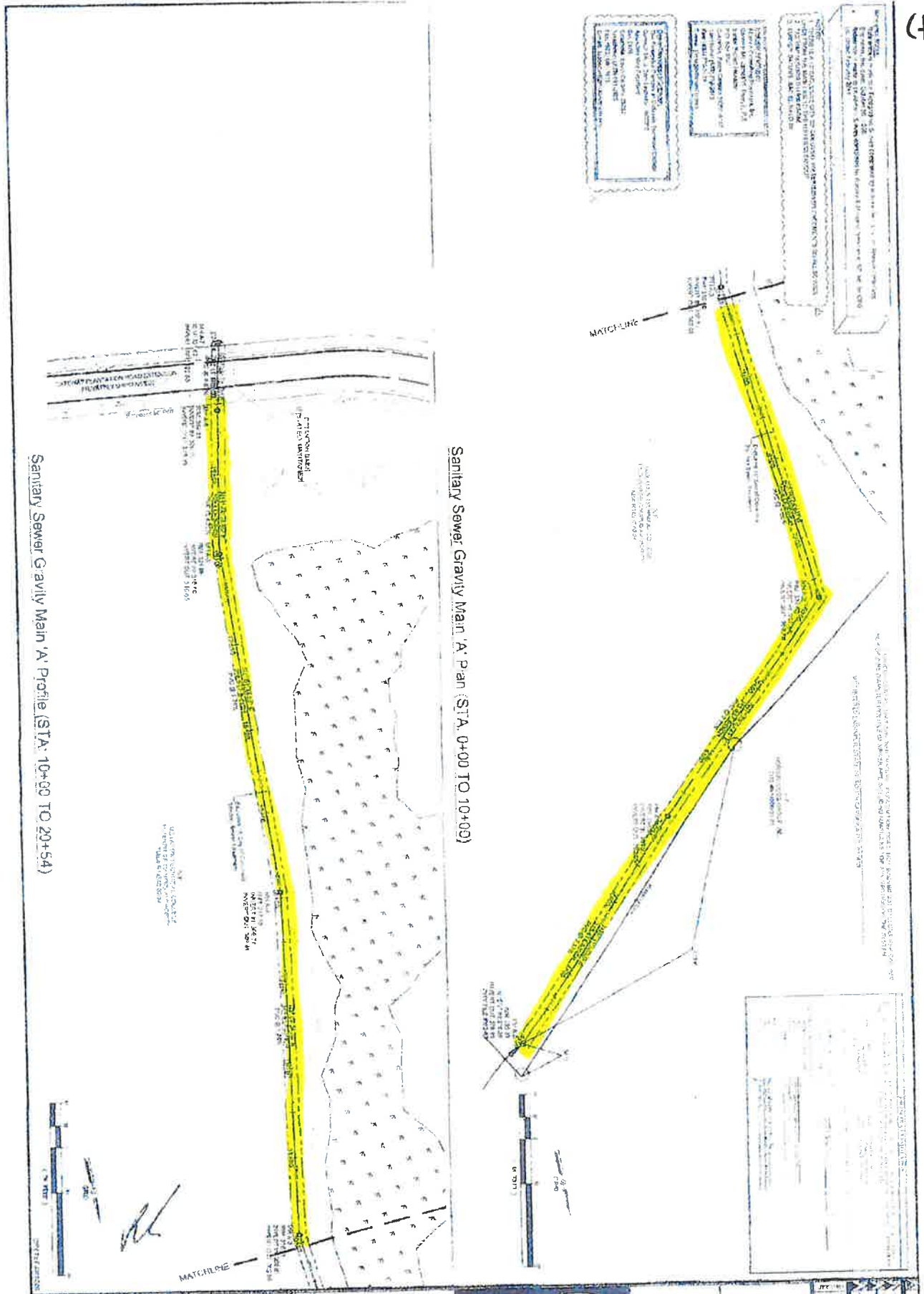


QUACKENBUSH ARCHITECTS + PLANNERS

RD11.2
SEWER RECORD DRAWINGS
REVISIONS: 1. REV 12/15/17, 2. REV 01/18/17, 3. REV 02/20/17

MTC BELTLINE LIBRARY AND CLASSROOM BUILDING REPLACEMENT
MIDLANDS TECHNICAL COLLEGE

(F-1)



Sanitary Sewer Gravity Main 'A' Plan (STA. 0+00 TO 10+09)

Sanitary Sewer Gravity Main 'A' Profile (STA. 10+00 TO 20+54)

THE INFORMATION CONTAINED ON THIS DRAWING IS THE PROPERTY OF ALLIANCE CONSULTING ENGINEERS, INC. AND IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF ALLIANCE CONSULTING ENGINEERS, INC.

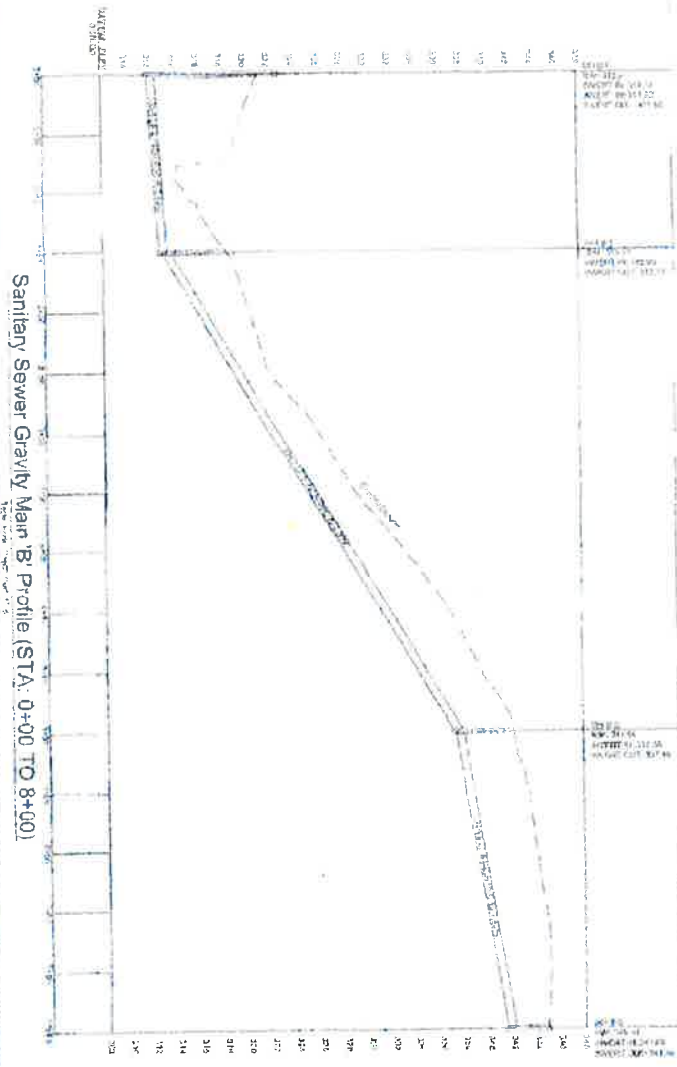
ALLIANCE CONSULTING ENGINEERS, INC.
 10000 W. 10th Street, Suite 100
 Overland Park, KS 66211
 Phone: (913) 241-1100
 Fax: (913) 241-1101
 Website: www.alliance-engineers.com

DATE	DESCRIPTION

ALLIANCE CONSULTING ENGINEERS, INC. 10000 W. 10th Street, Suite 100 Overland Park, KS 66211 Phone: (913) 241-1100 Fax: (913) 241-1101 Website: www.alliance-engineers.com	PROJECT NO. 10-000 SHEET NO. 10-000-01	RECORD DRAWINGS FOR THE PHASE I INFRASTRUCTURE IMPROVEMENTS FOR SIBRIAN DE TECHNICAL COLLEGE ENTERPRISE CAMPUSES	SANITARY SEWER GRAVITY MAIN 'A' RECORD DRAWING		

NOTICE: This drawing is prepared by the engineer for the purpose of providing information only. It is not to be used for any other purpose without the written consent of the engineer. The engineer is not responsible for any errors or omissions in this drawing or for any consequences arising therefrom. The engineer's liability is limited to the professional services rendered by the engineer.

DATE: 08/14/2014
 DRAWN BY: J. [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]
 PROJECT: [Project Name]

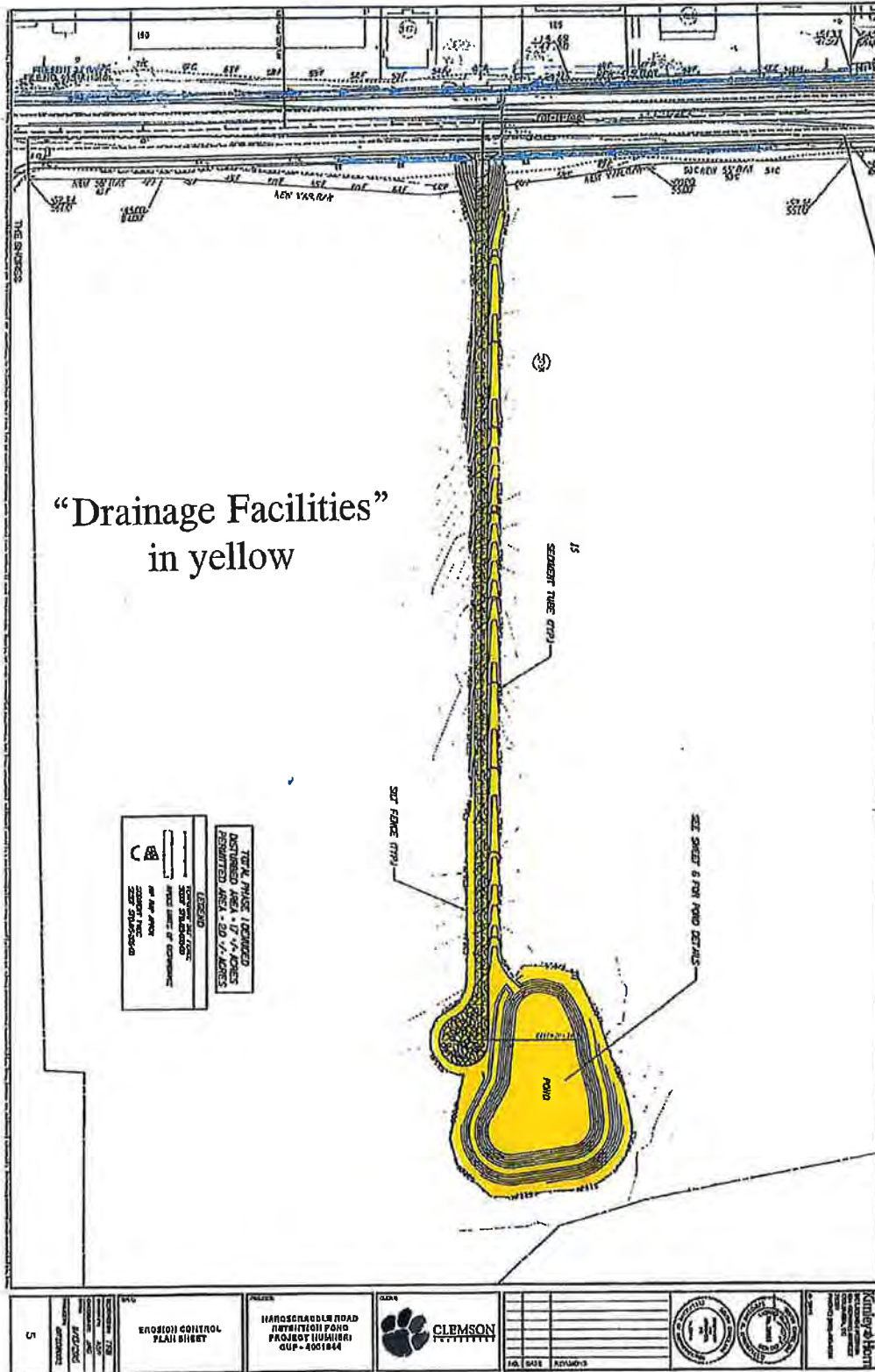


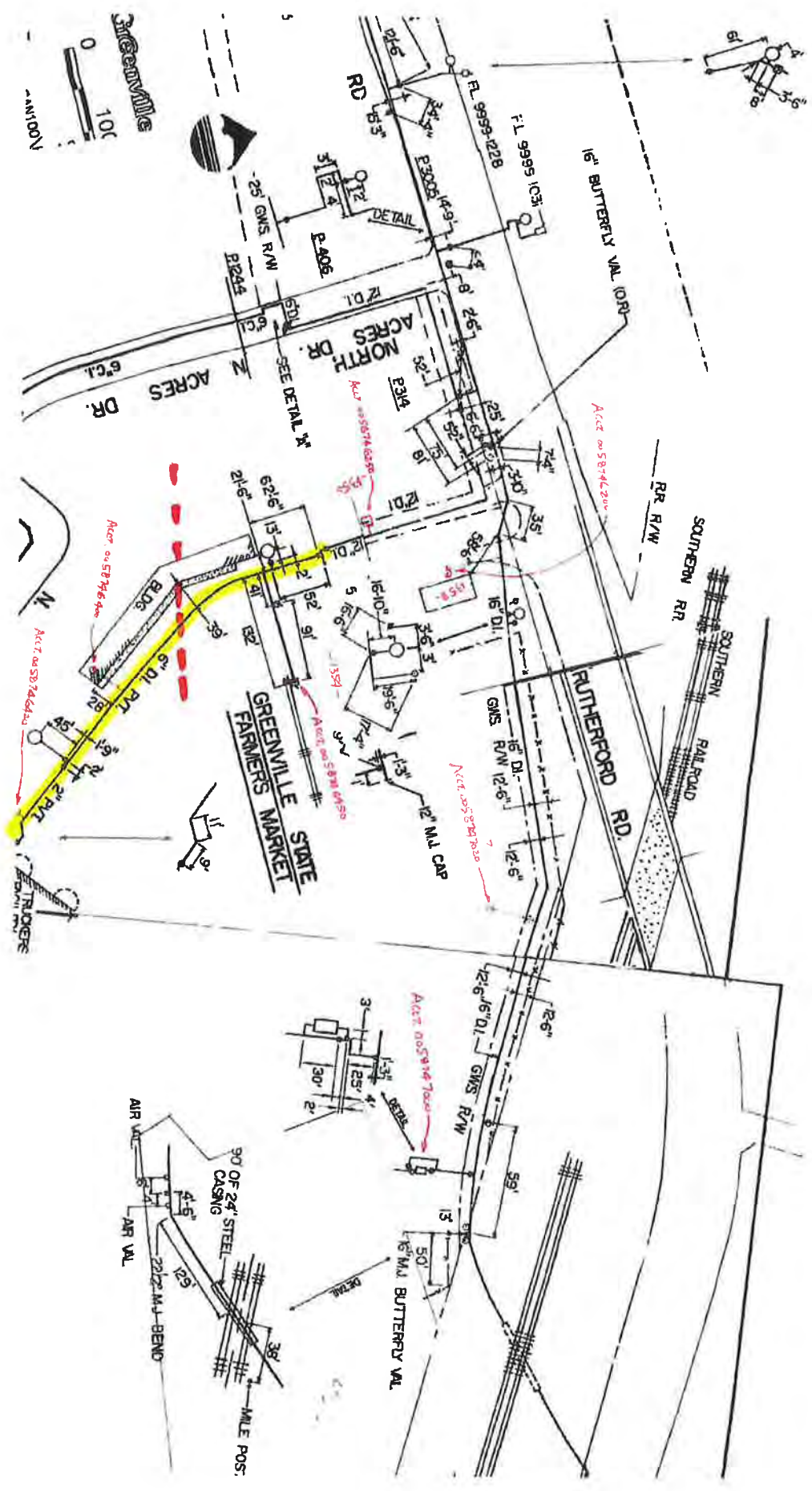
Sanitary Sewer Gravity Main 'B' Profile (STA. 0+00 TO 8+00)

TITLE BLOCK PROJECT NO. 04-10-110 SHEET OF 1	RECORDED DRAWINGS FOR THE RELEASE OF FINANCIAL RECORDS IMPROVEMENTS FOR MIDLAND TECHNICAL COLLEGE IN TERREPRISE CAMPUS	SANITARY SEWER GRAVITY MAIN 'B' PLAN AND PROFILE RECORD DRAWING STA. 0+00 TO 8+00	ALLIANCE CONSULTING ENGINEERS 10000 West 10th Street, Suite 100 Oklahoma City, Oklahoma 73160 Phone: (405) 764-1111	PROFESSIONAL ENGINEER STATE OF OKLAHOMA No. 12345	PROFESSIONAL ENGINEER STATE OF OKLAHOMA No. 67890	DATE: 08/14/2014 DRAWN BY: J. [Name] CHECKED BY: [Name] APPROVED BY: [Name]
	PROJECT: [Project Name]					

Exhibit "A"
 2016 SCDOT/Clemson Hard Scrabble Road Agreement

(9)





AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyances

The Department of Administration, Real Property Services recommends approval of the following real property conveyances:

- (a) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 7.65 ± acres
Location: Between Noisette Boulevard and Johns Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: To be determined/Not less than appraised value
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.
- (b) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 2.0 ± acres together with a 21,721 square foot office/warehouse building (Building NH-62)
Location: 2340 Avenue F, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.
- (c) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 1.5 ± acres together with a 15,788 square foot office building (Building NH-61)
Location: 1580 Turnbull Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.

AUTHORITY ACTION REQUESTED:

Approve the real property conveyances as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 31, 2017

Blue Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Division of Facilities Management
and Property Services

(b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 7.65 ± acres
Location: Between Noisette Boulevard and Johns Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: To be determined/Not less than appraised value
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.
- (b) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 2.0 ± acres together with a 21,721 square foot office/warehouse building (Building NH-62)
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County: Charleston
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Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.
- (c) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 1.5 ± acres together with a 15,788 square foot office building (Building NH-61)
Location: 1580 Turnbull Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.20.

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

5. What is recommendation of Department of Administration? Approve the property conveyances as requested.

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2017-2018 Appropriations Bill H3720, Part 1B, Proviso 93.20
3. (a) Department of Commerce – Charleston County
- (b) Department of Commerce – Charleston County
- (c) Department of Commerce – Charleston County

(a-c) Department of Commerce
Charleston County

List of Supporting Documents:

1. Letter from Department of Commerce dated July 14, 2017
2. Maps

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

Editor's Note

Except for designation of the paragraphs, this section and former Section 1-11-57 were identical. For consistency, Section 1-11-57 is treated as an amendment to this section.

Effect of Amendment

2014 Act No. 121, Section 7.C, rewrote subsection (A).

South Carolina General Assembly
122nd Session, 2017-2018

H. 3720
General Appropriations Bill for fiscal year 2017-2018
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 93 – D50-DEPARTMENT OF ADMINISTRATION

93.20. (DOA: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Department of Administration and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for nonrecurring purposes. This provision applies to all state agencies and departments except institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Department of Administration for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state-owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

**(a-c) Department of Commerce
Charleston County**

List of Supporting Documents:

1. Letter from Department of Commerce dated July 14, 2017
2. Maps



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

July 14, 2017

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

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

Dear Delbert and Ashlie:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to seek the approval of the State Fiscal Accountability Authority ("SFAA"), and/or the Department of Administration ("DOA") to dispose and surplus:

- 1) 7.65 acres of real property which is contiguous to a 42,370 square foot building, a 24,840 square foot shed and 2.743 acres that were approved by SFAA on May 2, 2017;
- 2) 2.0-acre improved parcel containing a 21,721 square foot building; and
- 3) 1.5-acre improved parcel containing a 15,788 square foot building.

Palmetto Railways acquired the property in December 2010 when the B&CB approved a confidential series of transactions under the code name Project 2010, which involved acquisition by Palmetto Railways of approximately 240 acres (+/-) of property in close proximity to existing Port of Charleston terminals. Acquisition of the property by Palmetto Railways was necessary to provide a rail solution in the North Charleston area that would accommodate the State's plan to construct an intermodal container transfer facility (nka "NBIF").

Palmetto Railways does not need the property for implementation of the NBIF and therefore the Commerce and Palmetto Railways respectfully request that SFAA and/or DOA approve the disposal of said property. Proceeds from the sale will be used to fund the NBIF project.

ACTION REQUESTED

1. Approve the surplus of 7.65 acres of real property
2. Approve the surplus of a 2.0-acre improved parcel containing a 21,721 square foot building
3. Approve the surplus of 1.5-acre improved parcel containing a 15,788 square foot building

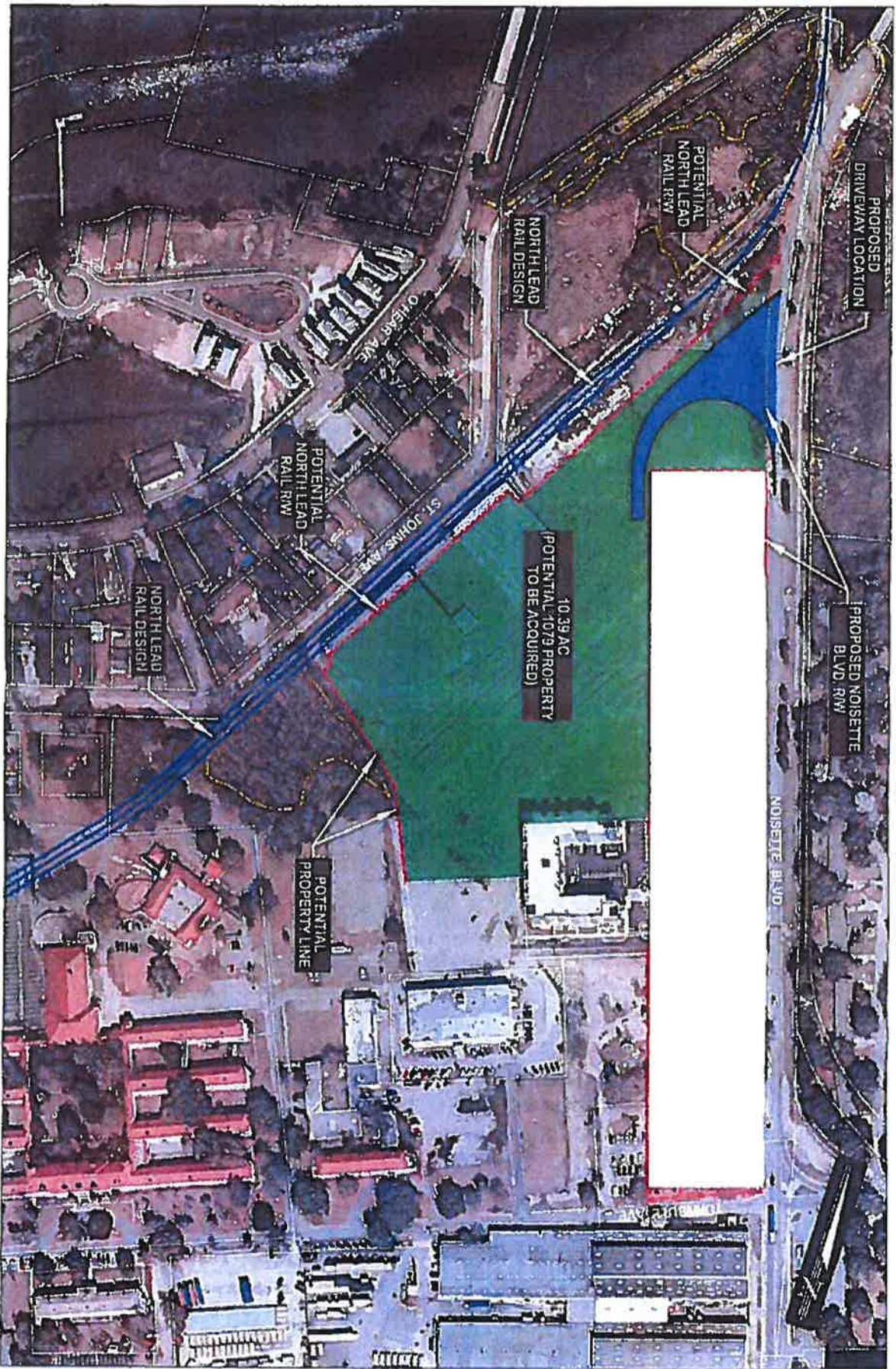
Sincerely,

Chris Huffman
Chief Financial Officer

Cc: Robert M. Hitt III
Jeff McWhorter, President, Palmetto Railways
Karen Blair Manning, Chief Legal Counsel

Attachments:

1. McRitchie Appraisal (additional land value appraised on page 59)
2. 1580 Turnbull Avenue Appraisal
3. 2340 Avenue F Appraisal
4. Survey – 7.65 acres (includes 2.743 acres approved for surplus in May 2017 for total of 10.39 acres)
5. Title
6. Real Property Transaction Submission and Approval Form-McRitchie
7. Real Property Transaction Submission and Approval Form and Plat-1580 Turnbull
8. Real Property Transaction Submission and Approval Form and Plat-2340 Avenue F



PROPOSED DRIVEWAY LOCATION

POTENTIAL NORTH LEAD RAIL RW

NORTH LEAD RAIL DESIGN

O'HEAR AVE

POTENTIAL NORTH LEAD RAIL RW

ST. JOHNS AVE

NORTH LEAD RAIL DESIGN

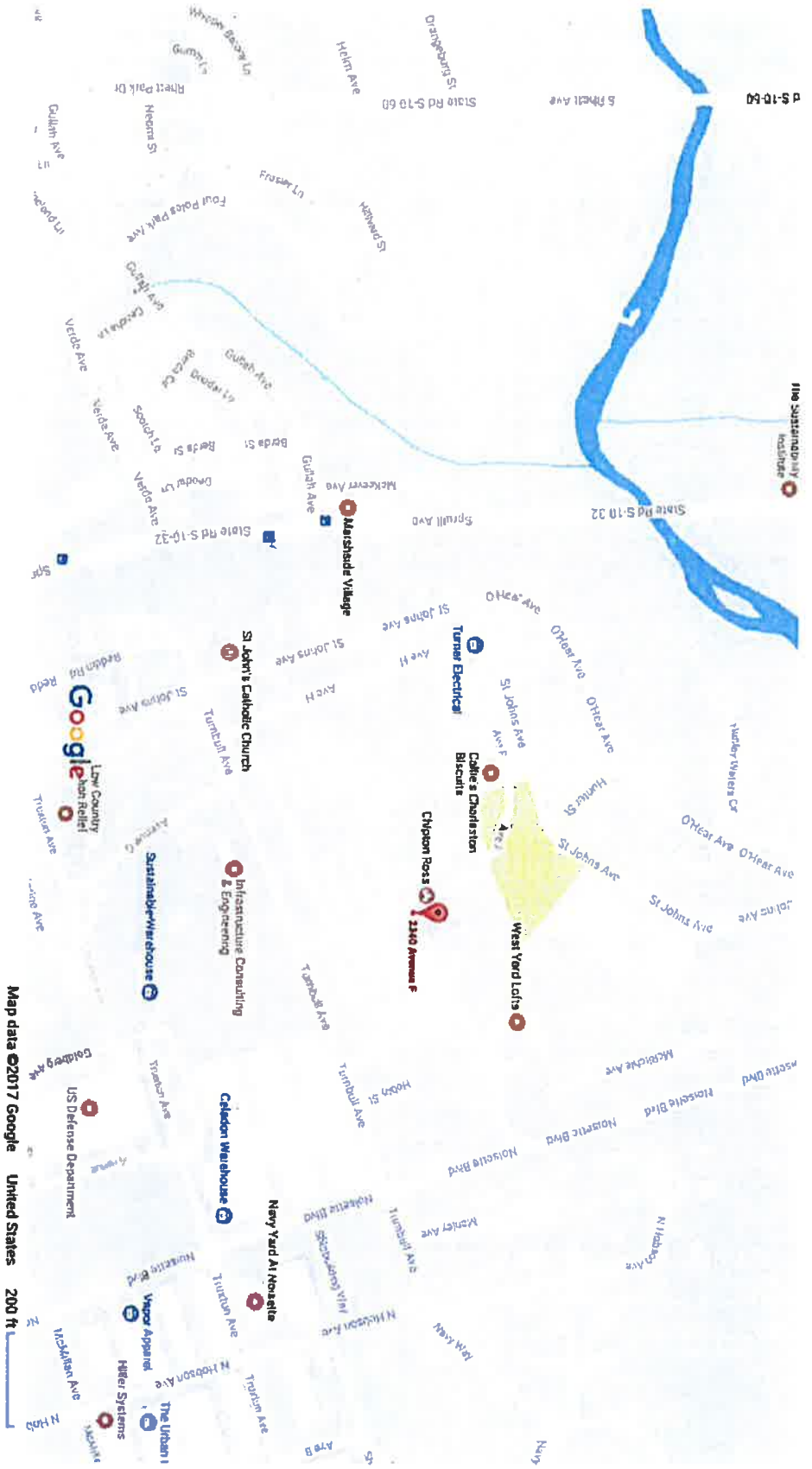
10.39 AC
(POTENTIAL 1079 PROPERTY TO BE ACQUIRED)

POTENTIAL PROPERTY LINE

NOISSETTE BLVD

PROPOSED NOISSETTE BLVD RW

Google Maps 2340 Ave F



Map data ©2017 Google United States 200 ft

Google Maps 1580 Turnbull Ave



Map data ©2017 Google United States 200 ft

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification

- a. In accordance with Section 11-35-1230 of the South Carolina Consolidated Procurement Code (the Code), the Division of Procurement Services (Procurement Services) has reviewed the procurement system of the Office of the Adjutant General. As the Office of the Adjutant General has not requested procurement certification, the audit report is submitted as information only. The Office of the Adjutant General has requested a follow-up review which will begin in December 2017 and Procurement Services will report back to the Authority by the end of June 2018.
- b. Procurement Services, in accord with Section 11-35-1210, has audited the following agency and recommends certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

Midlands Technical College: supplies and services, \$350,000* per commitment; information technology, \$150,000* per commitment; consultant services, \$150,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

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

The College complies with the Code, State regulations, and the College's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. Procurement Services recommends the Authority grant Midlands Technical College the certification limits noted above.

AUTHORITY ACTION REQUESTED:

- a. Receive the audit report of the Office of the Adjutant General as information only.
- b. In accord with Section 11-35-1210, approve the recommended certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used) for the following agency:

Midlands Technical College: supplies and services, \$350,000* per commitment; information technology, \$150,000* per commitment; consultant services, \$150,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

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

ATTACHMENTS:

Agenda item worksheet and attachment

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

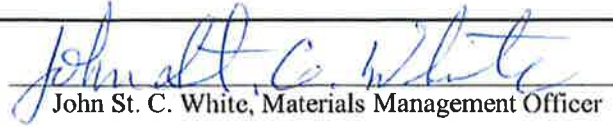
Meeting scheduled for: August 31, 2017

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Audit of the Office of the Adjutant General

3. Summary Background Information:

In accordance with Section 11-35-1230 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the Office of the Adjutant General. The Office of the Adjutant General has not requested procurement certification. Therefore, the audit report is submitted as information only. The Office of the Adjutant General requested we do a follow-up review. We will begin this review in December, 2017 and will report back to the Authority by the end of June, 2018.

4. What is Authority asked to do?

Receive the audit report as information only.

5. What is recommendation of Authority division involved?

We recommend the report be received as information only.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 11-35-1230 of the Consolidated Procurement Code

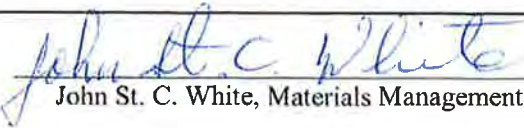
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: August 31, 2017

Blue Agenda

1. Submitted by:

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


 John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for Midlands Technical College

3. Summary Background Information:

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 300,000 Per Commitment	*\$ 350,000 Per Commitment
II. Information Technology	*\$ 100,000 Per Commitment	*\$ 150,000 Per Commitment
III. Consultant Services	*\$ 300,000 Per Commitment	*\$ 350,000 Per Commitment
IV. Construction Contract Change Order	\$ 25,000 Per Change Order	\$ 25,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 5,000 Per Amendment

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

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

4. What is Authority asked to do?

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

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

§ 11-35-1230. Auditing & Fiscal Reporting

(1) The designated board office, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

In procurement audits of governmental bodies thereafter, the auditors from the designated board office shall review the adequacy of the system's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the State Fiscal Accountability Authority. The auditors shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations of the designated board office, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.

§ 11-35-1210. Certification

(1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

(2) Policy. Authorizations granted by the board to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining of the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Charleston County
Amount of Issue: Not Exceeding \$38,000,000 Special Source Revenue Bonds
Allocation Needed: -0-
Name of Project: Mercedes Benz Vans, LLC
Employment Impact: 1,308
Project Description: acquisition and construction of infrastructure and improved and unimproved real estate to be used in manufacturing Sprinter Vans and related vehicles by Mercedes Benz Vans, LLC
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

- b. Issuing Authority: Greenwood County
Amount of Issue: Not Exceeding \$81,000,000 Hospital Facilities Revenue Refunding Bonds
Allocation Needed: -0-
Name of Project: Self Regional Healthcare
Employment Impact: N/A
Project Description: refund outstanding principal amount of the \$25,000,000 Auction Rate Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2004B and the \$50,000,000 Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2009
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P.A.

- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$16,000,000 Multifamily Housing Revenue Note
Allocation Needed: -0-
Name of Project: The Preserve at Logan Park
Employment Impact: N/A
Project Description: to provide financing for the acquisition, rehabilitation, and construction of a 191-unit apartment development located in the City of Greenville
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolutions with attachments

A RESOLUTION APPROVING THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF SPECIAL SOURCE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$38,000,000, PURSUANT TO THE PROVISIONS OF TITLE 4, CHAPTERS 1 AND 29 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

WHEREAS, the County Council of Charleston County, South Carolina (the "County Council") has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of the Code of Laws of South Carolina 1976, as amended, requested the approval by the State Fiscal Accountability Authority (the "SFAA") of the issuance by Charleston County, South Carolina (the "County") pursuant to Title 4, Chapter 1 and Section 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the "Act"), of its special source revenue bonds, in an aggregate principal amount not exceeding \$38,000,000; and

WHEREAS, in order to induce Mercedes Benz Vans, LLC (the "Mercedes") to expand its manufacturing operations in Charleston County by acquiring, constructing, and installing a manufacturing facility for the Sprinter Vans and related vehicles (and related activities), directly or through related companies (the "Project"), resulting in a significant expansion of its operations in Charleston County by investing an additional not less than \$495,000,000 and creating an additional not less than 1,308 new jobs in Charleston County, the County Council approved a fee-in-lieu of tax agreement and determined to fund the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving Charleston County and improved or unimproved real estate used in the operation of a manufacturing enterprise (the "Infrastructure Project"), all of which will constitute "infrastructure" within the meaning of the Act; and

WHEREAS, the County Council has determined that the Infrastructure Project is infrastructure serving Charleston County and improved or unimproved real estate used in the operation of a manufacturing enterprise (all within the meaning of the Act) and that such Infrastructure Project is for the benefit of the economic welfare and improvement of the people who are residents of Charleston County and for the benefit of the economic welfare and economic improvement of Charleston County and its citizens; and

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of the Act to issue special source revenue bonds payable solely from revenues from a payment in lieu of taxes pursuant to Section 13 of Article VIII of the Constitution of the State for the purpose of paying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County and improved or unimproved real estate used in the operation of a manufacturing enterprise; and

WHEREAS, the County Council has determined that it is in the best interest of the citizens of Charleston County to issue special source revenue bonds in the aggregate principal amount of not to exceed \$38,000,000 (the "Bonds") to pay a portion of the costs of the Infrastructure Project, such special source revenue bonds to be payable from payments received by the County from Mercedes pursuant to an Amended and Restated Fee-in-Lieu of Tax and Incentives Agreement (the "FILOT Agreement") which are secured by payments received by the

County from Daimler North America Corporation pursuant to a guaranty agreement (or such other alternative security permitted by the County under the FILOT Agreement), and further from the FILOT Revenues (the "Pledged FILOT Payments") received by the County under the Multi-County Park Agreement (the "Undertaking"); and

WHEREAS, the Bonds will be limited obligations of the County, payable solely from the Pledged FILOT Payments; and

WHEREAS, the bond ordinance, the bond indenture, and the Bonds issued thereunder impose no pecuniary liability on the County and do not create a charge against the general credit or taxing power of the County;

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

Section 1. It has been found and determined by the State Fiscal Accountability Authority that the undertaking of the County to issue the Bonds and to defray the costs of the Infrastructure Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

Section 2. On the basis of the foregoing, the Undertaking of the County to issue the Bonds to defray the costs of the Infrastructure Project (including changes in any details of said financing as finally consummated which do not materially affect the Undertaking) be and the same is hereby approved (including the issuance of bond anticipation notes pending the issuance of the Bonds).

Section 3. Notice of the action taken by the State Fiscal Accountability Authority in giving approval to the Undertaking of the County shall be published in The Post and Courier which is a newspaper having general circulation in Charleston County.

Section 4. The notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit A to this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

**NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 4-29-140 OF THE CODE OF LAWS
OF SOUTH CAROLINA 1976, AS AMENDED**

Notice is hereby given that following the filing of a Petition by the County Council of Charleston County, the State Fiscal Accountability Authority of South Carolina has given its approval pursuant to the provisions and requirements of Section 4-29-140 of the Code of Laws of South Carolina 1976, as amended, to the following undertaking (the "Undertaking") by Charleston County, South Carolina:

The issuance by Charleston County of its special source revenue bonds in the amount not exceeding \$38,000,000 (the "Bonds"), for the purposes of paying a portion of the costs of designing, acquiring, constructing, improving, or expanding the infrastructure serving Charleston County and improved and unimproved real estate used in the operation of a manufacturing facility to induce Mercedes Benz Vans, LLC (the "Mercedes") to expand its manufacturing operations in Charleston County by acquiring, constructing, and installing a manufacturing facility for the Sprinter Vans and related vehicles (and related activities), directly or through related companies, resulting in a significant expansion of its operations in Charleston County. The Bonds will be limited obligations of the County to be issued under and pursuant to the provisions of Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended, and payable solely from fee-in-lieu of tax payments payable to the County.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Fiscal Accountability Authority's approval of the Undertaking, by action *de novo* instituted in the Court of Common Pleas for Charleston County, South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Charleston, County Series: 2017
 Borrower (if not Issuer): _____
 Bond Caption: Special Source Revenue Bonds
 Bond Resolution Amount: \$38,000,000.00 Est. Production/Par Amt: \$34,065,000.00

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

Final Production/Par Amt: \$0.00**Submitted By:**

ENTITY: Howell Linkous & Nettles, LLC
 BY: Samuel W. Howell
 ITS: Partner
 Tel: 843.266.3801
 Email: samhowell@bond-law.com

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): YMSRB (EMMA) Continuing Disclosure Responsible Party: Charleston County

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Mercedes Benz Vans, LLC
 Project Address/Location: 8501 Palmetto Commerce Parkway, North Amount: \$33,100,000.00
 Project Type: Manufacturing Facility County: Charleston County
 Projected Avg Interest Rate: 3.78% Final Maturity: 12/01/38

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: First Tryon Disclosure Counsel: Not selected
 Bond Counsel: Howell Linkous & Nettles, LLC Issuer's Counsel: Joe Dawson, Esq.
 Underwriter: Not selected Trustee: Wells Fargo Bank
 Paying Agent: Wells Fargo Bank Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

To induce Mercedes Benz Vans, LLC to expand its Sprinter Van manufacturing facility in Charleston County with a \$495 million expansion creating 1,308 jobs, the County will issue the Bonds to finance a portion of the costs of design, acquisition, construction, and improvement of infrastructure serving the County and real property used in the operation of a manufacturing enterprise, all of which will constitute "infrastructure" within the meaning of the Special Source Revenue Bond Act. The balance of the funds necessary for the project will be provided by Mercedes Benz Vans, LLC.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	08/22/17	
JBRC Approval:	00/00/00	N/A
SFAA Approval:	08/31/17	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes	No
	X

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

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

Sq. Footage -	
Cost Estimate -	\$0

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	FYE	Spend Down Schedule Notes
\$ 33,490,999.00	4/1/2018	Reimbursement of construction costs & COI at closing
\$ 312,431.00	10/30/2018	Cap. Interest
\$ 261,570.00	4/1/2019	Cap. Interest
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 34,065,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 34,065,000.00	\$ 33,100,000.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 574,001.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 386,260.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$ 4,739.00	Accrued Interest
Residual Project Sources			Rounding Amount
(6) Other			Other
(a) GF -	\$		Other
(a) FF -	\$		Other
(c) OF -	\$		Other
Total Project Sources	\$ 34,065,000.00	\$ 34,065,000.00	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	First Tryon			\$	\$	\$
Bond Counsel	LLC			\$ 75,000.00	\$	\$ 75,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Joe Dawson			\$	\$	\$
Underwriter's Counsel				\$ 45,000.00	\$	\$ 45,000.00
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$ 28,000.00	\$	\$ 28,000.00
Rating Agency - Moody's				\$ 32,000.00	\$	\$ 32,000.00
Rating Agency - Fitch				\$ 25,000.00	\$	\$ 25,000.00
Underwriter's Compensation				\$ 168,260.00	\$	\$ 168,260.00
Registrar / Paying Agent	Wells Fargo Bank			\$ 5,000.00	\$	\$ 5,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 3,000.00	\$	\$ 3,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 5,000.00	\$	\$ 5,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 386,260.00	\$	\$ 386,260.00

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!
0.22%	#DIV/0!
0.35%	#DIV/0!
0.25%	#DIV/0!

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

0.49%	#DIV/0!
0.04%	#DIV/0!
1.13%	#DIV/0!

RESOLUTION

STATE FISCAL ACCOUNTABILITY AUTHORITY

WHEREAS, heretofore Greenwood County Council (“Council”), the governing board of Greenwood County, South Carolina (the “County”), did, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the “Act”), petition the State Fiscal Accountability Authority (the “SFAA”) seeking the approval of the SFAA to a proposal by Council to issue bonds in order to refinance hospital facilities pursuant to the Act; and

WHEREAS, Greenwood County Hospital Board (the “Board”), a duly organized public body corporate of the State of South Carolina established pursuant to Act No. 1554 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1968, as amended (“Act No. 1554”), has requested that the County issue its bonds pursuant to the Act in order to refinance a proposed undertaking by the Board; and

WHEREAS, Act 1554 authorizes the County, subject to the approval of the majority of the Board, to issue revenue bonds for the purpose of providing hospital facilities for the residents of the County, which facilities are to be operated by the Board; and

WHEREAS, the proposed undertaking consists of providing funds to (i) refund all or a portion of the \$25,000,000 Greenwood County, South Carolina Auction Rate Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2004B, of which approximately \$25,000,000 is currently outstanding (the “2004B Bonds”); (ii) refund all or a portion of the \$50,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Regional Healthcare) Series 2009, of which approximately \$50,000,000 is currently outstanding (the “2009 Bonds” and together with the 2004B Bonds the “Prior Bonds”); and (iii) defray certain costs of issuance of the 2017 Bonds (as hereinafter defined); and

WHEREAS, the proceeds of the 2004B Bonds were used to finance and refinance the costs of the acquisition of land, buildings or other improvements thereon, machinery, equipment, office furnishings and other depreciable assets, constituting hospital facilities located in the County (the “2004B Project”); and

WHEREAS, the proceeds of the 2009 Bonds were used to (1) finance certain additions, expansions and enlargements to its existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities located in the County (the “2009 Project”); (2) pay certain costs of issuance of the 2009 Bonds; (3) fund interest during construction of the 2009 Project; (4) fund a reserve fund, if required, in connection with the issuance of the 2009 Bonds; and (5) pay other fees and expenses incurred in connection with the acquisition, construction and financing thereof (the “2009 Project” and together with the 2004B Project, the “Prior Projects”); and

WHEREAS, in order to refund the Prior Bonds and to pay for certain costs of issuance, Council proposes to provide for the issuance of not exceeding \$81,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2017 (the “2017 Bonds”); and

WHEREAS, pursuant to the Act, the 2017 Bonds will be payable by the County from the payments to be made by the Board pursuant to a Trust Agreement dated as of December 1, 1987 (the “Trust Agreement”), by and among the County, the Board and The Bank of New York Mellon Trust Company, N.A., as successor to Wachovia Bank, N.A., as trustee (the “Trustee”), as such Trust Agreement may from time to time be amended and supplemented; in order to provide for the issuance of

NOTICE PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11,
CODE OF LAWS OF SOUTH CAROLINA 1976

Notice is hereby given that, following the filing of a Petition by Greenwood County Council (“Council”), the governing board of Greenwood County, South Carolina (the “County”), to the State Fiscal Accountability Authority (the “SFAA”), approval has been given by the SFAA to the proposal of Council to (i) refund the \$25,000,000 Greenwood County, South Carolina, Auction Rate Hospital Facilities Revenue Bonds (Self Regional Healthcare), Series 2004B (the “2004B Bonds”), previously issued to finance and refinance the costs of the acquisition of land, buildings or other improvements thereon, machinery, equipment, office furnishings and other depreciable assets, constituting hospital facilities located in the County (the “2004B Project”); (ii) refund all or a portion of the \$50,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Bonds (Self Memorial Hospital) Series 2009 (the “2009 Bonds” and together with the 2004B Bonds the “Prior Bonds”), previously issued to finance the costs of to (a) finance certain additions, expansions and enlargements to its existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities located in the County (the “2009 Project” and together with the 2004B Project the “Prior Projects”); (b) pay certain costs of issuance of the 2009 Bonds; (c) fund interest during construction of the 2009 Project; (d) fund a reserve fund, if required, in connection with the issuance of the 2009 Bonds; and (e) pay other fees and expenses incurred in connection with the acquisition, construction and financing thereof; and (iii) pay certain costs of issuance of the 2017 Bonds (defined below).

To refund the Prior Bonds, the County will issue its not exceeding \$81,000,000 Greenwood County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Self Regional Healthcare) Series 2017 (the “2017 Bonds”), pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the “Act”). In accordance with Section 44-7-1480 of the Act, Council has found:

- (a) There is a continued need for the Prior Projects in the area in which the Prior Projects are located.
- (b) The Greenwood County Hospital Board (the “Board”) is financially responsible and capable of fulfilling its obligations under the Trust Agreements pursuant to which the proceeds of the 2017 Bonds will be made available to the Board, including the obligations to make the payments required thereunder, and to discharge such other responsibilities as may be imposed under the Trust Agreement.
- (c) Adequate provision has been made for the payment of the principal of and the interest on the 2017 Bonds and for the continued operation, maintenance and repair of the Prior Projects and all necessary reserves therefor have been or will be established.
- (d) The public facilities, including utilities, and public services necessary for the Prior Projects have been made available.

No Certificates of Need are required for the refunding of the Prior Bonds. Approval by the SFAA includes approval of changes in the proposal of Council from that set forth in its Petition to the SFAA which do not materially change the undertaking therein described.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge (a) the action of the SFAA in approving the issuance of the 2017 Bonds, or (b) the action taken by Council in applying the criteria and requirements of

Section 44-7-1480 of the Act, by action *de novo* instituted in the Court of Common Pleas for Greenwood County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
By: Delbert H. Singleton, Jr., Secretary



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Greenwood County, South Carolina Series: 2017
 Borrower (if not Issuer): Self Regional Healthcare
 Bond Caption: Hospital Facilities Revenue Refunding Bonds, Series 2017
 Bond Resolution Amount: \$81,000,000.00 Est. Production/Par Amt: \$65,720,000.00

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

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Self Regional Healthcare
 BY: Tim Evans
 ITS: _____
 Tel: 864-725-4228
 Email: tim.evans@selfregional.org

Transaction Type/Method of Sale:

<input checked="" type="checkbox"/>	Public Offering:	Competitive: _____	Negotiated: <input checked="" type="checkbox"/>
<input type="checkbox"/>	Direct Placement:	Competitive: _____	Negotiated: _____
<input type="checkbox"/>	Governmental Loan/Governmental Purchaser		
<input type="checkbox"/>	Other: _____		

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: _____ Amount: \$0.00
 Project Type: _____ County: _____
 Projected Avg Interest Rate: _____ Final Maturity: 01/00/00

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
Series 2009	2020 - 2039	\$ 50,000,000.00	4.5% - 5.375%	3.20%	\$ 6,300,860.00	12.77%
Series 2004B	2018 - 2034	\$ 25,000,000.00	2.75%	2.75%	\$ (1,921,680.05)	N/A
		\$			\$	
Total		\$ 75,000,000.00	*****	*****	\$ 4,379,179.95	

4. FINANCING WORKING GROUP

Financial Advisor:	<u>Kaufman Hall & Associates, LLC</u>	Disclosure Counsel:	<u>N/A</u>
Bond Counsel:	<u>Haynsworth Sinkler Boyd, P.A.</u>	Issuer's Counsel:	<u>Greenwood County Attorney</u>
Underwriter:	<u>Morgan Stanley</u>	Trustee:	<u>US Bank</u>
Paying Agent:	<u>US Bank</u>	Other:	<u>McNair Law Firm (UW Counsel)</u>

5. FINANCING/PROJECT DESCRIPTION

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

The Series 2017 bonds will be issued to advance refund for savings the borrower's Series 2009 revenue bonds in the amount of \$50,000,000, callable on 10/1/2019. The Series 2004B Auction Rate (ARS) bonds may also be refunded. (** Please see the attached supplemental document which analyzes the prospective 2004B refunding **)

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/18/17	Petition to SFAA
JBRC Approval:	00/00/00	N/A
SFAA Approval:	08/31/17	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	08/15/17	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

	Yes	No
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)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.	Sq. Footage - <input type="text"/>	Cost Estimate - <input type="text"/>
		\$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 80,342,269.40	9/30/2018	COI, Redemption Proceeds
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 80,342,269.40		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 65,720,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$ 9,677,180.40	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 78,941,504.75	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$ 4,945,089.00	\$ 1,396,460.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$ 4,304.65	Accrued Interest
Residual Project Sources		\$	Rounding
(6) Other	\$	\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 80,342,269.40	\$ 80,342,269.40	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	Kaufman Hall			\$ 185,000.00	\$	\$ 185,000.00
Bond Counsel	Haynsworth Sinkler Boyd			\$ 175,000.00	\$	\$ 175,000.00
Disclosure Counsel					\$	\$
Issuer's Counsel	Attorney			\$ 5,000.00	\$	\$ 5,000.00
Underwriter's Counsel	McNair Law Firm			\$ 130,000.00	\$	\$ 130,000.00
Transaction Counsel				\$	\$	\$
Legal Expenses (Title Work)	TBD			\$ 125,000.00	\$	\$ 125,000.00
Borrower's Counsel	Firm			\$ 85,000.00	\$	\$ 85,000.00
Rating Agency - S&P	S&P			\$ 75,000.00	\$	\$ 75,000.00
Rating Agency - Moody's	Moody's			\$ 75,000.00	\$	\$ 75,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Morgan Stanley			\$ 425,250.00	\$	\$ 425,250.00
Registrar / Paying Agent				\$ 3,500.00	\$	\$ 3,500.00
Escrow Agent	US Bank			\$ 1,620.00	\$	\$ 1,620.00
Accountant	Dixon Hughes Goodman			\$ 75,000.00	\$	\$ 75,000.00
Verification Agent	TBD			\$ 3,000.00	\$	\$ 3,000.00
Printing	Imagemaster			\$ 7,290.00	\$	\$ 7,290.00
Publishing	TBD			\$ 800.00	\$	\$ 800.00
Advertising				\$	\$	\$
Contingency				\$ 25,000.00	\$	\$ 25,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 1,396,460.00	\$	\$ 1,396,460.00

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

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

0.28%	#DIV/0!
0.27%	#DIV/0!
0.79%	#DIV/0!
0.23%	#DIV/0!

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

0.65%	#DIV/0!
0.18%	#DIV/0!
2.12%	#DIV/0!



**South Carolina Office of State Treasurer
New Debt Information Form Attachment**

***08.31.17 – Greenwood County – Hospital Facilities Refunding Revenue
Bonds - \$81,000,000***

In Response to Section 5:

The contemplated refunding of the 2004B bonds would be a variable to fixed refunding in order to take advantage of the current fixed rate market and mitigate the risk of rising interest rates in the future. The Series 2004B ARS bonds are in a variable rate mode and therefore the actual NPV Savings will depend upon market rates as of the day of bond pricing and what the variable rates would be over the remaining life of the bonds. As noted in Section 3 above, assuming current variable interest rates, the fixed rate refunding would produce a slight dissavings. However, if it is assumed to use the 20-year historical average under the existing Series 2004B ARS variable rate pricing, the fixed rate refunding produces NPV savings in excess of \$4.5 million in today's current fixed rate market.

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE NOTE (THE PRESERVE AT LOGAN PARK)

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

WHEREAS, the Authority has presented to the SFAA its Petition dated August __, 2017 (the "Petition"), which, together with the schedules thereto attached, sets forth certain information with respect to the Authority's Multifamily Housing Revenue Note (The Preserve at Logan Park) in the principal amount not to exceed \$16,000,000(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. The SFAA hereby finds and determines that the funds estimated to be available for the repayment of the Authority's notes and bonds on a pro forma basis, including the Note, will be sufficient to provide for the payment of the principal and interest thereon. Conditional approval is hereby granted by the SFAA to the execution and delivery by the Authority of the Note in the principal amount not to exceed \$16,000,000.

Section 2. The approval of the SFAA is hereby conditioned on the following:

(a) Following the pricing or sale of the Note, but prior to closing and issuance of the Note, the approval of the State Treasurer of the interest rate or rates on the Note and of the form and substance of such documents as he deems necessary therefor;

(b) Following the pricing or sale of the Note, but prior to the closing and 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) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the final amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii);
- (v) the method to be employed in selling the Note.

(c) Following the pricing or sale of the Note, but prior to the closing and issuance of the Note, the State Treasurer shall find and determine, based solely on his review of the documents described in clauses (i) through (v) above, 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 Housing Sponsor (as defined in the Petition); and

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

Section 3. This Resolution shall take effect immediately upon its adoption.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance and Dev. Authority Series: 2017
 Borrower (if not Issuer): 80 Thruston Street, LLC
 Bond Caption: Multifamily Housing Revenue Note (The Preserve at Logan Park)
 Bond Resolution Amount: \$16,000,000.00 Est. Production/Par Amt: \$14,250,000.00

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

Submitted By:

ENTITY: Howell Linkous & Nettles, LLC
 BY: Samuel W. Howell
 ITS: Partner
 Tel: 843.266.3801
 Email: samhowell@bond-law.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: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: The Preserve at Logan Park
 Project Address/Location: 80 Thruston Street, Greenville, SC Amount: \$14,250,000.00
 Project Type: Multifamily Rental Housing Facilities County: Greenville
 Projected Avg Interest Rate: 4.72% Final Maturity: 09/01/54

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: Eichner Norris & Neumann PLLC
 Bond Counsel: Howell Linkous & Nettles, LLC Issuer's Counsel: Tracey Easton
 Underwriter: None Trustee: None
 Paying Agent: None Other: Citibank (Lender)

5. FINANCING/PROJECT DESCRIPTION

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

** Please see the attached supplemental document **

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	12/22/16	
JBRC Approval:	00/00/00	N/A
SFAA Approval:	08/31/17	

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?

Yes	No
	X

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

Sq. Footage -	
Cost Estimate -	\$0

C

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 4,213,180.00	2/28/2018	A&E, Construction
\$ 7,444,068.00	8/31/2018	Construction & equipping; redemption of Note
\$ 2,592,752.00	12/31/2018	Construction & equipping; redemption of Note
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 14,250,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$	\$ 22,938,835.00	Project Fund
(b) Premium/Accr. Int.	\$ 14,250,000.00	\$ 926,244.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 3,950,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 562,375.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$	Accrued Interest
Type -	\$ 9,039,068.00	\$ 183,186.00	Working Capital
Residual Project Sources		\$ 75,000.00	Title
(6) Other		\$ 6,500.00	Market Study
(a) GF - TGHA Loan	\$ 6,455,000.00	\$ 155,625.00	Tax Credit Syndication & borrowing fees
(a) FF - FHLB ATL - AHP	\$ 500,000.00	\$ 14,000.00	Construction Monitor
(c) OF - Deferred Dev. Fee	\$ 567,697.00	\$	Repayment of Partner Loans
Total Project Sources	\$ 30,811,765.00	\$ 30,811,765.00	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	LLC			\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel	PLLC			\$ 20,000.00	\$	\$ 20,000.00
Issuer's Counsel	Tracey Easton			\$	\$	\$
Underwriter's Counsel	N/A			\$	\$	\$
Developer's Counsel	Gregory/Hortan Law Firm			\$ 50,000.00	\$	\$ 50,000.00
Lender & Lender Counsel	Citi Community Capital			\$ 320,500.00	\$	\$ 320,500.00
Rating Agency - S&P	N/A			\$	\$	\$
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch	N/A			\$	\$	\$
Underwriter's Compensation	N/A			\$	\$	\$
Registrar / Paying Agent	N/A			\$	\$	\$
Escrow Agent	N/A			\$	\$	\$
Accountant	TBD			\$	\$	\$
Verification Agent	N/A			\$	\$	\$
Printing	N/A			\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$ 106,875.00	\$	\$ 106,875.00
				\$ 562,375.00	\$	\$ 562,375.00

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!
3.20%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.75%	#DIV/0!
3.95%	#DIV/0!



South Carolina Office of State Treasurer
New Debt Information Form Attachment
08.31.17 – SCHFDA – Preserve at Logan Park - \$16,000,000

In Response to Section 5:

The contemplated project is the acquisition, construction, and rehabilitation of 191 units of affordable multifamily rental housing in Greenville. Total development costs are \$26,861,165, of which permanent debt financing in the amount of \$10,300,000 will be provided by the Note to be delivered to Citi Community Capital, \$9,039,068 will be provided by the syndication of federal low income housing tax credits (the "Tax Credits"), \$6,455,000 will be provided as a subordinate loan from the Greenville Housing Authority, \$500,000 will be provided as a subordinate loan through FHLB Atlanta, and \$567,697 of deferred developer fee. To qualify for the Tax Credits, at least 50% of the eligible basis in the project must be initially funded by the tax exempt Note. Therefore, the Note will be issued in the amount of \$14,250,000 and applied to pay project construction costs; Tax Credit equity in the amount of \$3,950,000 will be deposited to the Redemption Price/Escrow Deposit to pay down the Note to its permanent amount of \$10,300,000 upon construction completion.

AGENCY: Executive Director

SUBJECT: Economic Development (2017 Ceiling Allocations)

The initial balance of the 2017 state ceiling allocation is \$496,111,900. In accord with Code Section 1-11-520, \$198,444,760 (40% of the total) was designated as the state pool and \$297,667,140 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$496,111,900 remaining for 2017. Allocation requests for 2017 totaling \$70,604,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$52,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$444,111,900 (state pool - \$198,444,760; local pool - \$245,667,140) to be allocated later in the calendar year.

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA (Jobs-Economic Development Authority) has requested that the allocations of \$27,000,000 for the HarborChase of Riverwalk project and \$25,000,000 for the River Park Senior Living project be designated as carryforward for use in subsequent years. The projects are exempt facilities (i.e., qualified residential rental bonds) under Section 142 of the Internal Revenue Code and are eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of November 29, 2017.

AUTHORITY ACTION REQUESTED:

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 HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000.

Designate the allocations for the projects for carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service, provided that the bonds have not been issued on or before the ceiling allocation expiration date of November 29, 2017.

ATTACHMENTS:

2017 Ceiling Allocation Requests; Young 7/14/17 Memo; Code Section 1-11-500 et seq.

2017 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Alloc	Request St. Law	Location	NOTES
1	01/02/17	Gville Housing Authority	9,302,000	9,302,000	Howell				
2	01/09/17	JEDA	27,000,000	36,302,000	Emily Luther	x	x	Greenville	
3	01/09/17	JEDA	25,000,000	61,302,000	Emily Luther	x		Rock Hill	
4	03/28/17	Gville Housing Authority	9,302,000	70,604,000	Howell	x		Little River	
5	07/09/17	JEDA	27,000,000	97,604,000	Emily Luther	x		Greenville	
6	07/09/17	JEDA	25,000,000	122,604,000	Emily Luther	x		Rock Hill	
								Little River	

2017 South Carolina State Ceiling
Balance remaining as of August 31, 2017, if ceiling allocation granted

State Pool (40%) 198,444,760
 Total State Pool (40%) 198,444,760

Local Pool (60%) 297,667,140
 Total Local Pool (60%) 297,667,140
Certified State Ceiling 2017 496,111,900

Date	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
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01/03/17 STATE POOL 198,444,760

TOTAL, STATE POOL

198,444,760 0 198,444,760 0

01/03/17	LOCAL POOL		297,667,140	0				
01/31/17	Gville Housing Authority	Elements West End		0			expired	Howell
01/31/17	JEDA	HarborChase of Riverwalk		0			expired	Luther
01/31/17	JEDA	River Park Senior Living		0			expired	Luther
05/02/17	Gville Housing Authority	Elements West End		0			expired	Howell
08/31/17	JEDA	HarborChase of Riverwalk		27,000,000				Luther
08/31/17	JEDA	River Park Senior Living		25,000,000				Luther

TOTAL, LOCAL POOL

297,667,140 52,000,000 245,667,140 0

GRAND TOTAL

496,111,900 52,000,000 444,111,900 0

2017 South Carolina State Ceiling Allocations

Summary, CY 2017

2017 State Ceiling	496,111,900
Initial Allocations	122,604,000
Expired/Relinquished	70,604,000
Actual Allocations	52,000,000
Certified for Issue	0
Carried Forward	0

Balance Available: 444,111,900

Issuer	Name of Project	Allocation Amount	Expired/Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 1/31/17						
G'ville Housing Authority	Elements West End	9,302,000	9,302,000		expired	Howell
JEDA	HarborChase of Riverwalk	27,000,000	27,000,000		expired	Luther
JEDA	River Park Senior Living	25,000,000	25,000,000		expired	Luther
Allocation: 5/2/17						
G'ville Housing Authority	Elements West End	9,302,000	9,302,000		expired	Howell
Allocation: 8/31/17						
JEDA	HarborChase of Riverwalk	27,000,000				Luther
JEDA	River Park Senior Living	25,000,000				Luther



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young *ADY*
Date: July 14, 2017
Re: August 31, 2017 meeting

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 two senior living projects the Department of Commerce recommends approval of both at the August 31, 2017, meeting of the State Fiscal Accountability Authority. These two projects are committing to create 150 new jobs within 24 months.

Name	Amount	Score	County
HarborChase of Riverwalk	\$27,000,000	3	York
River ParkSenior Living Center	\$25,000,000	6	Horry

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.

HISTORY: 1987 Act No. 117, Section 1.
Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1987 Act No. 117, Section 2.

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.

HISTORY: 1987 Act No. 117, Section 3.

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.

HISTORY: 1987 Act No. 117, Section 4.

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.

HISTORY: 1987 Act No. 117, Section 5.

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.

HISTORY: 1987 Act No. 117, Section 6.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1987 Act No. 117, Section 7.

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.

HISTORY: 1987 Act No. 117, Section 8.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1995 Act No. 145, Part II, Section 20.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

AGENCY: Executive Director

SUBJECT: Economic Development (2017 Ceiling Allocations)

The initial balance of the 2017 state ceiling allocation is \$496,111,900. In accord with Code Section 1-11-520, \$198,444,760 (40% of the total) was designated as the state pool and \$297,667,140 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$496,111,900 remaining for 2017. Allocation requests for 2017 totaling \$70,604,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$52,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$444,111,900 (state pool - \$198,444,760; local pool - \$245,667,140) to be allocated later in the calendar year.

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA (Jobs-Economic Development Authority) has requested that the allocations of \$27,000,000 for the HarborChase of Riverwalk project and \$25,000,000 for the River Park Senior Living project be designated as carryforward for use in subsequent years. The projects are exempt facilities (i.e., qualified residential rental bonds) under Section 142 of the Internal Revenue Code and are eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of November 29, 2017.

AUTHORITY ACTION REQUESTED:

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 HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000.

Designate the allocations for the projects for carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service, provided that the bonds have not been issued on or before the ceiling allocation expiration date of November 29, 2017.

ATTACHMENTS:

2017 Ceiling Allocation Requests; Young 7/14/17 Memo; Code Section 1-11-500 et seq.

2017 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request		Location	NOTES
						Alloc	St/Law		
1	01/02/17	Gville Housing Authority	9,302,000	9,302,000	Howell			Greenville	
2	01/05/17	JEDA	27,000,000	36,302,000	Emily Luther	x	x	Rock Hill	
3	01/05/17	JEDA	25,000,000	61,302,000	Emily Luther	x	x	Little River	
4	03/28/17	Gville Housing Authority	9,302,000	70,604,000	Howell	x		Greenville	
5	07/05/17	JEDA	27,000,000	97,604,000	Emily Luther	x		Rock Hill	
6	07/05/17	JEDA	25,000,000	122,604,000	Emily Luther	x		Little River	

2017 South Carolina State Ceiling
Balance remaining as of August 31, 2017, if ceiling allocation granted

State Pool (40%)	198,444,760
Total State Pool (40%)	<u>198,444,760</u>
Local Pool (60%)	297,667,140
Total Local Pool (60%)	<u>297,667,140</u>
Certified State Ceiling 2017	<u>496,111,900</u>

<u>Date</u>	<u>Governmental Unit</u>	<u>Name of Project</u>	<u>Pool Total</u>	<u>Amount Allocated</u>	<u>Balance Available</u>	<u>Certified for Issue</u>	<u>Issue Date</u>	<u>Attorney</u>
01/03/17	STATE POOL		198,444,760					

TOTAL, STATE POOL

<u>198,444,760</u>	<u>0</u>	<u>198,444,760</u>	<u>0</u>
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01/03/17	LOCAL POOL							
01/31/17	Gville Housing Authority	Elements West End	297,667,140	0			expired	Howell
01/31/17	JEDA	HarborChase of Riverwalk		0			expired	Luther
01/31/17	JEDA	River Park Senior Living		0			expired	Luther
05/02/17	Gville Housing Authority	Elements West End		0			expired	Howell
08/31/17	JEDA	HarborChase of Riverwalk		27,000,000			expired	Luther
08/31/17	JEDA	River Park Senior Living		25,000,000				Luther

TOTAL, LOCAL POOL

<u>297,667,140</u>	<u>52,000,000</u>	<u>245,667,140</u>	<u>0</u>
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GRAND TOTAL

<u>496,111,900</u>	<u>52,000,000</u>	<u>444,111,900</u>	<u>0</u>
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2017 South Carolina State Ceiling Allocations

Summary, CY 2017

2017 State Ceiling **496,111,900**
 Initial Allocations 122,604,000
 Expired/Relinquished 70,604,000
 Actual Allocations **52,000,000**
 Certified for Issue 0
 Carried Forward 0

Balance Available: 444,111,900

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 1/31/17						
Gville Housing Authority	Elements West End	9,302,000	9,302,000		expired	Howell
JEDA	HarborChase of Riverwalk	27,000,000	27,000,000		expired	Luther
JEDA	River Park Senior Living	25,000,000	25,000,000		expired	Luther
Allocation: 5/2/17						
Gville Housing Authority	Elements West End	9,302,000	9,302,000		expired	Howell
Allocation: 8/31/17						
JEDA	HarborChase of Riverwalk	27,000,000				Luther
JEDA	River Park Senior Living	25,000,000				Luther



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young *ADY*
Date: July 14, 2017
Re: August 31, 2017 meeting

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 two senior living projects the Department of Commerce recommends approval of both at the August 31, 2017, meeting of the State Fiscal Accountability Authority. These two projects are committing to create 150 new jobs within 24 months.

Name	Amount	Score	County
HarborChase of Riverwalk	\$27,000,000	3	York
River ParkSenior Living Center	\$25,000,000	6	Horry

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.

HISTORY: 1987 Act No. 117, Section 1.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1987 Act No. 117, Section 2.

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.

HISTORY: 1987 Act No. 117, Section 3.

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.

HISTORY: 1987 Act No. 117, Section 4.

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.

HISTORY: 1987 Act No. 117, Section 5.

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.

HISTORY: 1987 Act No. 117, Section 6.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1987 Act No. 117, Section 7.

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.

HISTORY: 1987 Act No. 117, Section 8.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

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.

HISTORY: 1995 Act No. 145, Part II, Section 20.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

AGENCY: Department of Administration, Facilities Management and Property Services;
Patriots Point Development Authority

SUBJECT: 1. Patriots Point Development Authority Lease-Out to Patriots Annex, LLC
2. *Laffey* Loan Repayment

1. Patriots Point Development Authority Lease-Out to Patriots Annex, LLC

The Patriots Point Development Authority (PPDA) seeks approval to lease essentially all its remaining property available for sale, lease or development (approximately 61.75 acres). The term of the lease is expected to last more than 100 years and possibly well in excess of 125 years. The lease agreement is approximately 200 pages long and is a very complex document. The lessee is not restricted in its use of the lease as collateral for loans, but as an unsubordinated lease, lessee's lenders have no lien against PPDA's underlying fee simple interest in the property.

An executive summary of the lease, which appears in the agenda item worksheet, is included as **Attachment "A"**. Due to the complexity of the lease, PPDA provided additional information in response to written questions. These questions and PPDA's responses are included as **Attachment "B"** and **Attachment "C"**. PPDA prepared an "Overview" package, which is included as **Attachment "D"**. The lease and its exhibits are included as **Attachment "F"**. A table of contents for the lease is included as **Attachment "E"**. Additional items are available upon request.

PPDA's enabling authority appears in Title 51, Chapter 13.

JBRC Action

At its meeting on June 6, 2017, the Joint Bond Review Committee reviewed and recommended approval of the proposed lease agreement between the Patriots Point Development Authority and Patriots Annex, LLC contingent on two requirements:

1. That Patriots Point Development Authority provide a report prior to March 31 each year to the Joint Bond Review Committee and the State Fiscal Accountability Authority regarding the status of the proposed lease (an outline of the proposed report was included in the JBRC agenda item), and
2. That Patriots Point Development Authority submit a plan for the repayment of the 2009 loan from the State Budget and Control Board for restoration of the *USS Laffey* for Joint Bond Review Committee review.

Patriots Point Development Authority has committed to providing the report referenced above. (See letter from PPDA included as **Attachment "G"**.)

AGENCY: Department of Administration, Facilities Management and Property Services;
Patriots Point Development Authority

SUBJECT: 1. Patriots Point Development Authority Lease-Out to Patriots Annex, LLC
2. *Laffey* Loan Repayment

2. *Laffey* Loan Repayment

By letter dated June 7, 2017, PPDA submitted a proposed plan to JBRC for repayment of the 2009 *USS Laffey* loan. (See letter from PPDA included as **Attachment “H”**.)

At its meeting on August 15, 2015, the Joint Bond Review Committee reviewed and recommended approval of PPDA's proposal to repay the *USS Laffey* loan. The proposal, dated June 7, 2017, calls for PPDA to make payments of interest only for three years, principal payments of \$700,000 per year plus interest for the next two years, and then the remaining balance of the principal to be paid in six equal payments plus interest for six years. Final payment will be due on August 31, 2028.

AUTHORITY ACTION REQUESTED:

1. Pursuant to Section 1-11-55 and 1-11-58 and applicable regulations, approve only the Amended and Restated Master Lease Agreement between Patriots Point Development Authority and Patriots Annex, LLC dated as of December 19, 2016 and included as Attachment “F”.
2. Approve the revised repayment plan requested by Patriots Point Development Authority, as reflected in Attachment “H”.

ATTACHMENTS:

- A. Agenda Item Worksheet with executive summary
- B. Questions and Answers about the Amended and Restated Master Lease Agreement between Patriots Point Development Authority and Patriots Annex, LLC - Last Update: March 31, 2017
 - Exhibit A - Plat titled “Various Parcels At Patriots Point” (same as Exhibit B)
 - Exhibit C - Land Inventory
 - Exhibit D - Minimum Rent Projection for Questions and Answers (revised 4/18/2017)

AGENCY: Department of Administration, Facilities Management and Property Services;
Patriots Point Development Authority

SUBJECT: 1. Patriots Point Development Authority Lease-Out to Patriots Annex, LLC
2. *Laffey* Loan Repayment

C. Questions and Answers Regarding Due Diligence Conducted by Patriots Point Development Authority Concerning Mike Bennett in Relation to the Amended and Restated Master Lease Agreement between Patriots Point Development Authority and Patriots Annex, LLC - Last Update: May 25, 2017

D. PPDA's Overview

1. Essential Fact Sheet
2. Plats, Surveys, and Plans:
 - a. **Proposed Conceptual Master Plan**
 - b. Vignette of Initial Conceptual Master Plan
 - c. Patriots Annex, LLC Lease Parcels Overview
 - d. Boundary Survey of Patriots Annex, LLC Lease Parcels
 - e. Plat of Existing Landlord Subparcels
 - f. Plat of New Landlord Subparcels
3. Executive Summary of Amended and Restated Master Lease Agreement – Rev. 5/31/2017
4. Memo – Patriots Annex, LLC and Michael R. Bennett
5. Memo – Appraisal Process and Determination of Fair Market Rent
6. Memo - Rent Structure Comparison and Historical Rent Revenues
7. PPDA's Capital Expenditures Plan
8. Projection - Minimum Rent – Sensitivity Analysis – Inflation (updated 4/18/2017)
9. Projection - Percentage Rent & Debt Service Analysis; Fair Market Rent Derived from Appraisals
10. Projection – Revenue (other than Patriots Annex, LLC Lease) and Expenditures, etc.

E. Lease Agreement: Table of Contents

F. Lease Agreement (Amended and Restated Master Lease Agreement dated as of December 19, 2016)

AGENCY: Department of Administration, Facilities Management and Property Services;
Patriots Point Development Authority

SUBJECT: 1. Patriots Point Development Authority Lease-Out to Patriots Annex, LLC
2. *Laffey* Loan Repayment

- G. Reporting Commitment (Letter from Mac Burdette to Delbert Singleton dated August 21, 2017)
- H. Repayment Plan (Letter from Mac Burdett to JBRC dated June 7, 2017 with enclosed Patriots Point / *Laffey* Loan–Amended Amortization Schedule–Proposed Amendment Dated August 31, 2017)
- I. PPDA Request for SFAA Approval (Letter from Mac Burdett to Delbert Singleton dated August 15, 2017)

ITEMS AVAILABLE UPON REQUEST:


- 1. Short Description of Land inventory - April 22, 2016
- 2. PPDA Meeting Minutes dated Aug. 15, 2014 (missing first page, requested from Phil.)
- 3. PPDA Resolution approving the Amended and Restated Master Lease dated December 16, 2016
- 4. PPDA Resolution regarding due diligence on lessee dated May 19, 2017
- 5. Economic and Financial Analysis by Dr. Joseph C. Von Nessen dated May 2017
- 6. Phase I Environmental Site Assessment dated July 14, 2016

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 31, 2017

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Facilities Management and Property Services 
(b) Authorized Official Signature: Ashlie Lancaster, Director

2. Subject: Patriots Point Development Authority Lease-Out to Patriots Annex, LLC

3. Summary Background Information

*Capitalized and Bold terms in the following summary
are defined terms in the proposed lease agreement.*

Patriots Point Development Authority (PPDA) is requesting approval to lease approximately 61.75 acres (the "**Premises**") located on Patriots Point Road to Patriots Annex, LLC ("**Tenant**"). **Tenant** is a South Carolina limited liability company formed on March 24, 2016. It is manager-managed and the manager is Patriots Annex Management, Inc. **Tenant** is owned 99% by Mike Bennett and 1% by Patriots Annex Management, Inc., which is wholly owned by Mike Bennett.

Lease & Lease Term Commencement

The **Lease Commencement Date** is the date of State Fiscal Accountability Authority approval. The term of the **Lease** is a minimum of 99 years (unless earlier terminated), beginning on the **Term Commencement Date**, which is the date that the appropriate authority has issued the first certificate of occupancy for improvements constructed on the **Premises**. The **Term Commencement Date** could begin more than twenty-one years after the **Lease Commencement Date**.

From the **Lease Commencement Date**, **Tenant** has an **Inspection Period** during which **Tenant** will apply for zoning, negotiate fee-in-lieu of property tax and other required agreements with the Town of Mt. Pleasant and the County of Charleston, and otherwise perform its due diligence. **Tenant's Inspection Period** ends only when specific conditions precedent are met, including **Tenant** obtaining the required zoning, property tax agreements and **Development Agreement** for the **Premises** from the Town of Mt. Pleasant and the County of Charleston. If the **Inspection Period** exceeds two years, either PPDA or **Tenant** may cancel the **Lease** but there is no requirement to do so and the **Inspection Period** could potentially extend indefinitely.

Construction Commitments

Tenant will develop the **Premises** pursuant to a **Conceptual Master Plan** approved by PPDA. **Tenant's Proposed Conceptual Master Plan** is attached to the **Lease** as Exhibit F, but PPDA has not approved the **Proposed Conceptual Master Plan**. During the **Inspection Period**, **Tenant** will refine its **Proposed Conceptual Master Plan** and will present a **Conceptual Master Plan** to PPDA. PPDA's approval of the **Conceptual Master Plan** is in its sole discretion and will not be subject to further review by any other State governmental authority.

Tenant can update and amend the **Conceptual Master Plan** from time to time during the **Lease** term, subject to PPDA approval and within the time frames set forth in the **Lease**. The **Conceptual Master Plan** must include **Tenant's** anticipated uses.

The **Minimum Development Requirements** are the aggregate improvements to be constructed on or made to the **Premises**. The current **Minimum Development Requirements** are set forth in **Tenant's Proposed Conceptual Master Plan**. The **Tenant's Proposed Conceptual Master Plan** will be modified over time by the **Conceptual Master Plan** and the **Master Plan**. As modified, the **Minimum Development Requirements** will include at least the square footages and/or other applicable units of measurement such as hotel guest rooms per use (including all of the common areas, roadways, parking, pedestrian access, and parks and other areas to be landscaped within the **Premises**) set forth therein.

Tenant must commence construction on one or more of the improvements to be built on the **Premises** within three years of the end of the **Inspection Period**.

If **Tenant** does not complete the **Minimum Development Requirements** within 15 years of the **Lease Commencement Date**, the **Lease** includes an escalating system of penalties designed to incentivize **Tenant** to complete the development. If **Tenant** has not completed the **Minimum Development Requirements** by the 21st anniversary of the **Lease Commencement Date**, then PPDA has the option, but not the obligation, to cancel the **Lease** with regard to the portions of the **Premises** that are not complete and operational, following twelve (12) months' notice.

Pre-construction Financing Review

The **Lease** contains requirements to safeguard PPDA by providing that improvements will be completed once **Tenant Commences Construction** of improvements, those improvements will be completed. One of the items that **Tenant** must provide to PPDA prior to commencing any construction on the **Premises** is **Tenant's "Proof of Financial Capability"** with respect to the entire cost of the construction that **Tenant** proposes to commence. To satisfy this requirement, **Tenant** must provide PPDA either (i) a commitment letter or other sufficient proof of a commitment from a lender to provide adequate financing to assure construction of the improvements, or (ii) satisfactory proof in PPDA's reasonable discretion that **Tenant** has committed the necessary financial resources to assure construction of the improvements. **Tenant** must also provide PPDA with customary payment and performance bonds of the general contractor's obligations under the relevant construction contract. If **Tenant** provides payment and performance bonds to its construction lender and PPDA is also listed as a "beneficiary" [presumably meaning as an "obligee"] on those bonds, **Tenant** does not have to provide separate bonds for PPDA but PPDA's interest therein shall be junior to the interest of the lender. If **Tenant's** construction lender does not require payment and performance bonds, then PPDA may also waive the payment and performance bond requirement, but only if such waiver is approved by the State Fiscal Accountability Authority at that time.

Encumbering the Leasehold / Lender Rights & Collateral

A **Lender** who loans funds to **Tenant** for the construction of improvements on the **Premises** is permitted by the **Lease** to place a mortgage on **Tenant's Leasehold Estate** as collateral for any **Loans**. As such, the **Lender-related** provisions of the **Lease** contain numerous restrictions on PPDA's ability to terminate the **Lease** for uncured defaults before a **Lender** has had ample opportunities to cure material defaults or exercise its remedies, provided that the **Rent** must always continue to be paid. Generally, PPDA retains the right to terminate the **Lease** for nonpayment of **Rent** only after the **Lender** has been given required notice of delinquencies and to pay the **Rent** on **Tenant's** behalf.

PPDA Approval of Development & Construction Plans

Once **Tenant** and PPDA have agreed to a **Conceptual Master Plan**, but before **Tenant** can **Commence Construction** on a given portion of the **Premises**, **Tenant** must submit a **Development Plan** to PPDA covering the portion of the **Premises** on which **Tenant** desires to **Commence Construction** for PPDA's approval. All of the **Development Plans** together constitute the **Master Plan** for the **Premises**. Each new **Development Plan** is an amendment to the **Master Plan**. **Tenant** can update and amend a **Development Plan** (and therefore the **Master Plan**) from time to time during the **Lease** term, subject to PPDA approval.

Once PPDA has approved a **Development Plan** for a portion of the **Premises**, the final step before **Tenant** can **Commence Construction** is the submission by **Tenant** of **Construction Plans** for PPDA approval. The **Construction Plans** must include (i) a proposed site plan, (ii) a set of elevations for all proposed buildings, (iii) a proposed project construction and completion schedule, (iv) a description of the proposed uses on the applicable portion of the **Premises**, and (v) **Proof of Financial Capability** to construct the improvements.

Transfers / Assignments / Sub-leases

To accommodate separate financing for specific improvements, Patriots Annex, LLC (the **Tenant**) will have the right to subdivide the **Premises** and assign or sublease sub parcels without further approval by any other state governmental authority. Subject to certain complex and extensive **Transfers** that are expressly permitted in the **Lease**, **Tenant's** ability to **Transfer the Leasehold Estate** may be subject to PPDA's approval. "**Transfers**" include but are not limited to assignments, subleases, sales, mortgages, pledges and other types of encumbrances.

In addition to some restrictions on **Tenant's** ability to **Transfer** all or part of the **Leasehold Estate**, the ability of **Tenant's** shareholders and family members to **Transfer** equity interests in **Tenant** may be subject to PPDA's approval, subject to certain extensive and complex rights of **Transfer** that are expressly permitted in the **Lease**.

Maintaining Improvements & Insurance

Once **Tenant** has constructed improvements on the **Premises**, the **Lease** requires **Tenant** to maintain the improvements, including buildings, roads, parking lots, and landscaping, in good order and repair and in a safe, clean, sanitary, and orderly condition. The **Lease** requires **Tenant** to make repairs and renovations necessary to maintain the facilities operated on the **Premises** in a high quality condition. The **Lease** also requires **Tenant** to maintain insurance on the **Premises** prior to lease approval by the SFAA and later on the improvements to the **Premises**. **Tenant** must maintain a comprehensive general liability policy with limits specified in the **Lease** together with various other forms of coverage and limits some of which are subject to approval by PPDA.

Permitted Uses

Tenant's Permitted Uses under the **Lease** include but are not limited to: (i) conference centers, (ii) hotels, (iii) retail, (iv) restaurants and entertainment, (v) parking, (vi) offices, (vii) residential apartments as part of a mixed use building, (viii) event venues, (ix) government facilities, and (x) open space and pedestrian trails. **Tenant** is expressly prohibited from developing residential condominium units, vacation time shares, or other similar fractional real estate interests but may develop commercial horizontal property regimes or other fractional commercial real estate interests.

Minimum Rent, Percentage Rent, and When Rent Due

The **Minimum Rent Commencement Date** is the earlier of (1) one year after the end of the **Inspection Period**, or (2) the beginning of the fourth year after the **Lease Commencement Date**. As of the **Minimum Rent Commencement Date**, **Tenant** must begin paying the greater of (i) **Percentage Rent**, or (ii) **Minimum Rent**.

Minimum Rent consists of a percentage of **Fair Market Rent**, as determined initially through an appraisal process of a portion of the property prior to any development and increased annually by the percentage change in **CPI**. The percentage of **Fair Market Rent** payable as **Minimum Rent** is only 10% for the first applicable **Minimum Rent** period with an increase annually thereafter by an additional 10% until it reaches the full value of **Fair Market Rent** in the eleventh (11th) year after the **Minimum Rent Commencement Date**. **Minimum Rent** does not increase or decrease except as a result of reappraisal of **Fair Market Rent** which may occur in the forty-ninth (49th) year following the **Lease Commencement Date**, if requested by either party.

Technically, **Tenant** must begin paying **Percentage Rent** on the **Lease Commencement Date**. This **Rent** is contingent upon development of the site and as such does not represent revenue for PPDA until any improvements are complete. **Percentage Rent** consists of varying percentages of gross sales and rentals ranging from 3.5% to 12.5 % depending on the use.

Rent Forecasts

Based on **Tenant's Proposed Conceptual Master Plan** (discussed below), PPDA expects **Percentage Rent** to be an average of 6% of **Tenant's** gross income from the improvements on the **Premises**. No **Conceptual Master Plan** has yet been reviewed by PPDA. As such, the expected average gross income could change as well. As **Tenant** completes various improvements on the **Premises** and those improvements become operational and begin producing income on which **Percentage Rent** is due, PPDA expects **Percentage Rent** to exceed **Minimum Rent**.

Verifying Percentage Rent Due

In order to ensure that **Tenant** is paying the correct amount of **Percentage Rent** and that PPDA has the ability to verify that **Tenant** is paying the correct amount of **Percentage Rent**, the **Lease** requires that **Tenant** maintain accurate books and records accounting for all its gross revenues. At the time that each payment of **Percentage Rent** is due, **Tenant** must give PPDA a written statement showing the total amount of gross revenue received by **Tenant** and **Tenant Affiliates**, the amounts of gross revenue received from each category or type of use, and, in the case of **Gross Rentals**, the identity of each source of rental revenue. **Tenant** must attach to the statements its sales tax and use tax reports.

Within 90 days of the end of each **Lease Year**, **Tenant** must provide PPDA with audits of **Tenant's** and **Tenant Affiliate's** gross revenue. The audits must be conducted by an independent certified public accountant doing business in South Carolina and must be performed in accordance with objective and commercially reasonable audit procedures consistent with professional standards.

PPDA has the right to examine **Tenant's** books and records at any reasonable time in order to verify the accuracy of **Tenant's** statements of gross revenue.

Current Agency Use and Relocation

PPDA is currently using a portion of the **Premises** for purposes such as parking, a ticket sales office, a gift shop, administrative offices, a photo concession, exhibits and restroom facilities in connection with the operation of its museums. Implementing the **Lease** includes construction of a mixed-use development of the **Premises** that requires relocating some of PPDA's landside activities. PPDA will undertake

relocation of these facilities subject to required approvals under the State's Permanent Improvement Process and Consolidated Procurement Code. If the required approvals for the necessary PIPs are not obtained, **Tenant** can still require relocation by PPDA. Some of the relocation costs will be reimbursed to PPDA by the **Tenant** and other landside activities will be relocated at PPDA's cost. As part of the relocation of PPDA facilities, from time to time, portions of current PPDA parcels will be added to the **Premises** and as a result of certain new PPDA facilities, parcels will be removed from the **Premises**. If PPDA has not relocated a particular facility and/or use prior to the deadline for vacating such facility and/or use set forth in the **Lease**, then PPDA will be required to relocate such facility and/or use to a temporary location to allow **Tenant** to move forward with its development. If PPDA fails to perform due to non-appropriation, **Tenant** can perform the obligation on PPDA's behalf and make a contract-based claim against PPDA. Non-appropriation does not excuse PPDA's obligation to vacate a parcel and does not terminate **Tenant's** rights under the **Lease**. **Tenant** will be responsible for the demolition of any improvements left by PPDA on land that PPDA is required to vacate. PPDA facilities to be relocated include but are not limited to its primary facility, storage and maintenance, the **Vietnam Support Base** exhibit, and personnel and visitor parking.

Encumbered Parcels & Related Automatic Lease Extension

Portions of the **Premises** are subject to easements and restrictions that restrict the types of development that can occur on the encumbered property.

Parcel 2 is encumbered by a South Carolina Department of Natural Resources **Conservation Easement** that prohibits development of any kind. The **Conservation Easement** is set to expire in 2023.

The southern third of Parcel 2 and the eastern portion of Parcel 3 are encumbered by Federal Land Water Conservation Fund ("LWCF Agreement") restrictions. These restrictions limit development to improvements for public outdoor recreational use. The **LWCF Agreement** that put the restrictions in place specifies that the restricted land is to be used for a golf course and related amenities, but **Tenant** can apply to have the specified use changed. The **LWCF Agreement** restrictions do not expire, but they can be moved to other land of equivalent value.

The **Lease** provides that the same schedules and deadlines for obtaining zoning, submitting conceptual master plans and master plans, and commencing and completing construction of improvements that apply to the rest of the **Premises** also apply to the land restricted by the Department of Natural Resources and **LWCF Agreement** restrictions, except that the schedules and deadlines will be based on the dates that the restrictions are removed or expire, as applicable. As such, the ninety-nine year lease term for these parcels would not begin until such restrictions are removed, which could be decades in the future.

End of Lease & Extensions

At the time when half of the **Lease Term** has expired, the **Lease** requires PPDA and **Tenant** to negotiate in good faith for a renewal or extension of the **Lease Term** on such terms and conditions as they may agree, subject to approval by the appropriate governmental authorities at the time of such renewal or extension. Upon the expiration or earlier termination of the **Lease**, all of the improvements constructed on the **Premises** revert to PPDA. Unless the **Lease** is terminated because of **Tenant's** default, **Tenant** may remove its furniture, furnishings, equipment, and trade fixtures.

Sample Timelines

Two sample timelines are provided below. In the first sample timeline, **Tenant** obtains zoning and tax relief for the **Premises** 18 months after the **Lease Commencement Date**. In the second sample timeline, **Tenant** obtains zoning and tax relief 28 months after the **Lease Commencement Date**.

Sample Timeline 1:

Lease Commencement Date:	August 31, 2017
Percentage Rent Commencement Date	August 31, 2017
Zoning Approval by the Town of Mt. Pleasant:	March 3, 2019
Tax incentives granted by Charleston County	March 3, 2019
Last Day of Inspection Period:	March 3, 2019
Minimum Rent Commencement Date:	March 3, 2020 (Yr 3, 20%)
Commencement of Construction Deadline:	March 3, 2022
Deadline to Complete All Development:	August 31, 2032

Sample Timeline 2:

Lease Commencement Date:	August 31, 2017
Percentage Rent Commencement Date:	August 31, 2017
Zoning Approval by the Town of Mt. Pleasant:	December 31, 2019
Tax Incentives granted by Charleston County	December 31, 2019
Last Day of Inspection Period:	December 31, 2019
Minimum Rent Commencement Date:	August 31, 2020 (Yr 4, 30%)
Commencement of Construction Deadline:	December 31, 2022
Deadline to Complete All Development:	August 31, 2032

In Sample Timeline 1 above where **Tenant** begins paying **Minimum Rent** March 3, 2010 (during the third year of the **Lease**), **Tenant** would begin paying **Minimum Rent** at the rate of 20% of **Fair Market Rent**. In Sample Timeline 2 above where **Tenant** begins paying **Minimum Rent** August 31, 2020 (during the fourth year of the **Lease**), **Tenant** would begin paying **Minimum Rent** at the rate of 30% of **Fair Market Rent**.

JBRC

JBRC affirmatively recommended approval at its June 6, 2017 meeting contingent on receipt and approval of a plan to repay the *Laffey* loan. That plan was approved by JBRC at its August 15, 2017 meeting.

4. **What is SFAA asked to do?** Consider approval of the Lease out from PPDA to Patriots Annex, LLC.

5. **What is recommendation of Department of Administration?** Consider approval of the Lease out from PPDA to Patriots Annex, LLC.

6. **List of Supporting Documents:**

1. SC Code of Laws Sections 1-11-55 and 1-11-56
2. SC Code of Regulations 19-447.1000
3. Tenant's Proposed Conceptual Master Plan

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

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

(1) all prior approvals have been obtained;

(2) adequate funds exist for the lease payments;

(3) lease payments are no more than fair market rental; and

(4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.



Patriots Point Revenue Summary
Development Components

7.21.14

2014 Dollars

Hotels	Area sq.ft	Guest Rooms	ADR	Occupancy	Gross Revenue	% Ground Rent	Ground Rent
Hotel One	225,000						
Rooms Revenue		250	\$ 200.00	75%	\$ 13,687,500	3.5%	\$ 479,063
Rooms Revenue	115,000	150	\$ 150.00	75%	\$ 6,159,375	3.5%	\$ 215,578
F&B/Conference					\$ 5,000,000	5.0%	\$ 250,000
Rooms Revenue	70,000	100	\$ 130.00	75%	\$ 3,558,750	3.5%	\$ 124,556
Totals	410,000	500			\$ 28,405,625		\$ 1,069,197

Offices	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Office Building One	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Office Building Four	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Totals	540,000				\$ 12,960,000		\$ 907,200

Restaurants	Area				Gross Revenue	% Ground Rent	Ground Rent
Restaurant One	6,000				\$ 2,000,000	3.5%	\$ 70,000
	6,000				\$ 3,000,000	3.5%	\$ 105,000
	6,000				\$ 4,000,000	3.5%	\$ 140,000
Totals	18,000				\$ 9,000,000		\$ 315,000

Retail	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Retail Buildings 3, 4, 5, 6, 7	44,300	30.00			\$ 1,329,000	12.5%	\$ 166,125
	15,700	30.00			\$ 471,000	12.5%	\$ 58,875
	15,000	30.00			\$ 450,000	12.5%	\$ 56,250
Totals	75,000				\$ 2,250,000		\$ 281,250

Apartments	Area	No of Apts	NNN Rent/mth		Gross Revenue	% Ground Rent	Ground Rent
	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
Totals	140,000				\$ 3,120,000		\$ 249,600

Parking Garages							Ground Rent
	180,000	500	5.00		\$ 912,500	10.0%	\$ 91,250
	180,000	500	5.00		\$ 912,500	10.0%	\$ 91,250
Garage Three	180,000	500	5.00		\$ 912,500	10.0%	\$ 91,250
Totals	540,000				\$ 2,737,500		\$ 273,750

Grand Totals	1,723,000				\$ 55,353,125		\$ 3,095,997
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Future Land Phase							Ground Rent
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Land Currently Under Easement	22 Acres	Projected Ground Rent Potential from future development					\$ 1,000,000
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Final Grand Totals					\$ -		\$ 4,095,997
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PPDA
Original
Red

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

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

- (a) Summary 1-2018: JBRC Item 1. (H15) College of Charleston
 Project: 9666, City Bistro Interior Renovation
 Included in Annual CPIP: Yes – CPIP Priority 3 of 7 in FY18
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 8/3/17

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Auxiliary Funds	0.00	0.00	0.00	32,581.00	32,581.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>32,581.00</u>	<u>32,581.00</u>

Funding Source: \$32,581 Other, Auxiliary Funds, which are generated by Food Service which is a self-supporting auxiliary enterprise.

Request: Establish project and budget for \$32,581 (Other, Auxiliary Funds) to begin design work for the renovation of the interior of the City Bistro dining facility. The City Bistro is an all-you-care-to-eat residential dining hall located within the 27 year old Joe E. Berry, Jr. Residence Hall in the north central area of campus. It is a popular dining option among students, which can be credited in part to its convenient location. It is located within a five-minute walk of ten residence halls that collectively house approximately 3,000 students. The dining hall is 7,260 square feet and consists of five food service stations, 147 interior seats, and 78 exterior seats. The residence hall courtyard adjacent to the Bistro has been converted into a covered outdoor dining area and will add 102 seats to its capacity. The Bistro currently serves an average of 2,400 meals per day and this number is expected to increase with the addition of the outdoor seating area. The layout of the dining room and food service stations will be reconfigured to maximize food preparation space, counter top surface area, and storage capacity. The new configuration will better facilitate the heavy traffic flow that the Bistro regularly experiences. The trash area will also be reconfigured and the puller system will be replaced. New food service equipment will be added, the flooring will be replaced, and the restrooms will be renovated. Lighting and plumbing will be upgraded and new digital nutrition signage will be installed. These renovations will increase the service capacity

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

of the dining facility to meet current and anticipated demand and will help the college provide its students with timely food service and an enhanced campus experience. The agency estimates that the completed project will cost approximately \$2,172,100.

- (b) Summary 1-2018: JBRC Item 2. (H15) College of Charleston
 Project: 9667, Sottile Theatre Stage Renovation
 Included in Annual CPIP: Yes – CPIP Priority 2 of 7 in FY18
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 8/3/17

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improvement Project Funds	0.00	0.00	0.00	94,194.00	94,194.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>94,194.00</u>	<u>94,194.00</u>

Funding Source: \$94,194 Other, Capital Improvement Project Funds, which are revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The 2016-2017 per semester fee is \$804.

Request: Establish project and budget for \$94,194 (Other, Capital Improvement Project Funds) to begin design work for the renovation of the Sottile Theatre stage and backstage areas in an effort to increase safety as well as improve the efficiency and the quality of the performance space. The Phase I pre-design budget is requested at 2.00% of the estimated project cost and the additional amount will allow the college to engage theatrical consultants in addition to the standard architectural and engineering professional services in order to produce a reliable cost estimate and Phase I deliverables. Portions of the stage and backstage areas will be reconfigured to expand the usable stage and wing areas and increase accessibility to the backstage and wing areas for sets and performers. To achieve this, a wall will be removed, an exterior door added,

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

and the rigging system, electrical lighting panel, and basement stairway will be relocated. The current rigging system is antiquated, unsafe, and requires a certified technician to operate. It will be replaced with a safer modern system that is considered an industry standard, the use of which will allow theatre students to learn a marketable skill for the job market. Micro-piles and columns will be added in the basement to increase the stability of the structure. A deluge fire sprinkler system, fire door, and ramp will be installed. The stage floors will be replaced, the ceiling will be repaired, and the HVAC system will be upgraded. New front-of-house stage lighting positions will be installed. In total the project will improve the theatre experience for students and patrons while making it a safer space for learning, working, performing, and gathering. The 41,996 square foot Sottile Theatre, built in 1927, was refurbished and reopened as a College of Charleston facility in 1990. Since reopening, the theatre has served as a teaching laboratory and even venue for the college and the larger Charleston community. It serves as the venue for a variety of college, community-oriented, and privately sponsored events, programs, and performances. The construction portion of the project will be funded by a Spaulding-Paolozzi Foundation \$1.5 million grant pledged toward the project. The agency estimates that the completed project will cost approximately \$4,709,700.

Establish Construction Budget & Change Source of Funds

- (c) Summary 7-2017: JBRC Item 11. (H17) Coastal Carolina University
Project: 9609, Soccer Complex
Included in Annual CPIP: Yes – CPIP Priority 3 of 3 in FY18
JBRC/SFAA Phase I Approval: November 2015

CHE Recommended Approval: 3/16/17

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Institution Capital Project Funds	75,000.00	0.00	75,000.00	(75,000.00)	0.00
Other, Gift – Student Housing Foundation	0.00	0.00	0.00	3,500,000.0 0	3,500,000.0 0
Other, Gift – Coastal Athletic Foundation	0.00	0.00	0.00	1,500,000.0 0	1,500,000.0 0
All Sources	<u>75,000.00</u>	<u>0.00</u>	<u>75,000.00</u>	<u>4,925,000.0</u> <u>0</u>	<u>5,000,000.0</u> <u>0</u>

Funding Source: \$3,500,000 Other, Gift – Student Housing Foundation. \$1,500,000 Other, Gift – Coastal Athletic Foundation. These gifts are monetary sources of funds received from outside the university. These are funds pledged and/or received from the foundations for the purpose of supporting the university and are not connected to fees.

Request: Increase budget to \$5,000,000 (add \$4,925,000 Other, Gifts) to establish the Phase II construction budget to begin construction of the new soccer complex to be located on the East Campus. There are two buildings planned for the site in addition to the land improvements for the soccer field. The first building will be 1,596 square feet and will be a single story building that will serve as a public restroom and storage. The second building will be 7,778 square feet and will have men's and women's locker rooms, coaches offices, team meeting rooms, press box areas, broadcast room, both a sound a video both and restrooms. There are 750 bleacher seats planned for this part of the project, as well as field lights for night games. In past years, the University has hosted NCAA soccer playoff events for their nationally ranked men's soccer team, but could only accommodate a total of 500 spectators. The current complex is lacking support facilities, including on-site locker rooms due to property constraints. The new facility will provide a better game day experience by incorporating fan-related amenities. Currently the men's soccer team has 26

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

players and 3 coaches. The women's soccer team list 18 players and 3 coaches. The agency estimates that the completed project will cost approximately \$5,000,000. The agency also reports the projects date for execution of the construction contract is December 2017 and for completion of construction is November 2018. (See attachment 1 for additional annual operating costs.)

Phase II Increase

- (d) Summary 1-2018: JBRC Item 9. (H15) College of Charleston
 Project: 9662, Avery Envelope Renovation and Mechanical System Replacement
 Included in Annual CPIP: Yes – CPIP Priority 1 of 7 in FY18
 JBRC/SFAA Phase II Approval: June 2016

CHE Recommended Approval: 8/3/17

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improvement Project Funds	18,889.00	1,533,088.0 0	1,551,977.0 0	715,978.00	2,267,955.0 0
All Sources	<u>18,889.00</u>	<u>1,533,088.0</u> <u>0</u>	<u>1,551,977.0</u> <u>0</u>	<u>715,978.00</u>	<u>2,267,955.0</u> <u>0</u>

Funding Source: \$2,267,955 Other, Capital Improvement Project Funds, which are revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The 2016-2017 per semester fee is \$804.

Request: Increase budget to \$2,267,955 (add \$715,978 Other, Capital Improvement Project Funds) due to increased market values and an unsuccessful construction contract bid. In April 2017, the construction contract went out to bid. Two bids were received and the low bid was 35% over the estimated cost. The independent cost consultant used for this project reported that these results are consistent with the unfavorable bidding climate currently being experienced in the Charleston area. Recent OSE guidance states that higher prices with fewer bids should be expected in the area. These accounts suggest that the bid results

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

are indicative of current true market value. The project team has determined that the scope cannot be reduced without threatening the integrity of the project, therefore the best course of action is to increase the project budget to reflect current market value and to repackage the project to attract a more competitive bid environment. The original project scope limited the bid to Mechanical Contractors per LLR regulations. The project plans will be revised to broaden the bidding pool to include General Contractors to create a more competitive bid environment. The project schedule will be delayed by 10 months in order to receive approval to increase the project budget, repackage the bid, and then re-bid the project. Based on current industry trends, a 4% escalation factor should be assumed with this schedule delay. When brought for Phase I, the conceptual estimate for the total projected cost of the project was \$1,259,300 to repair and retain the existing roof. When brought for Phase II, this estimate increased to \$1,551,977 because the engineering estimate recommended the roof should be demolished down to the roof deck and replaced. The 17,054 square foot building consists of a museum, archives, and event space that serve the campus and community at large. The repair includes the replacement of the roof; masonry wall repairs; removal, repair, resetting, or replacement of windows; and replacement of all exterior sealants. The building is estimated to be approximately 148 years old. The roof is approximately 18 years old and is no longer under warranty. The mechanical components being replaced range from 17 to 27 years old and no longer hold the temperature or controls humidity required for the archive sections. The computer room-style HVAC units, DDC controllers, sensors, central air handlers, and fan coil unity throughout the building will be replaced. The computer room-style HVAC units in the classroom, library, and exhibition spaces will be replaced with central air systems to minimize noise in the public places. The agency estimates that the completed project will cost approximately \$2,267,955. The agency also reports the projects date for execution of the construction contract is December 2017 and for completion of construction is August 2018.

- (e) Summary 1-2018: JBRC Item 10. (J12) Department of Mental Health Project: 9736, Harris Hospital HVAC and Fire Sprinkler Renovations
Included in Annual CPIP: Yes - CPIP Priority 1 of 4 in FY17
JBRC/SFAA Phase II Approval: June 2016

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improvement & Maintenance Funds	120,000.00	10,180,000.00	10,300,000.00	2,789,595.00	13,089,595.00
All Sources	<u>120,000.00</u>	<u>10,180,000.00</u>	<u>10,300,000.00</u>	<u>2,789,595.00</u>	<u>13,089,595.00</u>

Funding Source: \$13,089,595 Other, Capital Improvement & Maintenance Funds, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to \$13,089,595 (add \$2,789,595 Other, Capital Improvement & Maintenance Funds) to cover increased market costs. The original construction budget was based on an opinion of probable costs completed in late 2015 at the preliminary schematic level. The increase is due in part to a better understanding of the phasing and licensing requirements, as well having a completed set of construction documents to estimate from. The original budget did not forecast the significant market escalation, particularly in the mechanical trades, which has occurred throughout 2016 and 2017. Labor market shortages as well as increased equipment pricing appear to be driving this escalation. To assist in determining an appropriate cost estimate, the engineering firm sought pricing from both independent cost estimators and mechanical contractors who are active in the market, with the ~30% increase in construction budget requested representing the nexus of the four different estimates which were received. The three estimates received ranged from \$12,500,000 to \$13,500,000 based on the mean of the ranges provided. Based on those estimates along with the design team reviewing the scope to determine if there were any additional items to consider, it was determined that a \$450,000 generator and \$125,000 in replacement air handlers could be removed from the project and allow for the work to be completed based on the new estimated cost of the project. This project is for the construction of HVAC and fire sprinkler renovations at the Patrick B. Harris Psychiatric Hospital in Anderson, SC. The work will replace the 31-year-old HVAC distribution system, which is original to the building, including ductwork, underground chilled water piping,

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

controls, and the energy plant’s cooling towers. The existing fire sprinkler system is also original to the building and has experienced failures at piping joints, valves, and fittings. The facility is a 175,300-gross-square-foot acute inpatient hospital with 200 licensed beds. The agency estimates that the completed project will cost approximately \$13,089,595. The agency also reports the projected date for execution of the construction contract is October 2017 and for completion of construction is December 2019. (See attachment 2 for additional annual operating cost savings.)

- (f) Summary 1-2018: JBRC Item 11. (P24) Department of Natural Resources
 Project: 9945, Pickens – Sassafras Mountain Observation Tower Project
 Included in Annual CIP: No
 JBRC/SFAA Phase II Approval: November 2016

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Operating Revenue Funds (Sassafras Donation)	60,000.00	373,006.76	433,006.76	0.00	433,006.76
Other, Jocassee Trust/Heritage Trust Funds	0.00	250,000.00	250,000.00	389,242.00	639,242.00
Other, Fish & Wildlife Fund – Timber Funds	0.00	86,751.24	86,751.24	0.00	86,751.24
All Sources	<u>60,000.00</u>	<u>709,758.00</u>	<u>769,758.00</u>	<u>389,242.00</u>	<u>1,159,000.00</u>
					<u>0</u>

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$433,006.76 Other, Operating Revenue Funds (Sassafras Donation), which are restricted donations from citizens and other entities. \$639,242 Other, Jocassee Trust/Heritage Trust Funds, which are the accumulation of donations and contributions. \$86,751.24 Other, Fish & Wildlife Fund-Timber Funds, which are receipts from timber harvests according to land management plans.

Request: Increase budget to \$1,159,000 (add \$389,242 Other, Jocassee Trust/Heritage Trust Funds) to cover the construction bid received for the construction of the Sassafras Mountain Observation Tower and support facilities. Bids for the project were higher than estimated. DNR's architect used a professional estimator to derive the original figure, which included a five percent contingency rate. The increase in cost is due to a healthy business climate in the Upstate with significant demand for construction services and the occurrence of two natural disasters in the past two years, which added to the demand. Additionally, Sassafras Mountain is in a remote location with an elevation of 3,553 feet. A steep access road to the summit presents challenges for large trucks delivering materials and supplies to the site. Harsh weather on top of the mountain prohibits the pouring of concrete after October. The final project design will produce a structure that blends into the surrounding landscape and is fully Americans with Disabilities Act compliant. The observation tower will allow visitors to South Carolina's highest elevation to overlook the Jocassee Gorge Natural Area and points beyond. The structure will offer 1,561 square feet of platform space that can accommodate up to 53 persons at one time. Features in the structure will provide visitors with information about significant landmarks and other points of interest visible from the platform. An ecologically compatible restroom facility will also be constructed for the convenience of visitors to the site. The observation tower and site will be open to the public for viewing wildlife and enjoying nature. This significant feature of the state will be dedicated as a Heritage Trust Preserve when construction is complete. The agency estimates that the completed project will cost approximately \$1,159,000. The agency also reports the projected date for execution of the construction contract is September 2017 and for completion of construction is October 2017. (See attachment 3 for additional annual operating costs.)

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

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

1. AGENCY
Code H17 Name Coastal Carolina University

2. PROJECT
Project # 9609 Name Soccer Complex

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017/2018	\$	\$	\$64,900	\$64,900
2) 2018/2019	\$	\$	\$64,900	\$64,900
3) 2019/2020	\$	\$	\$64,900	\$64,900

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

Expenses are related to general maintenance and campus operations. Operation and maintenance funds are provided by student tuition in our general operating budget. No increase will result due to these expenses.

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$29,520.00</u>
2. <u>Supplies</u>	<u>\$7,380.00</u>
3. <u>Personnel</u>	<u>\$28,000.00</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$64,900.00</u>

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

9. Submitted By: Stacie Bowie 3/10/2017
Stacie Bowie, CFO & VP for Finance & Administration Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code J12 Name South Carolina Department of Mental Health

2. PROJECT Project # 9736 Name Harris Hospital HVAC and Fire Sprinkler Renovations

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	\$ 30,000.00	\$	\$	\$ 30,000.00
2) 2021	\$ 60,000.00	\$	\$	\$ 60,000.00
3) 2022	\$ 60,000.00	\$	\$	\$ 60,000.00

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

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

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

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	Utility Savings	\$15,000.00
2.	Maintenance Savings	15,000.00
3.		
4.		
5.		
6.		
7.		
8.		
	TOTAL	\$30,000.00

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

9. Submitted By:  Director, Physical Plant Services 06/15/2017
 Signature of Authorized Official and Title Date

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

1. AGENCY Code P240 Name Department of Natural Resources

2. PROJECT Project # 9945 Name Pickens-Sassafras Mountain Observation Tower

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018	\$	\$	\$ 6,500.00	\$ 6,500.00
2) 2019	\$	\$	\$ 15,000.00	\$ 15,000.00
3) 2020	\$	\$	\$ 15,000.00	\$ 15,000.00

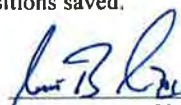
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Timber revenue from Jocassee Gorges timber management harvest and donations.

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

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

COST FACTORS	AMOUNT
1. <u>Electricity, restroom maintenance</u>	<u>\$15,000.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$15,000.00</u>

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

9. Submitted By:  Asst Deputy Director for Support Services June 29, 2017
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for August 31, 2017 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Phase I		Included in CPIP	Total Projected Project Cost
		Approved Budget	Approved	Original Approval	Original	Amount	Approval		
H15-9666	City Bistro Interior Renovation	N/A	N/A	N/A	N/A	\$32,581.00	N/A	Yes	\$2,172,100.00
H15-9667	Sottile Theatre State Renovation	N/A	N/A	N/A	N/A	\$94,194.00	N/A	Yes	\$4,709,700.00
H17-9609	Soccer Complex	\$75,000.00				\$75,000.00		Yes	\$5,000,000.00
H15-9662	Avery Envelope Renovation and Mechanical System Replacement	\$18,889.00	3/11/16	3/11/16		\$18,889.00	3/11/16	Yes	\$2,267,955.00
J12-9736	Harris Hospital HVAC and Fire Sprinkler Renovations	\$120,000.00	12/10/14	12/10/14		\$120,000.00	12/10/14	Yes	\$13,089,595.00
P24-9945	Pickens - Sassafras Mountain Observation Tower Project	\$60,000.00	3/18/15	3/18/15		\$75,000.00	3/18/15	No	\$1,159,000.00

Additional Information on Funding Sources for Higher Education Permanent Improvement Projects

Item (a) – College of Charleston – City Bistro Interior Renovation

The source of funds for pre-design is Other, Auxiliary Funds, which are generated by Food Service which is a self-supporting auxiliary enterprise.

The source of funds for construction is anticipated to be Other, Auxiliary Funds.

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

Item (b) – College of Charleston – Sottile Theatre Stage Renovation

The source of funds for pre-design is Other, Capital Improvement Project Funds, which are revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The 2016-2017 per semester fee is \$804.

The source of funds for construction is anticipated to be Other, Capital Improvement Project Funds.

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

Item (c) – Coastal Carolina University – Soccer Complex

The source of funds for construction is Other, Student Housing Foundation Gifts and Coastal Athletic Foundation Gifts, which are monetary sources of funds received from outside the university. These are funds pledged and/or received from the foundations for the purpose of supporting the university and are not connected to fees.

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

Item (d) – College of Charleston – Avery Envelope Renovation and Mechanical System Replacement

The source of funds for construction is Other, Capital Improvement Project Funds, which are revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The 2016-2017 per semester fee is \$804.

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT:: SCDNR Lease Out to Charles Rivers Laboratories, Inc. – Morgan Island in Beaufort County

The South Carolina Department of Natural Resources (“SCDNR”) is requesting approval to continue leasing approximately 370 acres of upland in Beaufort County, commonly known as Morgan Island, to Charles River Laboratories, Inc.

In 2002, SCDNR purchased Morgan Island and the surrounding complex of tidelands which together total approximately 4,489 acres. Since 1979, Morgan Island has been home to breeding colony of rhesus macaque monkeys which are owned by the United States government and which have been under the care of various federal Contractors who have leased the island from SCDNR. SCDNR acquired the island with the United States government breeding program in place. The site is within the ACE Basin Natural Estuarine Research Reserve and is only accessible by boat. The lease does prevent public access to the island; however, the surrounding tidelands are still accessible and there are ample public properties within the region and adjacent marsh and creek systems for public recreational activities. Additionally, the lease provides a revenue stream for SCDNR programs, while facilitating biomedical research.

The current lease with Charles River Laboratories, Inc. will expire on December 31, 2017, and SCDNR is requesting to continue leasing Morgan Island to Charles River Laboratories, Inc. (Lessee) as the federal Contractor for the United States government of the rhesus macaque monkey breeding program. If at any time during the term of the lease, Lessee is no longer the federal Contractor for the breeding program, the lease shall be assigned to the new federal Contractor. If the federal program terminates for any reason, the lease also terminates. Upon expiration or termination of the lease, the Lessee is required to continue paying rent until Lessee has removed all existing structures, non-human primates and personal property.

The term of the lease will be five (5) years beginning January 1, 2018, and ending on December 31, 2022, with two optional extended terms of five (5) years each. During the first three (3) years of the term, Lessee will pay quarterly installments of \$353,559.25 for an annual amount of \$1,414,237.00. This amount represents a five (5) percent increase from the current rate. Thereafter, rent shall increase annually starting in year four (4) of the lease by two (2%) percent as follows:

<u>Initial Term</u>	<u>Amount of Rent</u>
1/1/2018 – 12/31/2018	\$1,414,237 (\$353,559.25 / quarter)
1/1/2019 – 12/31/2019	\$1,414,237 (\$353,559.25 / quarter)
1/1/2020 – 12/31/2020	\$1,414,237 (\$353,559.25 / quarter)
1/1/2021 – 12/31/2021	\$1,442,522 (\$360,630.50 / quarter)
1/1/2022 – 12/31/2022	\$1,471,372 (\$367,843.00 / quarter)

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SCDNR Lease Out to Charles Rivers Laboratories, Inc. – Morgan Island in Beaufort County

<u>First Extended Term</u>	<u>Amount of Rent</u>
1/1/2023 – 12/31/2023	\$1,500,799 (\$375,199.75 / quarter)
1/1/2024 – 12/31/2024	\$1,530,815 (\$382,703.75 / quarter)
1/1/2025 – 12/31/2025	\$1,561,431 (\$390,357.75 / quarter)
1/1/2026 – 12/31/2026	\$1,592,660 (\$398,165.00 / quarter)
1/1/2027 – 12/31/2027	\$1,624,513 (\$406,128.25 / quarter)

<u>Second Extended Term</u>	<u>Amount of Rent</u>
1/1/2028 – 12/31/2028	\$1,657,003 (\$414,250.75 / quarter)
1/1/2029 – 12/31/2029	\$1,690,143 (\$422,535.75 / quarter)
1/1/2030 – 12/31/2030	\$1,723,946 (\$430,986.50 / quarter)
1/1/2031 – 12/31/2031	\$1,758,425 (\$439,606.25 / quarter)
1/1/2032 – 12/31/2032	\$1,793,594 (\$448,398.50 / quarter)

The Lessee is also responsible for all program costs and maintenance and operations costs of all existing structures on the premises. The lease was approved by the SCDNR Board on June 22, 2017 and by the Joint Bond Review Committee on August 15, 2017.

AUTHORITY ACTION REQUESTED:

Approve the proposed Lease out of Morgan Island from the South Carolina Department of Natural Resources to Charles River Laboratories, Inc. and any future assignment in accordance with the lease as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; SCDNR letter dated June 22, 2017

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 31, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SCDNR Lease Out to Charles Rivers Laboratories, Inc. – Morgan Island in Beaufort County

3. Summary Background Information:

The South Carolina Department of Natural Resources (“SCDNR”) is requesting approval to continue leasing approximately 370 acres of upland in Beaufort County, commonly known as Morgan Island, to Charles River Laboratories, Inc.

In 2002, SCDNR purchased Morgan Island and the surrounding complex of tidelands which together total approximately 4,489 acres. Since 1979, Morgan Island has been home to breeding colony of rhesus macaque monkeys which are owned by the United States government and which have been under the care of various federal Contractors who have leased the island from SCDNR. SCDNR acquired the island with the United States government breeding program in place. The site is within the ACE Basin Natural Estuarine Research Reserve and is only accessible by boat. The lease does prevent public access to the island; however, the surrounding tidelands are still accessible and there are ample public properties within the region and adjacent marsh and creek systems for public recreational activities. Additionally, the lease provides a revenue stream for SCDNR programs, while facilitating biomedical research.

The current lease with Charles River Laboratories, Inc. will expire on December 31, 2017, and SCDNR is requesting to continue leasing Morgan Island to Charles River Laboratories, Inc. (Lessee) as the federal Contractor for the United States government of the rhesus macaque monkey breeding program. If at any time during the term of the lease, Lessee is no longer the federal Contractor for the breeding program, the lease shall be assigned to the new federal Contractor. If the federal program terminates for any reason, the lease also terminates. Upon expiration or termination of the lease, the Lessee is required to continue paying rent until Lessee has removed all existing structures, non-human primates and personal property.

The term of the lease will be five (5) years beginning January 1, 2018, and ending on December 31, 2022, with two optional extended terms of five (5) years each. During the first three (3) years of the term, Lessee will pay quarterly installments of \$353,559.25 for an annual amount of \$1,414,237.00. This amount represents a five (5) percent increase from the current rate. Thereafter, rent shall increase annually starting in year four (4) of the lease by two (2%) percent as follows:

Initial Term	Amount of Rent
--------------	----------------

1/1/2018 – 12/31/2018	\$1,414,237 (\$353,559.25 / quarter)
1/1/2019 – 12/31/2019	\$1,414,237 (\$353,559.25 / quarter)
1/1/2020 – 12/31/2020	\$1,414,237 (\$353,559.25 / quarter)
1/1/2021 – 12/31/2021	\$1,442,522 (\$360,630.50 / quarter)
1/1/2022 – 12/31/2022	\$1,471,372 (\$367,843.00 / quarter)

<u>First Extended Term</u>	<u>Amount of Rent</u>
1/1/2023 – 12/31/2023	\$1,500,799 (\$375,199.75 / quarter)
1/1/2024 – 12/31/2024	\$1,530,815 (\$382,703.75 / quarter)
1/1/2025 – 12/31/2025	\$1,561,431 (\$390,357.75 / quarter)
1/1/2026 – 12/31/2026	\$1,592,660 (\$398,165.00 / quarter)
1/1/2027 – 12/31/2027	\$1,624,513 (\$406,128.25 / quarter)

<u>Second Extended Term</u>	<u>Amount of Rent</u>
1/1/2028 – 12/31/2028	\$1,657,003 (\$414,250.75 / quarter)
1/1/2029 – 12/31/2029	\$1,690,143 (\$422,535.75 / quarter)
1/1/2030 – 12/31/2030	\$1,723,946 (\$430,986.50 / quarter)
1/1/2031 – 12/31/2031	\$1,758,425 (\$439,606.25 / quarter)
1/1/2032 – 12/31/2032	\$1,793,594 (\$448,398.50 / quarter)

The Lessee is also responsible for all program costs and maintenance and operations costs of all existing structures on the premises. The lease was approved by the SCDNR Board on June 22, 2017 and by the Joint Bond Review Committee on August 15, 2017.

4. What is the Authority asked to do? Approve the proposed Lease out of Morgan Island from the South Carolina Department of Natural Resources to Charles River Laboratories, Inc. and any future assignment in accordance with the lease.

5. What is recommendation of the Department of Administration? Approve the proposed Lease out of Morgan Island from the South Carolina Department of Natural Resources to Charles River Laboratories, Inc. and any future assignment in accordance with the lease.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- SCDNR Letter Dated June 22, 2017

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) .

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

June 22, 2017

Ms. Linda Gordon
Division of General Services
S.C. Department of Administration
1200 Senate Street
Columbia, SC 29201

Re: Morgan Island Lease to Charles River Laboratories, Inc. (17-0172)

Dear Ms. Gordon:

Please accept this letter as the formal request of the S.C. Department of Natural Resources for authorization from the S.C. Department of Administration, Joint Bond Review Committee, and State Fiscal Accountability Authority to enter into the above referenced lease which is enclosed. This proposed lease out to Charles River Laboratories, Inc. was negotiated by representatives of both parties and was approved by the SCDNR Board this afternoon as reflected on the enclosed Statement of Board Action.

As a brief reminder, in 2002 SCDNR purchase Morgan Island (~370 acres upland) and the surrounding complex of tidelands which together total ~4,489 acres. Since 1979, Morgan Island has been home to a breeding colony of rhesus macaque monkeys which are considered to be owned by the United States government and have been under the care of federal contractors who lease the island from SCDNR. From the time it acquired Morgan Island, SCDNR has honored the leases with the federal contractors in recognition of the facilities important public health contributions to federal biomedical research. The current lease with Charles River Laboratories will expire at the end of the year and both parties desire to renew it upon updated terms. While this lease does temporarily preclude public access to the island, the surrounding tidelands are still accessible and the net benefit of supporting important biomedical research with adequate financial compensation to the SCDNR and it's programs is of great public value. The island was purchased with federal funds so revenue from the lease is restricted to use for SCDNR.

Based on the benefits derived through this lease, the SCDNR believes approval of this proposed lease is in the best interests of SCDNR and the State. Thank you for your consideration of this request. If you have any questions or need anything further, please don't hesitate to ask.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alvin A. Taylor", is written over a circular stamp.

Alvin A. Taylor
Director

enclosures

cc: Robert Boyles, SCDNR
Van Whitehead, SCDNR



South Carolina Department of Natural Resources

Statement of Board Action

On June 22, 2017, the South Carolina Department of Natural Resources Board did approve the attached proposed lease of Morgan Island (~370 acres of upland) in Beaufort County to Charles River Laboratories, Inc. Recognizing that additional external reviews of the lease agreement will be required prior to final minutes being adopted for this June 22, 2017 SCDNR Board meeting, this Statement of Board Action is provided to acknowledge and document the Board's action on this matter.

On behalf of the Board of Trustees.

A handwritten signature in cursive script, appearing to read "C. L. Chastain", is written over a horizontal line.

Cary L. Chastain
Chairman, Board of Trustees

June 22, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Parking Lease Out to CareAlliance Health Services at 165 Cannon Street in Charleston.

In May of 2017, MUSC received approval from the State Fiscal Accountability Authority to lease (the "Master Lease") 1,400 parking spaces and 10,672SF of office space at the 165 Cannon Street Garage to be built by 165 Cannon Street Associates, LLC, a single purpose entity whose sole member is the MUSC Foundation. MUSC will pay \$145/month per space for the twenty (20) year term of the lease which begins upon completion of the facility. This amount is equivalent to the debt service and debt service reserve to be incurred by the Landlord and such payments will cease if all debt on the property is paid in full.

As part of their mutual partnership in support of the Medical District, MUSC currently leases 700 spaces to CareAlliance Health Services d.b.a. Roper St. Francis Healthcare on behalf of Roper Hospital, Inc. ("CareAlliance Health Services") in the Courtenay Drive Parking Garage located at 21 Courtenay Drive at a rate of \$126.30/space per month. MUSC is requesting to amend that lease agreement to allow MUSC to transfer the parking spaces to the new parking garage at 165 Cannon Street, which is expected to open in the fall of 2019. The request to relocate parking is necessary to accommodate the opening of the new MUSC Shawn Jenkins Children's Hospital. MUSC is also requesting to extend the current lease agreement, which expires September 30, 2018, for an additional ten (10) years. The new lease expiration date will be September 30, 2028.

The term of the amended lease will be ten (10) years beginning October 1, 2018. During the first year of the lease, CareAlliance Health Services will pay monthly installments of \$108,500.00 for an annual amount of \$1,302,000.00 for the parking spaces. This equates to \$155.00/month per parking space. Rent shall increase annually by the lesser of CPI- Urban Wage index or three (3%) percent. The lease also contains four (4) renewal options of five (5) years each that can be exercised at the sole discretion of CareAlliance Health Services, so long as the Master Lease between MUSC and 165 Cannon Street Associates, LLC remains in effect. As such, the total requested lease term for approval is thirty (30) years.

The following charts represent comparable lease rates of similar space near the MUSC Campus:

Parking:

Location	Rate/Space
200 Meeting Street	\$145.00
159 Rutledge Avenue	\$165.00
62 Gadsden Street	\$150.00

The lease was approved by the Joint Bond Review Committee on August 15, 2017.

AUTHORITY ACTION REQUESTED:

Approve the proposed MUSC Parking lease out to CareAlliance Health Services at 165 Cannon Street in Charleston, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS: Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; MUSC letter dated 7/25/17

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 31, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: MUSC Parking Lease-out to CareAlliance Health Services at 165 Cannon Street in Charleston

3. Summary Background Information:

In May of 2017, MUSC received approval from the State Fiscal Accountability Authority to lease (the "Master Lease") 1,400 parking spaces and 10,672SF of office space at the 165 Cannon Street Garage to be built by 165 Cannon Street Associates, LLC, a single purpose entity whose sole member is the MUSC Foundation. MUSC will pay \$145/month per space for the twenty (20) year term of the lease which begins upon completion of the facility. This amount is equivalent to the debt service and debt service reserve to be incurred by the Landlord and such payments will cease if all debt on the property is paid in full.

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Parking:

Location	Rate/Space
200 Meeting Street	\$145.00

159 Rutledge Avenue	\$165.00
62 Gadsden Street	\$150.00

The lease was approved by the Joint Bond Review Committee on August 15, 2017.

4. What is the Authority asked to do? Approve the proposed MUSC Parking Lease-out to CareAlliance Health Services at 165 Cannon Street in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed MUSC Parking Lease-out to CareAlliance Health Services at 165 Cannon Street in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated July 25, 2017
- Map

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".

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 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
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- (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
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(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

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Office of Space Management Support
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
(843) 792-5996

July 25, 2017

Tracy Irvin
The South Carolina
Department of Administration
1200 Senate Street
Columbia, SC 294201

RE: LO800978 - 21 Courtenay Drive, CareAlliance Health Services

Dear Mr. Irvin;

The Medical University of South Carolina wishes to amend the current lease agreement between the Medical University of South Carolina (MUSC) and CareAlliance Health Services for parking spaces which are currently located within the 21 Courtenay Drive Parking Garage. This lease amendment will allow MUSC to transfer the parking spaces to the new parking garage known as the 165 Cannon Street Garage which is expected to open in the fall of 2019. The request for relocation of parking spaces is necessary in order to accommodate the opening of the new MUSC Shawn Jenkins Children's Hospital. In addition MUSC also requests to extend the current lease agreement for an additional ten years resulting in a new lease expiration date of September 30, 2028.

This property is owned by the Parking Garage Associates, LLC (a subsidiary of the MUSC Foundation) and leased in its entirety by the Medical University of South Carolina which has subleased parking spaces to CareAlliance Health Services since 2004 in support of the Charleston Medical District.

Amendment Overview

Current Lease State:

21 Courtenay Drive
700 parking spaces
\$126.30 per space per month
\$1,060,920.00 annual rent
Annual Increase CPI or 4%
Lease end date 9/30/2018

Final Lease State:

165 Cannon St Garage
700 parking spaces / option to reduce spaces
\$155.00 per space per month
\$1,302,000.00 annual rent
Annual Increase CPI or 3%
Lease end date 9/30/2028
Renewal Option 4 terms, 5 years each

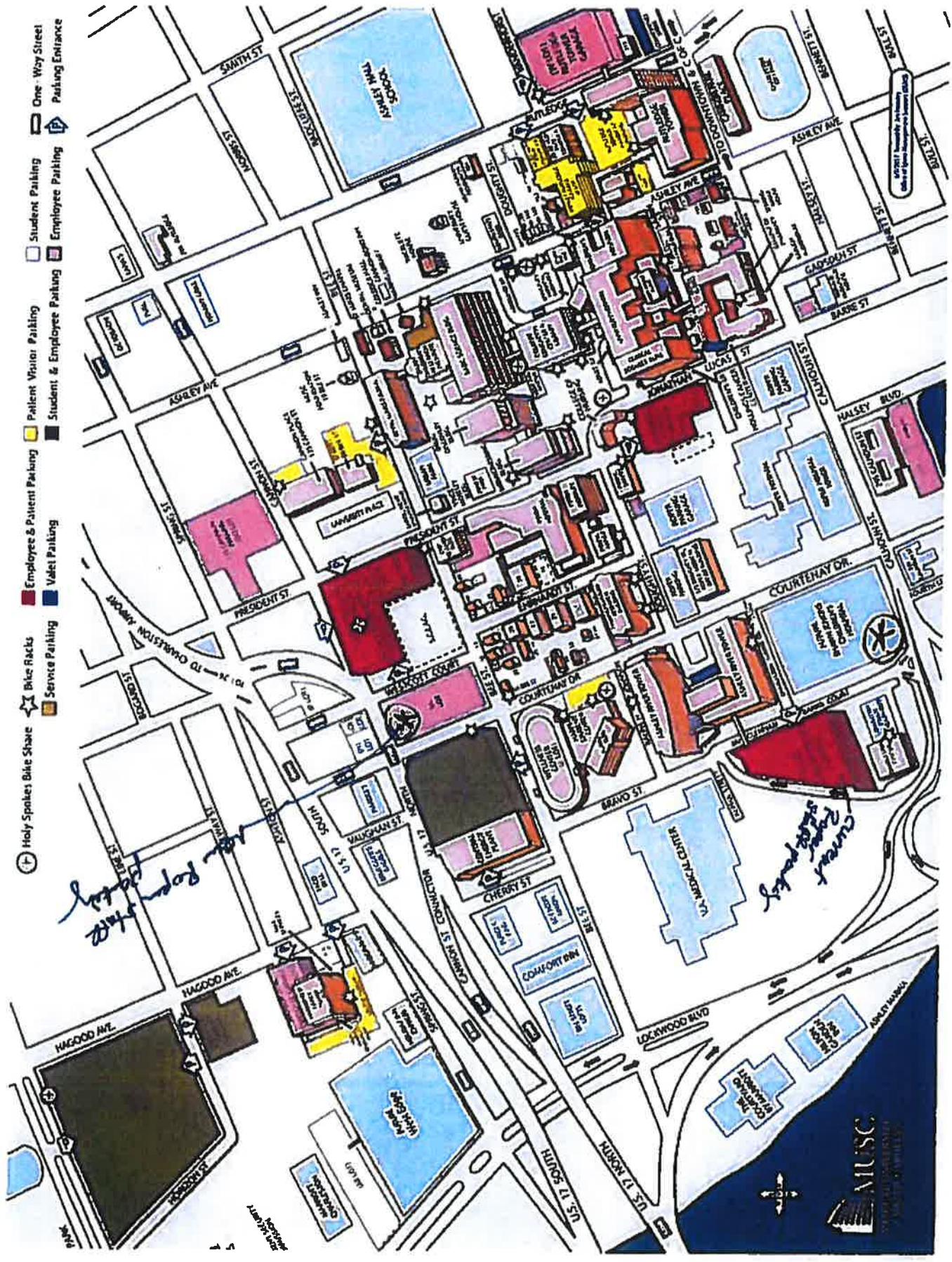
The draft lease amendment is attached for review as this contains additional lease verbiage related to the Charleston Greenway Project initiative in the Charleston Medical District.

The Medical University of South Carolina requests full approval for this lease amendment at the August 2017 SFAA meeting. This lease-out agreement is exempt from CHE and MUSC Board of Trustees. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Jones".

Rachel Jones
Leasing Manager



- Holy Spokes Bike Share
- Blue Racks
- Employee & Patient Parking
- Patient Visitor Parking
- Student & Employee Parking
- Student Parking
- Valet Parking
- Service Parking
- One-Way Street
- Parking Entrance

Paper store

Current Street parking



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Retirement System Investment Commission Lease - 1201 Main Street - Columbia

The Retirement System Investment Commission (RSIC) is requesting approval to continue leasing 19,700 square feet (SF) located at 1201 Main Street in Columbia from U.S. REIF/MJW Capitol Center Fee, LLC (the "Landlord").

A solicitation was conducted and three proposals were received. One proposal was significantly more expensive than the selected location. The other proposal did not meet the needs of the agency.

The original proposal for the selected location was for a term of five (5) years at a rate of \$16/SF with three (3) percent annual increases or for a term of ten (10) years at a rate of \$14.65/SF with three (3) percent annual increases. However, the building ownership subsequently indicated that those rates and terms could not be honored, as the building is for sale and the rental rates need to be higher to maximize the sale price. As RSIC has an ownership interest in the building, they agreed to negotiate a new rate for a five (5) year term. The renegotiated rate and terms are shown below.

The space will accommodate fifty-one (51) FTEs and nine (9) temporary staff and will meet the state standard of 210SF/person with a density of 207SF/person. The term shall be for five (5) years beginning on September 1, 2017. Basic rent for the first year of the term shall be \$18.00/SF, which includes all operating and maintenance costs. The rent for January of 2018, 2019 and 2020 will be abated along with the rent in January and February of 2021 and 2022. This brings the net effective rental rate to \$16.85/SF over the term. Thereafter, basic rent shall increase by three (3) percent annually as follows:

<u>TERM</u>	<u>FREE RENT MONTH(s)</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT/SF</u>	<u>NET EFFECTIVE RATE/SF</u>
YEAR 1	Jan-18	9-01-2017 to 8-31-2018	\$325,050.00	\$29,550.00	\$18.00	\$16.50
YEAR 2	Jan-19	9-01-2018 to 8-31-2019	\$334,801.50	\$30,436.50	\$18.54	\$17.00
YEAR 3	Jan-20	9-01-2019 to 8-31-2020	\$344,845.55	\$31,349.60	\$19.10	\$17.50
YEAR 4	January & February 2021	9-01-2020 to 8-31-2021	\$322,900.83	\$32,290.08	\$19.67	\$16.39
YEAR 5	January & February 2022	9-01-2021 to 8-31-2022	\$332,587.85	\$33,258.79	\$20.26	\$16.88
		Total	\$1,660,185.73			

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Retirement System Investment Commission Lease - 1201 Main Street - Columbia

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

Tenant	Location	Rate
Vacant	1901 Main Street	\$20.00/SF
SC Education Lottery	1333 Main Street	\$16.65/SF
Vacant	1501 Main Street	\$18.50/SF
Vacant	1338 Main Street	\$22.00/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q2 2017 report indicates an average rate of \$22.47/SF in the Columbia Business District. The Landlord is providing a tenant improvement allowance of \$100,000. The lease also provides for fifty-one (51) parking spaces in the City of Columbia garage adjacent to the building to accommodate staff. Employees will pay \$30/month for an unreserved space or \$80/month for a reserved space, and the Landlord will subsidize the remaining costs of parking.

There are adequate funds for the lease according to the Budget Approval Form submitted by the agency. The lease was approved by JBRC on August 15, 2017.

AUTHORITY ACTION REQUESTED:

Approve the proposed lease for the Retirement System Investment Commission at 1201 Main Street in Columbia.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; RSIC Letter Dated July 11, 2017

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 30, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Retirement System Investment Commission Lease- 1201 Main Street in Columbia

3. Summary Background Information:

The Retirement System Investment Commission (RSIC) is requesting approval to continue leasing 19,700 square feet (SF) located at 1201 Main Street in Columbia from U.S. REIF/MJW Capitol Center Fee, LLC (the "Landlord").

A solicitation was conducted and three proposals were received. One proposal was significantly more expensive than the selected location. The other proposal did not meet the needs of the agency.

The original proposal for the selected location was for a term of five (5) years at a rate of \$16/SF with three (3) percent annual increases or for a term of ten (10) years at a rate of \$14.65/SF with three (3) percent annual increases. However, the building ownership subsequently indicated that those rates and terms could not be honored, as the building is for sale and the rental rates need to be higher to maximize the sale price. As RSIC has an ownership interest in the building, they agreed to negotiate a new rate for a five (5) year term. The renegotiated rate and terms are shown below.

The space will accommodate fifty-one (51) FTEs and nine (9) temporary staff and will meet the state standard of 210SF/person with a density of 207SF/person. The term shall be for five (5) years beginning on September 1, 2017. Basic rent for the first year of the term shall be \$18.00/SF, which includes all operating and maintenance costs. The rent for January of 2018, 2019 and 2020 will be abated along with the rent in January and February of 2021 and 2022. This brings the net effective rental rate to \$16.85/SF over the term. Thereafter, basic rent shall increase by three (3) percent annually as follows:

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There are adequate funds for the lease according to the Budget Approval Form submitted by the agency. The lease was approved by JBRC on August 15, 2017.

4. What is SFAA asked to do? Approve the proposed lease for the Retirement System Investment Commission at 1201 Main Street in Columbia.

5. What is recommendation of the Department of Administration? Consider approval of the proposed lease for the Retirement System Investment Commission at 1201 Main Street in Columbia.

6. List of Supporting Documents:

- SC Code of Laws Sections 1-11-55 and 1-11-56
- RSIC Letter Dated July 11, 2017

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) .

REBECCA M. GUNNLAUGSSON, PH D
CHAIR

RONALD P. WIEDER, PH D
VICE CHAIR

PEGGY G. BOYKIN, CPA
COMMISSIONER

ALLEN R. GILLESPIE, CFA
COMMISSIONER

EDWARD N. GIORBE, MBA
COMMISSIONER

REYNOLDS WILLIAMS, J.D., CFP
COMMISSIONER



RETIREMENT SYSTEM INVESTMENT COMMISSION

1201 MAIN STREET, SUITE 1510, COLUMBIA, SC 29201

MICHAEL HITCHCOCK
CHIEF EXECUTIVE OFFICER

GEOFFREY BERG, CFA
CHIEF INVESTMENT OFFICER

July 11, 2017

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

Dear Committee and Authority Members:

The South Carolina Retirement System Investment Commission (“Commission”) requests approval of a lease with Colliers International for approximately 19,700 square feet of office space at 1201 Main Street in Columbia by the Joint Bond Review Committee and the State Fiscal Accountability Authority, during their respective August meetings.

The Commission issued an RFP for lease proposals for office space of 17,000 – 19,000 square feet and three proposals were received in response to the solicitation. Some of the Commission’s considerations for proposal selection included: the cost of the lease (including the potential cost of renovating a space to meet agency needs, if applicable), proximity of the location to the State House Complex and numerous state agencies with which the Commission regularly interacts, the estimated additional cost of moving to a different location, if applicable, as well as any associated loss of productivity to coordinate and complete a move, and the availability of adequate conference room space onsite to hold the Commission’s public meetings and large enough to allow for substantial stakeholder and general public attendance.

After thorough review of the proposals, the Commission requests approval to stay in its current location, and continue to lease from Colliers International the current 19,700 square feet for a 5-year period. The selection is based on the following factors:

- The proposed lease with Colliers International is significantly less cost than the current square footage rate for similar commercial space in the Columbia business district. Although Colliers International proposal is the second lowest cost proposal, it is the most responsive proposal to our requirements. The lowest proposal did not meet the requirements the agency outlined in the RFP.
- The existing location is within walking distance of the State House Complex, State Office of Attorney General, Office of State Auditor, Office of State Treasurer, Comptroller General’s Office, and State Fiscal Accountability Authority. Neither of the other submissions provided this proximity and neither location was located in the central Columbia business district, as required by the RFP.
- The current location includes a conference room suite required for the Commission’s high volume of meetings with outside entities, including a large conference room used to host the Commission’s public meetings. The large conference room allows for increased stakeholder and public attendance as well as attendance by the Commission staff, who play an integral role in preparing meeting

PHONE 803.737.6885 | FAX 803.737.7070

materials and participate throughout the meetings. The space in the largest conference room at the current location exceeded the largest conference spaces offered in the other two submissions.

- The cost for moving and purchasing office furniture is estimated to substantially exceed \$100,000, which would be incurred by the Commission if it were to move to either of the other two locations.
- During the prior lease term, the Commission made significant improvements to the space to suit the Commission's specific needs and to make the Commission's office space more conducive to increased staff collaboration. The only proposal with a rental rate commensurate with the current space was a location with a highly segmented floorplan that would not suit the Commission's specific needs and would require substantial costly renovation to achieve the same amount of collaborative space.
- Although the property with the comparable rent requires substantial upgrade and renovation, the proposal for the property did not offer any funding for improvements. The Commission's current landlord is offering \$100,000 in their proposal for tenant improvements.
- Relocating to the other proposals' locations would require closing the agency during the move, negatively impact staff productivity, incur significant moving costs, and involve substantial planning to ensure business continuity for prudent management of the investments and assets of the Trust. Some matters that would require careful planning and additional resources include setup and coordination with the providers for IT support, connection, network access and data lines and port installation; installing telephone and conference lines, video conference and facsimile lines and connections; making essential systems transfers including Bloomberg terminals and leased office equipment transfers; and security system installation, including cameras and card key access.

As you may know, our request for the lease approval was previously planned for presentation at the June meeting but the proposal was withdrawn by the building's controlling partner before the scheduled meeting. The building's controlling partner indicated that the proposal initially submitted by Colliers International (for which the June approval request was based upon) had not been appropriately approved prior to submission. Based on the building's controlling partner stating the proposal was not properly authorized, the Department of Administration indicated the item would be removed from the agenda to allow time to sort out the options. In the following weeks, the Department of Administration worked directly with the building's controlling partner and Colliers International. The Department of Administration worked on the revised lease terms and kept the Commission apprised of the status. The updated lease proposal term is for 5 years and is comparable pricing versus the initial proposal's 5-year lease pricing. We appreciate the Department of Administration's assistance and hard work throughout the process and are pleased with the final lease terms they negotiated.

Therefore, for the reasons outlined above, we respectfully request the approval of the lease with Colliers International that allows Commission to remain at its present location. Thank you for your assistance in this process and for your consideration of our request.

Sincerely,



Michael R. Hitchcock
Chief Executive Officer

AGENCY: Division of Procurement Services

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

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Forestry Commission (the SCFC) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize the SCFC to solicit a contract for up to ten (10) years for the operation of the Niederhof Forestry Center. SCFC officials believe a contract term of ten years will increase competition and encourage offers to establish new, advanced orchards for the production seed at the Niederhof Forestry Center.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approve the South Carolina Forestry Commission's request for a multi-term contract for the operation of the Niederhof Forestry Center and authorize the solicitation of proposals and award of a contract for up to ten (10) years, as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet; Letter of request from the South Carolina Forestry Commission; Section 11-35-2030(4) of the SC Consolidated Procurement Code

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: August 31, 2017

Regular Session

1. Submitted by:

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


John St. C. White
Materials Management Officer

2. Subject:

Waiver to extend the maximum time on a multi-term contract for the South Carolina Forestry Commission

3. Summary Background Information:

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Forestry Commission (the SCFC) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize the SCFC to solicit a contract for up to ten (10) years for the operation of the Niederhof Forestry Center. SCFC officials believe a contract term of ten years will increase competition and encourage offers to establish new, advanced orchards for the production seed at the Niederhof Forestry Center.

4. What is Authority asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approve the South Carolina Forestry Commission's request for a multi-term contract for the operation of the Niederhof Forestry Center and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

5. What is recommendation of Authority division involved?

Consider the South Carolina Forestry Commission's request as stated above.

6. Recommendation of other office (as required)?

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

7. Supporting Documents:

- A-Letter of request from the South Carolina Forestry Commission
- B- Section 11-35-2030(4) of the SC Consolidated Procurement Code



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Henry E. (Gene) Kodama, State Forester

July 21, 2017

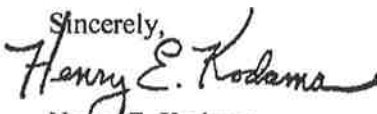
Mr. John White
Materials Management Officer and State Engineer
Division of Procurement Services
SC State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Dear John,

With this letter, the South Carolina Forestry Commission (SCFC) asks that you submit to the State Fiscal Accountability Authority a request for approval to award a contract with a ten year term for the operation of the Niederhof Forestry Center RFP with a contract term of ten (10) years. This RFP involves the production of loblolly and longleaf cones and seed from agency orchards at our facility in Jasper County.

We anticipate that offerors will initially be interested in cone and seed production from the SCFC's current orchards. Since the productive life of an orchard averages around 20 years, our existing orchards will have limited value in 10-15 years, depending on the specific orchard. By lengthening the contract term to 10 years, the agency hopes to encourage partnering organizations to establish new, advanced orchards at Niederhof Forestry Center. A newly established orchard would not produce significant quantities of cones before 7 years of age.

Thank you for consideration of this request. I will be glad to respond to any questions that you have.

Sincerely,

Henry E. Kodama
State Forester

SECTION 11-35-2030. Multiterm contracts.

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

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

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

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

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

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

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

AGENCY: Division of Procurement Services

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

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Forestry Commission (the SCFC) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize the SCFC to solicit a contract for up to ten (10) years for the operation of the Taylor Nursery. SCFC officials believe a contract term of ten years will increase competition and maximize its ability to attract proposals for improving existing facilities and increasing production of seedlings.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approve the South Carolina Forestry Commission's request for a multi-term contract for the operation of the Taylor Nursery and authorize the solicitation of proposals and award of a contract for up to ten (10) years, as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet; Letter of request from the South Carolina Forestry Commission; Section 11-35-2030(4) of the SC Consolidated Procurement Code

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: August 31, 2017

Regular Session

1. Submitted by:

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


John St. C. White
Materials Management Officer

2. Subject:

Waiver to extend the maximum time on a multi-term contract for the South Carolina Forestry Commission

3. Summary Background Information:

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The South Carolina Forestry Commission (the SCFC) has asked the Division of Procurement Services to assist in seeking Authority approval to authorize the SCFC to solicit a contract for up to ten (10) years for the operation of the Taylor Nursery. SCFC officials believe a contract term of ten years will increase competition and maximize its ability to attract proposals for improving existing facilities and increasing production of seedlings.

4. What is Authority asked to do?

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approve the South Carolina Forestry Commission's request for a multi-term contract for the operation of the Taylor Nursery and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

5. What is recommendation of Authority division involved?

Consider the South Carolina Forestry Commission's request as stated above.

6. Recommendation of other office (as required)?

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

7. Supporting Documents:

- A-Letter of request from the South Carolina Forestry Commission
 - B- Section 11-35-2030(4) of the SC Consolidated Procurement Code
-



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www.trees.sc.gov

Henry E. (Gene) Kodama, State Forester

July 21, 2017

Mr. John White
Materials Management Officer and State Engineer
Division of Procurement Services
SC State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Dear John,


With this letter, the South Carolina Forestry Commission (SCFC) asks that you submit to the State Fiscal Accountability Authority a request for approval to award a contract with a ten year term for the operation of the Taylor Nursery. This RFP involves the production of forest tree seedlings at our facility in Edgefield County.

Taylor Nursery has produced containerized and bareroot forest tree seedlings for forest landowners in South Carolina since 1958. Currently, the facility grows around 5 million seedlings annually. Available space allows the total capacity of the nursery to grow as many as 30+ million seedlings if capital investment is made in modern, specialized nursery equipment, irrigation systems, and repairs on seedling coolers. It is anticipated that the required investment could be as high as \$800,000.

We anticipate that we will receive more proposals and higher valued proposals with a 10-year contract period. Seven years would likely not be long enough for a partnering organization to fully recover their capital investment in Taylor Nursery.

Thank you for consideration of this request. I will be glad to respond to any questions that you have.

Sincerely,


Henry E. Kodama
State Forester

SECTION 11-35-2030. Multiterm contracts.

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

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

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

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

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

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

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

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 31, 2017

REGULAR SESSION
ITEM NUMBER 8

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$26,000,000 Higher Education Refunding Revenue Bonds, Series 2017A

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$26,000,000 Higher Education Refunding Revenue Bonds, on behalf of the University of South Carolina, Series 2017A.

The proceeds of the bonds will be used to (i) refund and, if applicable, defease the refunded bonds, (ii) provide for the Series 2017A Reserve Requirement, if any, (iii) pay the costs of the issuance of the Series 2017A Bonds, and (iv) provide for credit enhancement with respect to the Series 2017A bonds, if any.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$26,000,000 Higher Education Refunding Revenue Bonds, issued on behalf of the University of South Carolina, 2017A.

ATTACHMENTS:

Lipsitz 7/5/17 letter; Resolution; NDIF

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF NOT EXCEEDING \$26,000,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA (THE "UNIVERSITY") PURSUANT TO TITLE 59, CHAPTER 147 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO REFUND A PORTION OF THE UNIVERSITY'S OUTSTANDING HIGHER EDUCATION REVENUE BONDS, SERIES 2010A; AND OTHER MATTERS RELATED THERETO.

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

ARTICLE I

FINDINGS OF FACT

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

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act"), to issue revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvements of land, buildings, and other improvements to real property and equipment for the purposes of providing facilities serving the needs of the University including, but not limited to, (1) dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University, and (2) those academic facilities as may be authorized by joint resolution of the General Assembly.

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

provisions of a Series Resolution of the Board of Trustees provided all conditions required by the Bond Resolution are met. Such Bonds are payable solely from the Net Revenues and Additional Funds.

(c) The Board of Trustees has been advised under present market conditions, there would be a substantial financial savings to the University if it were to refund and, if applicable, defease all or a portion of the University's Higher Education Revenue Bonds, Series 2010A maturing after June 1, 2020, outstanding in the aggregate principal amount of \$22,585,000 (the "Refunded Bonds").

(d) In order to refund the Refunded Bonds, pursuant to the Bond Resolution, the Board of Trustees adopted at its regularly scheduled meeting on June 23, 2017, a Series Resolution entitled, "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO BE DESIGNATED SERIES 2017A REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$26,000,000; AUTHORIZING THE ISSUANCE AND SALE OF HIGHER EDUCATION REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "Series 2017A Resolution"), authorizing the issuance of not exceeding \$26,000,000 aggregate principal amount Higher Education Refunding Revenue Bonds, in one or more series (the "Series 2017A Bonds"), subject to the approval of the State Authority, for the following purposes: (i) refunding and, if applicable, defeasing the Refunded Bonds, (ii) providing for the Series 2017A Reserve Requirement, if any, (iii) paying the costs of issuance of the Series 2017A Bonds, and (iv) providing for credit enhancement with respect to the Series 2017A Bonds, if any.

Section 1.02

The Bond Resolution and the Series 2017A Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Authority.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2017A Bonds, including those required by the Bond Resolution, the Series 2017A Resolution and the Enabling Act, will be met upon the issuance of the Series 2017A Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2017A Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2017A BONDS AND THE SERIES 2017A NOTES

Section 2.01

The State Authority hereby approves and authorizes the issuance and sale of the Series 2017A Bonds in the aggregate principal amount not exceeding \$26,000,000, at public or private sale, including a negotiated sale for public reoffering as authorized by the Board of Trustees in Article III and Article VI of, and in the manner and under the conditions prescribed in, the Series 2017A Resolution.

Section 2.02

The State Authority also hereby approves and authorizes the issuance and sale of not exceeding \$26,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2017A, in one or more series (the "Series 2017A Notes"), in lieu of the issuance of the Series 2017A Bonds as provided in the Series 2017A Resolution, should the Chief Financial Officer and State Treasurer determine that it would be in the best interest of the University to issue the Series 2017A Notes rather than the Series 2017A Bonds.

Section 2.03

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

Dated: August 31, 2017



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: **08/31/17**

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

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H27 Issuer: University of South Carolina Series: 2017A
 Borrower (if not Issuer): _____
 Bond Caption: Higher Education Refunding Revenue Bonds - 2017A
 Bond Resolution Amount: \$26,000,000.00 Est. Production/Par Amt: \$21,005,000.00

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

Final Production/Par Amt: **\$0.00**

Submitted By:

ENTITY: University of South Carolina
 BY: Charles D. FitzSimons
 ITS: Director of Capital Budgets & Financing
 Tel: 803-777-1476
 Email: fitsimo@mailbox.sc.edu

Transaction Type/Method of Sale:

<input checked="" type="checkbox"/>	Public Offering:	Competitive: _____	Negotiated: <input checked="" type="checkbox"/>
<input type="checkbox"/>	Direct Placement:	Competitive: _____	Negotiated: _____
<input type="checkbox"/>	Governmental Loan/Governmental Purchaser		
<input type="checkbox"/>	Other: _____		

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): Yes
 MSRB (EMMA) Continuing Disclosure Responsible Party: University of South Carolina

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: _____ Amount: \$0.00
 Project Type: _____ County: _____
 Projected Avg Interest Rate: _____ Final Maturity: 01/00/00

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref Bds)
2010A	5/1/21 - 5/1/40	\$ 22,585,000.00	3.125% - 5.0%	3.34%	\$ 2,128,000.00	9.40%
		\$			\$	
		\$			\$	
Total		\$ 22,585,000.00	*****	*****	\$ 2,128,000.00	9.40%

4. FINANCING WORKING GROUP

Financial Advisor: <u>PFM</u>	Disclosure Counsel: <u>Howell Linkous & Nettles</u>
Bond Counsel: <u>Nexsen Pruet</u>	Issuer's Counsel: _____
Underwriter: <u>Barclays</u>	Trustee: <u>State Treasurer</u>
Paying Agent: <u>US Bank</u>	Other: <u>McNair</u>

5. FINANCING/PROJECT DESCRIPTION

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

This project is for the refunding of the advance refundable 2010A Higher Education Revenue Bonds. Substantial interest savings can be achieved based on current market conditions. Estimates are based on projections prepared by Barclays (underwriter).

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Date	Notes:
Issuer/Borrower Approval:	06/23/17	USC BoT
JBRC Approval:	00/00/00	Not Required
SFAA Approval:	08/31/17	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.	Sq. Footage -	<input type="text"/>
	Cost Estimate -	<input type="text" value="\$0"/>

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$58,000,000 Athletic Facilities Revenue Bonds and Bond Anticipation Notes of the University of South Carolina, Series 2017B

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$58,000,000 Athletic Facilities Revenue Bonds, Series 2017B, and Bond Anticipation Notes of the University of South Carolina.

The proceeds of the bonds will be used to (i) provide the amount necessary, together with other funds available to the University, to pay the costs of advance refunding callable portions of its Athletic Facilities Revenue Bonds, Series 2010A, maturing May 1, 2021, to and including May 1, 2040, and its Athletic Facilities Revenue Bonds, Series 2010B, maturing May 1, 2021, to and including May 1, 2027; (ii) fund the Series 2017B Debt Service Reserve Fund, if any, or purchase a debt service reserve fund substitute if any; and (iii) pay certain costs and expenses relating to the issuance of the Series 2017B Bonds, including a municipal bond insurance premium, if any.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$58,000,000 Athletic Facilities Revenue Bonds, Series 2017B and Bond Anticipation Notes of the University of South Carolina.

ATTACHMENTS:

Seezen 7/6/17 letter; Resolution; NDIF

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$58,000,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA THE PROCEEDS OF WHICH WILL BE USED TO ADVANCE REFUND CERTAIN OF THE UNIVERSITY'S OUTSTANDING ATHLETIC FACILITIES REVENUE BONDS, SERIES 2010A AND ATHLETIC FACILITIES REVENUE BONDS, SERIES 2010B, AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE ATHLETIC FACILITIES REVENUE BONDS.

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

ARTICLE I

FINDINGS OF FACT

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

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Act No. 518 of the 1980 Session of the General Assembly of the State of South Carolina, as amended by Act No. 545 of 1986, Act No. 302 of 1996, Act No. 6 of 1997, Act No. 182 of 2005 and Act No. 17 of 2007 (collectively, the "Enabling Act") to issue athletic facilities revenue bonds in one or more series for the purpose of providing funds for the financing or refinancing of the costs to acquire, construct, reconstruct, renovate and equip facilities of the University designated from time to time by the Board of Trustees as intercollegiate athletic facilities for the Columbia campus, including any facilities providing support for facilities where intercollegiate events are held, and any related infrastructure, administration, maintenance, practice, training, physical therapy and related facilities of the Athletic Department. The University is further authorized by the provisions of Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Bond Anticipation Note Act") to issue bond anticipation notes.

(b) On October 19, 2001, the Board of Trustees adopted a resolution entitled: "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution") as a means of providing for the issuance from time to time of Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Such Bonds are payable solely from the Net Revenues of the University Athletic Department and the gross receipts from the

imposition of the Admissions Fee and Special Student Fee as such terms are defined in the Bond Resolution, attached hereto as Exhibit A.

(c) The Board of Trustees adopted at its regularly scheduled meeting on June 23, 2017, a Series Resolution entitled: "SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, IN ONE OR MORE SERIES, TO BE DESIGNATED REFUNDING SERIES 2017B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$58,000,000; AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO" (the "Series 2017B Resolution"), attached hereto as Exhibit B.

(d) The Series 2017B Resolution authorizes the uses of the proceeds of the Series 2017B Bonds for the purposes of: (i) providing the amount necessary, together with other funds available to the University, to pay the costs of advance refunding callable portions of its Athletic Facilities Revenue Bonds, Series 2010A, maturing May 1, 2021 to and including May 1, 2040, and its Athletic Facilities Revenue Bonds, Series 2010B, maturing May 1, 2021, to and including May 1, 2027 ; (ii) funding the Series 2017B Debt Service Reserve Fund, if any, or purchasing a debt service reserve fund substitute, if any; and (iii) paying certain costs and expenses relating to the issuance of the Series 2017B Bonds, including a municipal bond insurance premium, if any.

(e) The Board of Trustees has now determined that it is in the interest of the University to request the Authority to approve at this time the issuance of not exceeding \$58,000,000 Athletic Facilities Revenue Bonds, Refunding Series 2017B (the "Series 2017B Bonds") of the University, the proceeds of which will be used, together with other funds of the University to advance refund callable portions of the University's Athletic Facilities Revenue Bonds, Series 2010A, maturing May 1, 2021 to and including May 1, 2040, and the University's Athletic Facilities Revenue Bonds, Series 2010B, maturing May 1, 2021, to and including May 1, 2027.

Section 1.02

The Bond Resolution and the Series 2017B Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2017B Bonds, including those required by the Bond Resolution, the Series 2017B Resolution and the Enabling Act, will be met upon the issuance of the Series 2017B Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2017B Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2017B BONDS AND
BOND ANTICIPATION NOTES

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2017B Bonds in the principal amount not exceeding \$58,000,000 at public sale or negotiated sale as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2017B Resolution.

Section 2.02

The Authority also hereby approves and authorizes the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes, at public sale or negotiated sale, as authorized by the Board of Trustees in Article IX of, and in the manner and under the conditions provided in, the Series 2017B Resolution, in anticipation of the issuance of the Series 2017B Bonds, should the Chief Financial Officer of the University and the State Treasurer determine that it would be in the interest of the University to issue such Bond Anticipation Notes in anticipation of the issuance of the Series 2017B Bonds.

Section 2.03

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

Dated: August 31, 2017.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 08/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H27 Issuer: University of South Carolina Series: 2017B
 Borrower (if not Issuer): _____
 Bond Caption: Athletic Facilities Refunding Revenue Bonds - 2017B
 Bond Resolution Amount: \$58,000,000.00 Est. Production/Par Amt: \$47,555,000.00

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

Final Production/Par Amt: \$0.00**Submitted By:**

ENTITY: University of South Carolina
 BY: Charles D. FitzSimons
 ITS: Director of Capital Budgets & Financing
 Tel: 803-777-1476
 Email: fitzsimo@mailbox.sc.edu

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): YesMSRB (EMMA) Continuing Disclosure Responsible Party: University of South Carolina

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: _____ Amount: \$0.00
 Project Type: _____ County: _____
 Projected Avg Interest Rate: _____ Final Maturity: 01/00/00

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
2010A	5/1/21 - 5/1/40	\$ 44,455,000.00	5.00%	3.41%	\$ 4,061,000.00	9.10%
2010B	5/1/21 - 5/1/27	\$ 6,140,000.00	4.00%	2.05%	\$ 397,000.00	6.50%
		\$			\$	
Total		\$ 50,595,000.00	*****	*****	\$ 4,458,000.00	8.81%

4. FINANCING WORKING GROUP

Financial Advisor: PFM Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: McNair Issuer's Counsel: _____
 Underwriter: Barclays Trustee: State Treasurer
 Paying Agent: US Bank Other: Nexsen Pruet

5. FINANCING/PROJECT DESCRIPTION

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

This project is for the refunding of the advance refundable 2010A and 2010B Athletic Facilities Revenue Bonds. Substantial interest savings can be achieved based on current market conditions. Estimates are based on projections prepared by Barclays (underwriter).

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	06/23/17	USC BoT
JBRC Approval:	00/00/00	Not Required
SFAA Approval:	08/31/17	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes	No
	X

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

Yes	No
	X

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

Sq. Footage -	
Cost Estimate -	\$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 56,483,000.00	6/30/2018	COI, Refunding. (** Majority of proceeds to be disbursed at closing. Costs expected to be paid within 90 days. **)
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 56,483,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 47,555,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$ 8,928,000.00	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 56,093,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 390,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify Type -	\$	\$	Accrued Interest
	\$	\$	Other
	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 56,483,000.00	\$ 56,483,000.00	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	PFM			\$ 35,666.25	\$	\$ 35,666.25
Bond Counsel	McNair			\$ 47,555.00	\$	\$ 47,555.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 23,777.50	\$	\$ 23,777.50
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel	Nexsen Pruet			\$ 11,888.75	\$	\$ 11,888.75
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 60,000.00	\$	\$ 60,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Barclays			\$ 190,220.00	\$	\$ 190,220.00
Registrar / Paying Agent				\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$ 1,500.00	\$	\$ 1,500.00
Accountant				\$	\$	\$
Verification Agent				\$ 5,000.00	\$	\$ 5,000.00
Printing				\$ 3,000.00	\$	\$ 3,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 3,892.50	\$	\$ 3,892.50
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 390,000.00	\$	\$ 390,000.00

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

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

0.08%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.13%	#DIV/0!

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

0.40%	#DIV/0!
0.04%	#DIV/0!
0.82%	#DIV/0!

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF August 31, 2017

REGULAR SESSION
ITEM NUMBER 10

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, October 17, 2017, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meeting Remaining in 2017

December 12

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, October 17, 2017, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: