

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, January 31, 2017 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

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B.		MEETING OF THE TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
C.		MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY
D.		ADOPTION OF PROPOSED AGENDA
E.		MINUTES OF PREVIOUS MEETING
F.		BLUE AGENDA
G.		BLUE AGENDA
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3.	Department of Administration, Real Property Services	Real Property Conveyance – Naval Base Intermodal Facility
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STATE EDUCATIONAL FACILITIES AUTHORITY

Meeting of January 31, 2017 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX

Item

No.

Agency

Subject

A. ADOPTION OF PROPOSED AGENDA

B. REGULAR SESSION

1. Educational Facilities Authority Not Exceeding \$11,000,000 Educational Facilities Revenue Bonds (Charleston Southern Project) Series 2017, of the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning

C. ADJOURNMENT

AGENCY: Charleston Southern University

SUBJECT: Not Exceeding \$11,000,000 Educational Facilities Revenue Bonds (Charleston Southern Project) Series 2017, of the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning

The Authority is asked to adopt a resolution authorizing the issuance of not exceeding \$11,000,000 Educational Facilities Revenue Bonds (Charleston Southern Project) Series 2017, of the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning.

The proceeds of the bonds will be used to (i) acquire, construct and equip a new physicians' assistant academic building, (ii) to pay capitalized interest, and (iii) to pay certain costs of issuing the bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution providing for the issuance of not exceeding \$11,000,000 Educational Facilities Revenue Bonds (Charleston Southern Project) Series 2017, of the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning

ATTACHMENTS:

Foley 12/12/16 letter; Authority Resolution

December 12, 2016

Via FedEx

Mr. Delbert H. Singleton, Jr.
Secretary
State Fiscal Accountability Authority
601 Wade Hampton Office Building
Columbia, SC 29201

Re: Proposed Not Exceeding \$11,000,000 Educational Facilities Revenue Bonds
(Charleston Southern University Project), Series 2017, of the Charleston
Southern University

Dear Delbert:

In connection with the January 31, 2017 meeting of the South Carolina Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning ("Educational Facilities Authority"), enclosed is a Transmittal Form, Revenue Bonds, for a proposed issue of bonds by the Educational Facilities Authority for the benefit of Charleston Southern University, together with a New Debt Information Form prepared by Charleston Southern University and other required documentation.

Please let us know if you have questions or need additional documentation.

Very truly yours,

McNAIR LAW FIRM, P.A.

Rion D. Foley

RDF:mpc
Enclosures

cc: Kevin Kibler
Robert MacDonald, III
Luke Blackmon
William Youngblood, Esq.

McNair Law Firm, P. A.
100 Calhoun Street, Suite 400
Charleston, SC 29401
T 843.723.7831
F 843.722.3227

Mailing Address
Post Office Box 1431
Charleston, SC 29402

mcnair.net

BOND RESOLUTION OF THE AUTHORITY
(Charleston Southern University Project)

WHEREAS, the General Assembly of South Carolina has enacted the Educational Facilities Authority Act for Private Nonprofit Institutions of Higher Learning, Title 59, Chapter 109, Code of Laws of South Carolina 1976, as amended (the "Act"), in order to provide a measure of assistance and an alternative method to enable institutions for higher education in the State to provide the facilities and structures which are needed to accomplish the purposes of the Act, all to the public benefit and good; and

WHEREAS, the South Carolina State Fiscal Accountability Authority, acting in its capacity as the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning (the "Authority"), has agreed with Charleston Southern University (the "University"), to issue its Educational Facilities Revenue Bonds (Charleston Southern University Project), Series 2017, in the aggregate principal amount of not exceeding \$11,000,000 (the "Bonds"), the proceeds of which shall be used to provide funds to (i) acquire, construct and equip a new physicians' assistant academic building, (ii) to pay capitalized interest, and (iii) to pay certain costs of issuing the Bonds (the "Series 2017 Project"); and

WHEREAS, the Bonds will be issued pursuant to the authority of the Act, and in connection with the issuance of the Bonds, the University shall enter into a Bond Purchase and Loan Agreement (the "Loan Agreement") with the Authority and BB&T Community Holdings Co. (the "Bank"), the form of which is attached hereto as Exhibit A, by the terms of which the University is obligated to make payments fully sufficient to pay principal of, premium, if any, and interest on the Bonds; and

WHEREAS, as security for the repayment of the Bonds, the Authority will assign certain of its rights in the Loan Agreement to the Bank; and

WHEREAS, on January 31, 2017, a public hearing was held at the University, on the question of the issuance of the Bonds as required by the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Board of Trustees of the University has heretofore declared its intent to proceed with the Series 2017 Project and arrange tax-exempt bond financing therefor by resolutions adopted by the Board of Trustees on October 25, 2016 and January 31, 2017, copies of which are attached hereto as Exhibit B; and

NOW, THEREFORE, BE IT RESOLVED, BY THE EDUCATIONAL FACILITIES AUTHORITY FOR PRIVATE NONPROFIT INSTITUTIONS OF HIGHER LEARNING, as follows:

1. To defray the cost of the Series 2017 Project, the issuance of the Bonds is hereby authorized subject to the provisions of the Act, this Bond Resolution and the Loan Agreement. The Bonds shall be in the aggregate principal amount; shall be dated; shall be payable as to principal, interest and redemption premium, if any; shall bear interest; shall mature; shall be in the form; and shall contain provisions for execution, authentication, payment, registration, redemption and numbering as set forth in the Loan Agreement.

2. Pursuant to the Act, the Authority authorizes the execution and delivery of the Loan Agreement and the Bonds (collectively, the "Bond Documents"), under the terms and conditions provided therein, substantially in the forms as annexed hereto, with such changes, modifications, additions and deletions to the terms thereof and amendments thereto as the State Treasurer, as a member of the Authority, may in his discretion approve.

3. The forms of Swap Agreement (the "Swap Agreement") and the Credit Agreement (the "Credit Agreement"), each relating to the Bonds, the forms of which are attached hereto as Exhibits C and D, respectively, are hereby approved with such modifications, additions or deletions as shall be necessary or advisable to reflect the details of the Bonds and such other matters as the State Treasurer, as a member of the Authority, upon advice of counsel, shall in his discretion approve.

4. The State Treasurer is hereby authorized and directed to execute and deliver, and the Secretary is hereby authorized to attest, the Bond Documents in the name of the Authority on its behalf and, the State Treasurer, is hereby further authorized (i) to execute and deliver such other agreements, certificates, representations, assurances and other and further acts and things as such officers deem necessary, advisable or appropriate to consummate the issuance of the Bonds by the Authority, the entering into of the Bond Documents and the transactions contemplated thereby as the same shall be finally executed and delivered as authorized by this Bond Resolution, and the other transactions contemplated by this Bond Resolution, and (ii) to do and to perform or cause to be done and performed all such acts and things as such officer or officers shall deem necessary, advisable, or appropriate to perform and comply with all of the covenants and agreements of the Authority contained in the Bond Documents and to execute and deliver all instruments and certificates required thereby and satisfy all conditions contained therein.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 01/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina Educational Facilities Authority Series: 2017
 Borrower (if not Issuer): Charleston Southern University
 Bond Caption: Educational Facilities Revenue Bond
 Bond Resolution Amount: \$11,000,000.00 Est. Production/Par Amt: \$11,000,000.00

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

Submitted By:

Final Production/Par Amt: \$0.00

ENTITY: Charleston Southern University
 BY: Luke Blackmon
 ITS: Vice President of Business Affairs
 Tel: (843) 863-8000
 Email: lblackmon@csuniv.edu

Transaction Type/Method of Sale:

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: College of Health Sciences Building
 Project Address/Location: 9200 University Blvd, SC Amount: \$11,000,000.00
 Project Type: New Construction County: Charleston
 Projected Avg Interest Rate: 2.50% Final Maturity: 02/01/42

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)
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A
 Bond Counsel: McNair Law Firm Issuer's Counsel: Howell Linkous & Nettles
 Underwriter: N/A Other: Bank Counsel: Moore & Van Allen
 Other: Purchaser: BB&T Other: Swap Advisor: KPM Financial

5. FINANCING/PROJECT DESCRIPTION

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

The Project includes the construction and upfitting of a new facility for the University's new Physician's Assistant Program. The building will provide office space for the Director of the Program, as well as 7 faculty and 3 staff members. It will also provide classroom space and wet & dry laboratory space.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	01/31/17	CSU BOT
JBRC Approval:	00/00/00	
SFAA Approval:	01/31/17	EFA

Project Approvals - Please If 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)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

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

	Bond Proceeds	FYE	Spend Down Schedule Notes
Est. Expenditures - Through 6 Months	\$ 9,194,444.00	00/00/00	By August 2017
Est. Expenditures - Through 12 Months	\$ 1,860,275.00	00/00/00	By February 2018
Est. Expenditures - Through 18 Months	\$	00/00/00	
Est. Expenditures - Through 24 Months	\$	00/00/00	
Est. Expenditures - Through 36 Months	\$	00/00/00	
Est. Expenditures - Through 48 Months	\$	00/00/00	
- Estimated Expenditures: Thru FY:	\$ 11,054,719.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 11,000,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$	\$	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		\$ 154,719.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$	Accrued Interest
Type - Equity	\$ 54,719.00	\$ 10,900,000.00	Construction & Upfitting
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 11,054,719.00	\$ 11,054,719.00	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	KPM Financial			\$ 15,219.00	\$	\$ 15,219.00
Bond Counsel	McNair Law Firm			\$ 60,000.00	\$	\$ 60,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Howell Linkous			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Counsel to CSU	Young Clement Rivers			\$ 27,000.00	\$	\$ 27,000.00
Bank Counsel	Moore & Van Allen			\$ 45,000.00	\$	\$ 45,000.00
Rating Agency - S&P	N/A			\$	\$	\$
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch	N/A			\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent				\$	\$	\$
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 154,719.00	\$	\$ 154,719.00

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

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

0.14%	#DIV/0!
0.55%	#DIV/0!
1.27%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.00%	#DIV/0!
1.41%	#DIV/0!

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY

Meeting of Tuesday, January 31, 2017 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX

Item No.	Agency	Subject
A.	ADOPTION OF PROPOSED AGENDA	
B.	REGULAR SESSION	
1.	Tobacco Settlement Revenue Management Authority	Adoption of Budget
2.	Tobacco Settlement Revenue Management Authority	Financial Statement for the Fiscal Year Ended June 30, 2016
C.	ADJOURNMENT	

TOBACCO SETTLEMENT
REVENUE MANAGEMENT AUTHORITY
MEETING OF January 31, 2017

REGULAR SESSION
ITEM NUMBER /

AGENCY: Office of the State Treasurer

SUBJECT: Adoption of Budget

In accord with South Carolina Code of Laws Section 11-49-60 (12), the Authority is asked to adopt the attached proposed fiscal year budget for the period July 1, 2017, through June 30, 2018, as submitted by the State Treasurer. The proposed budget is anticipated to cover, in part, expenses including, but is not limited to, professional services, payment of insurance premiums for members of the Authority Board, and other expenses related to the operation and administration of the Authority.

AUTHORITY ACTION REQUESTED:

Adopt the operating budget for the Authority's fiscal year budget for the period July 1, 2017, through June 30, 2018.

ATTACHMENTS:

Loftis 12/16/16 letter; Proposed Budget; Code Section 11-49-60 (12)



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

December 16, 2016

Mr. Delbert Singleton
Secretary, Tobacco Settlement
Revenue Management Authority
600 Wade Hampton State Office Building
Columbia, South Carolina 29201

Re: Tobacco Settlement Revenue Management Authority
Annual Budget 2017-2018

Dear Delbert:

In accordance with South Carolina Code of Laws Section 11-49-60(12), I am pleased to submit herewith the annual budget proposed for the Tobacco Settlement Revenue Management Authority for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

Please place this item on the agenda for the Authority's meeting on January 31, 2017.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Curtis M. Loftis, Jr.", written over a large, stylized circular flourish.

Curtis M. Loftis, Jr.
Authority Treasurer

Enclosure

A handwritten signature in blue ink that reads "Best Wishes" with a long, sweeping underline.

Tobacco Settlement Revenue Management Authority
(A Component Unit of the State of South Carolina)

Operating Budget for the Authority's Budget Year Ending June 30, 2018

(Cash Basis)

	Fiscal Year 2016 / 2017		Fiscal Year 2017 / 2018	
	Budgeted	Actual at 12/31/16	Budget	
Funds held By Tobacco Authority:				
Cash Balance, Beginning	\$ 5,311,070	\$ 5,311,070 ¹	\$	5,282,580 ⁶
Revenue:				
Tobacco settlement revenue	70,000,000	71,000,000 ²	70,000,000	
Total Cash Available	75,311,070	76,311,070	75,282,580	
Expense				
Administrative and operating expense				
Professional fees and expenses				
Audit and accounting	20,000	13,000 ³	20,000	
Arbitrage, deallocation and disclosure	25,000	13,000 ³	25,000	
Insurance				
Tort insurance for authority members	3,000	2,490 ³	2,490	
General operating				
Postage and shipping	100	-	-	
Contingency	1,900	-	-	
Distributions per Proviso				
Attorney General	1,253,000	1,253,000 ⁴	1,253,000	
South Carolina Law enforcement Division	450,000	450,000 ⁴	450,000	
Department of Revenue	325,000	325,000 ⁴	325,000	
Department of Health and Human Services	67,972,000	68,972,000 ⁵	67,972,000	
Total Cash Disbursements	70,050,000	71,028,490	70,047,490	
Cash Balance, Ending	\$ 5,261,070.24	\$ 5,282,580.24 ⁶	\$	5,235,090.24

Notes and Assumptions as of December 31, 2016.

- 1 Ending cash balance retained by TSRMA at June 30, 2016.
- 2 Currently Estimated TSRMA Revenues to be received Spring 2017.
- 3 Actual Expense as of December 31, 2016.
- 4 TSRMA Revenue to be distributed per Proviso 118.11.
- 5 Estimated remainder revenue to be distributed per Proviso 118.11.
- 6 Estimated cash balance to be retained by TSRMA at June 30, 2017.

CHAPTER 49
Tobacco Settlement Revenue Management Authority Act

HISTORY: 2010 Act No. 170, Section 4, eff May 13, 2010.

SECTION 11-49-60. Powers of board to operate and administer authority.

In addition to the powers contained elsewhere in this chapter, the board has all power necessary, useful, or appropriate to operate and administer the authority, to effectuate the purposes of the authority, and to perform its other functions including, but not limited to, the power to:

- (1) have perpetual succession;
- (2) sue and be sued in its own name;
- (3) adopt, promulgate, amend, and repeal bylaws, not inconsistent with provisions in this chapter for the administration of the authority's affairs and the implementation of its functions;
- (4) have a seal and alter it at its pleasure, although the failure to affix the seal does not affect the validity of an instrument executed on behalf of the authority;
- (5) enter into contracts, arrangements, and agreements with government units and other persons and execute and deliver all financing agreements, including bonds issued to support the borrowing by such government units to pay eligible costs of qualified projects, and other instruments necessary or convenient to the exercise of the powers granted in this chapter;
- (6) enter into agreements with a department, agency, political subdivision or instrumentality of the United States or of this State or of another State for the purpose of planning and providing for the financing of qualified projects or for the administration of the purposes and programs of this chapter;
- (7) enter into agreements with the tobacco trust fund for the purpose of managing and controlling the transfer of funds between the authority and the tobacco trust fund and governing the investment and the monitoring and recordkeeping of these funds, for purposes of maintaining the exemption from federal income tax of interest on bonds and for other purposes;
- (8) enter into, amend, and terminate agreements in the nature of interest rate swaps, forward security supply contracts, agreements for the management of interest rate risks, agreements for the management of cash flow, and other agreements of a similar nature, with respect to bonds issued pursuant to this chapter;
- (9) procure insurance, guarantees, letters of credit, and other forms of collateral or security or credit support from any public or private entity, including any department, agency, or instrumentality of the United States or this State, for the payment of any bonds, including the power to pay premiums or fees on any insurance, guarantees, letters of credit, and other forms of collateral or security or credit support;
- (10) borrow money through the issuance of bonds as provided in this chapter, and through the issuance of notes in anticipation of the issuance of these bonds;
- (11) enter into contracts and expend funds to obtain accounting, management, legal, financial consulting, trusteeship and other professional services necessary or convenient to the operations of the authority; however, all matters relating to the designation and selection of bond counsel to the authority is within the discretion of the State Treasurer;
- (12) in order to pay budgeted items pursuant to a budget adopted in accordance with Section 11-49-100, to expend funds for the costs of administering the operations of the authority;
- (13) direct the escrow agent with respect to the disbursement to the authority of the State's tobacco receipts and receive and accept the State's tobacco receipts;
- (14) enter into contracts or agreements necessary, proper, or convenient for the effectuation of the powers and purposes of the board and the authority;
- (15) invest funds held by the authority under this chapter in any investment permitted for funds of this State, other than the State's retirement funds, or for funds of the political subdivisions of this State, in revenue bonds of government units, and in general obligations of other States whose general obligation debt is rated not lower than the general obligation debt of this State;

(16) direct the Attorney General of this State to enforce in the name of the State of South Carolina, and if permissible to enforce directly through its own attorneys in the name of the State, the Master Settlement Agreement. This power is a part of the contractual obligation owed to the holders of any bonds; and

(17) do all other things necessary or convenient to exercise powers granted or reasonably implied by this chapter or that may be necessary for the furtherance and accomplishments of the purposes of the authority.

Before the date which is one year and one day after which the authority no longer has any bonds outstanding, the authority has no authority to file a voluntary petition under Chapter 9 of the United States Bankruptcy Code or corresponding chapters or sections as may, from time to time, be in effect, and neither any public officer or any organization, entity, or other person shall authorize the authority to be or become a debtor under Chapter 9 or any successor or corresponding chapter or sections during the periods. The provisions of this paragraph are for the benefit of the holders of any bonds and are a part of the contractual obligation owed to such bondholders, and the State shall not modify or delete the provisions of this paragraph during the periods described in this chapter.

In the exercise of its powers in this chapter, the board and the authority may obtain services in accordance with the procedures, guidelines, and criteria established by the board for that purpose and are not restricted by Chapter 35 of Title 11 or any successor provision.

HISTORY: 2000 Act No. 387, Part II, Section 69A.2; 2005 Act No. 61, Section 2.

118.11. (SR: Tobacco Settlement) (A) To the extent funds are available from payments received on behalf of the State by the Tobacco Settlement Revenue Management Authority from the Tobacco Master Settlement Agreement ("MSA") during Fiscal Year 2016-17, the State Treasurer is authorized and directed, after transferring funds sufficient to cover the operating expenses of the Authority, to transfer the remaining funds as follows:

(1) \$1,253,000 to the Attorney General's Office for Diligent Enforcement and Arbitration Litigation; \$450,000 to the State Law Enforcement Division for Diligent Enforcement; and \$325,000 to the Department of Revenue for Diligent Enforcement, all to enforce Chapter 47 of Title 11, the Tobacco Escrow Fund Act; and

(2) The remaining balance shall be transferred to the Department of Health and Human Services for the Medicaid program.

(B) The requirements of Section 11-11-170 of the 1976 Code shall be suspended for Fiscal Year 2016-17.

TOBACCO SETTLEMENT REVENUE

MANAGEMENT AUTHORITY

MEETING OF January 31, 2017

REGULAR SESSION

ITEM NUMBER 2

AGENCY: Tobacco Settlement Revenue Management Authority

SUBJECT: Financial Statement for the Fiscal Year Ended June 30, 2016

South Carolina Code of Laws Section 11-49-100 requires that the Tobacco Settlement Revenue Management Authority “keep an accurate account of all of its activities and all of its receipts and expenditures and annually, in the month of January shall make a report of its activities to the [State Fiscal Accountability Authority], the report to be in a form prescribed by the [State Fiscal Accountability Authority].” The Authority is asked to approve the submittal of its Financial Statement to the State Fiscal Accountability Authority in accord with Section 11-49-100.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 11-49-100, receive as information the Tobacco Settlement Revenue Management Authority’s Financial Statement for the Fiscal Year Ended June 30, 2016, and approve the submittal of the Financial Statement to the State Fiscal Accountability Authority.

ATTACHMENTS:

Loftis 12/16/16 letter with attachment; Code Section 11-49-100



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

December 16, 2016

To the members of the Tobacco Settlement Revenue Management Authority and
The State Fiscal Accountability Authority

In accordance with S.C. Code Section 11-49-100, which requires that the Tobacco Settlement Revenue Management Authority provide an annual report of its activities to the State Fiscal Accountability Authority (then State Budget and Control Board) during the month of January, I am providing copies of the Authority's audited financial statements for the fiscal year ended June 30, 2016. Management's Discussion and Analysis and the Notes to Financial Statements contained therein describe the Authority's activities in all material respects.

I have asked Mr. Singleton to place this item on the agenda for the Authority's meeting on January 31, 2017.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Curtis M. Loftis, Jr.", written over a large, stylized flourish.

Curtis M. Loftis, Jr.
Authority Treasurer

Enclosure

**TOBACCO SETTLEMENT REVENUE
MANAGEMENT AUTHORITY**
(A Component Unit of the State of South Carolina)

Financial Statements
June 30, 2016
(With Independent Auditor's Report Thereon)



**South Carolina
Office of the State Auditor**

**George L. Kennedy, III, CPA
State Auditor**

September 15, 2016

The Honorable Nikki R. Haley, Governor
and
Members of the Tobacco Settlement Revenue
Management Authority
Columbia, South Carolina

This report on the audit of the financial statements of the Tobacco Settlement Revenue Management Authority for the fiscal year ended June 30, 2016, was issued by The Hobbs Group, P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in blue ink that reads "George L. Kennedy, III".

George L. Kennedy, III, CPA
State Auditor

GLKIII/cwc

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

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Columbia, SC 29201

P.O. Box 2411
Columbia, SC 29202



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Fax (803) 799-4212

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INDEPENDENT AUDITORS' REPORT

Mr. George L. Kennedy, III, CPA
State Auditor
Office of the State Auditor
Columbia, South Carolina

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of South Carolina Tobacco Settlement Revenue Management Authority (the "Authority"), a component unit of the State of South Carolina as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2016, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 19 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Columbia, South Carolina
September 15, 2016

The Hall Group, P.A.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Management's Discussion and Analysis (unaudited)

June 30, 2016

This section of the annual financial report of the Tobacco Settlement Revenue Management Authority (the "Authority") presents the analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the financial statements and their accompanying notes, which follow this section.

The Authority

The Authority was created by Act No. 387 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina (the "General Assembly"), Regular Session of 2000, as codified at Section 11-49-10 of the South Carolina Code of Laws 1976, as amended (the "Act"), as an instrumentality of the State of South Carolina (the "State"). The Act created the Authority to receive all of the State's payments under the Master Settlement Agreement (the "MSA"). The MSA was entered into on November 23, 1998, among the attorneys general of 46 states (including South Carolina), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands (collectively the "Settling States") and the four largest United States tobacco manufacturers: Philip Morris Incorporated, R. J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, and Lorillard Tobacco Company (collectively the "Original Participating Manufacturers" or "OPMs"). The MSA resolved cigarette smoking-related litigation among the Settling States and the OPMs, released the OPMs from past and present smoking-related claims by the Settling States, and provides for a continuing release of future smoking-related claims in exchange for certain payments to be made to the Settling States. The MSA also provides for the imposition of certain tobacco advertising and marketing restrictions, among other things. The Authority is not a party to the MSA.

The State is entitled to certain periodic payments made under the MSA. Pursuant to the Act, the Authority has been assigned all Tobacco Settlement Receipts ("TSRs"), which are the State's right, title and interest in payments due after June 30, 2001 under the MSA. The assignment of the TSRs is irrevocable during any time when bonds are outstanding, plus one year and one day thereafter, and is a part of the contractual obligation owed to the Authority's bondholders.

Overview of the Financial Statements

This analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements consist of three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements.

- *The Statement of Net Position and Governmental Fund Balance Sheet* include all of the Authority's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. The *Statement of Net Position* reports information about the Authority using accounting methods similar to those used by private sector companies and presents all assets and liabilities of the Authority – both current and long-term. The *Governmental Fund Balance Sheet* of the General Fund focuses only on the Authority's resources available for expenditure at the end of the fiscal year.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Management's Discussion and Analysis (unaudited)

June 30, 2016

- All of the current year's activity is accounted for in the *Statement of Activities* and *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance*. These statements measure the success of the Authority's operations over the past year and can be used to determine the Authority's credit-worthiness and ability to meet its financial objectives. The *Statement of Activities* presents information on how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance* focuses only on the Authority's near-term inflows and outflows of resources available for expenditure for the fiscal year.

Summary of Financial Results

The Authority's financial results are summarized, discussed and compared to the prior fiscal year in the sections following.

Government-Wide Financial Statements

Statement of Net Position. The following table summarizes the Authority's Net Position for the period ending June 30, 2016, along with comparative data for the prior fiscal year.

	June 30, 2016	June 30, 2015	Difference	%
Assets				
Cash and cash equivalents	\$ 5,311,070	\$ 5,341,750	\$ (30,680)	-0.6%
Tobacco settlement payments receivable	35,000,000	35,000,000	-	0.0%
Total assets	40,311,070	40,341,750	(30,680)	-0.1%
Liabilities				
Accounts payable	-	-	-	0.0%
Total liabilities	-	-	-	0.0%
Net position				
Restricted by statute	35,000,000	35,000,000	-	0.0%
Unrestricted	5,311,070	5,341,750	(30,680)	-0.6%
Total net position	\$ 40,311,070	\$ 40,341,750	\$ (30,680)	-0.1%

The Authority's assets include cash and cash equivalents, and accrued earnings on those cash and cash equivalents. Certain of the Authority's assets are classified as restricted by statute because they are subject to external legal constraint for appropriation by the State in accordance with the expenditure provisions of Section 11-11-170 of the South Carolina Code of Laws 1976, as amended (the "Expenditure Act"). The remaining assets are held by the Authority to pay its authorized operating expenses.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Management's Discussion and Analysis (unaudited)

June 30, 2016

The Authority's cash and cash equivalents decreased 0.6% over the course of the fiscal year, due primarily to an increase in operating expenses within the Authority's operating fund. Tobacco settlement payments receivable did not increase nor decrease. Total assets decreased 0.1% reflecting these same factors.

Net position restricted by statute is comprised of that portion of TSRs forecasted to be earned in the current fiscal year but received in the ensuing fiscal year. The amount of TSRs is dependent on many factors including future tobacco consumption, certain adjustments, and the financial capability of the OPMs and consequently, except as noted above, do not meet asset recognition criteria under accounting principles generally accepted in the United States of America ("GAAP").

Statement of Activities. The following table summarizes the Authority's activities for the period ending June 30, 2016 with comparative amounts for the prior fiscal year.

	June 30, 2016	June 30, 2015	Difference	%
General revenues				
Tobacco settlement revenues	\$ 71,118,801	\$ 70,418,749	700,052	1.0%
Total general revenues	71,118,801	70,418,749	700,052	1.0%
Expenses				
General government	2,058,680	3,573,320	(1,514,640)	-42.4%
Total expenses	2,058,680	3,573,320	(1,514,640)	-42.4%
Excess of general revenues over expenses before transfers	69,060,121	66,845,429	2,214,692	3.3%
Transfers				
Transfers to state funds and programs pursuant to proviso	(69,090,801)	(65,890,749)	(3,200,052)	4.9%
Total transfers	(69,090,801)	(65,890,749)	(3,200,052)	4.9%
Change in net position	(30,680)	954,680	(985,360)	103.2%
Net position - beginning of year	40,341,750	39,387,070	954,680	2.4%
Net position - end of year	\$ 40,311,070	\$ 40,341,750	(30,680)	-0.1%

General revenues of \$71.1 million reflect the receipt of and accrual for TSRs and other revenues. Revenues increased year over year by \$0.7 million or 1.0% which represent an increase in tobacco settlement payments that have been received by the Authority for the year ended June 30, 2016. These payments are dependent on remittances received by the State under the MSA each year.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Management's Discussion and Analysis (unaudited)

June 30, 2016

The Authority's expenses primarily consisted of its administrative expenses and directed transfers to other state agencies for diligent enforcement. Total expenses decreased by \$1.5 million reflecting a decrease in payments to state agencies, primarily the Department of Agriculture, as directed by the State's Appropriations Act. Transfers to the state fund increased by \$3.2 million, as a result of the increase in tobacco settlement payments received and a reduction in expense during the year ended June 30, 2016.

Governmental Funds

As of the end of the current fiscal year, the ending fund balance in the Authority's governmental fund was \$40.3 million, a decrease of \$30,000 by comparison to the prior fiscal year. Of the total fund balance, \$35.0 million is restricted for statutory expenditures. The factors contributing to the change in fund balance year over year are the same as those described above in the discussion and analysis of the government-wide financial statements.

Long-Term Debt Activity

On March 22, 2001, the Authority issued \$934,530,000 aggregate principal amount of Tobacco Settlement Asset-Backed Bonds (the "Series 2001 Bonds") pursuant to an indenture between the Authority and United States Trust Company of New York (subsequently acquired by the Bank of New York), as trustee, dated as of March 1, 2001, and the Tobacco Settlement Revenue Management Authority Act. On June 26, 2008, the Authority defeased the Series 2001 Bonds with certain cash funds and proceeds of \$275,730,000 Tobacco Settlement Revenue Management Authority Tobacco Settlement Revenue Asset-Backed Refunding Bonds, Series 2008 (the "Series 2008 Bonds") issued pursuant to an indenture between The Bank of New York Trust Company, N.A., as trustee, and the Tobacco Settlement Revenue Management Authority. All of the Series 2001 Bonds are deemed paid within the meaning of and with the effect expressed in, and accordingly are no longer outstanding under, the Trust Indenture.

The Series 2008 Bonds were scheduled to retire in ordinary course on June 1, 2018; however, under early redemption provisions ("Turbo Redemptions"), any MSA payments exceeding annual debt service requirements of the Series 2008 Bonds were applied to early redemption of principal. On June 1, 2012, the Authority had sufficient funds to redeem as Turbo Redemptions the entire principal amount of the Series 2008 Bonds then outstanding; accordingly, all of the Authority's debt has been fully discharged.

The Authority has no present plans to undertake the issuance of additional debt.

Budgetary Highlights

The Authority annually adopts an operating budget as required by its by-laws. From a budgetary perspective, the Authority realized a \$30,680 deficiency of expenditures over revenues during the fiscal year ended June 30, 2016, which arose due to factors described in the Summary of Financial Results contained herein.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Management's Discussion and Analysis (unaudited)

June 30, 2016

Economic Factors and Outlook

As noted above, the amount of TSRs is dependent on many factors including future tobacco consumption, certain adjustments, and the financial capability of the OPMs; accordingly, the amount of future TSRs, and particularly the financial effects of the Disputed Payments Settlement thereon, cannot be presently determined with precision. Since all of the Authority's debt has been fully discharged and the Authority has no present plans to undertake the issuance of additional indebtedness, the effects of these factors on the Authority's debt profile have been abated. The Authority's continuing responsibility thereafter is limited to the receipt and distribution of future TSRs as prescribed by law.

Contacting the Authority

Persons needing additional information concerning this report or otherwise needing to contact the Authority should address requests to:

South Carolina Office of the State Treasurer
P.O. Box 11778
Columbia, South Carolina 29211

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 5,311,070
Tobacco settlement payments receivable	35,000,000
Total assets	<u>40,311,070</u>
Liabilities	
Accounts payable	-
Total liabilities	<u>-</u>
Net position	
Restricted by statute	35,000,000
Unrestricted	5,311,070
Total net position	<u>\$ 40,311,070</u>

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Statement of Activities

June 30, 2016

	Governmental Activities
Program expenses	
General government	\$ 2,058,680
Total expenses	2,058,680
Net program expense	2,058,680
 General revenues	
Tobacco settlement revenues	71,118,801
Total general revenues	71,118,801
 Change in net position before transfers	 69,060,121
 Transfers	 (69,090,801)
Transfers to state funds and programs pursuant to proviso	(69,090,801)
Change in net position	(30,680)
 Net position	
Beginning of the year	40,341,750
End of the year	\$ 40,311,070

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Governmental Fund Balance Sheet

June 30, 2016

	General Fund
Assets	
Cash and cash equivalents	\$ 5,311,070
Tobacco settlement payments receivable	35,000,000
Total assets	40,311,070
 Liabilities	
Accounts payable	\$ -
Total liabilities	-
 Fund balance	
Restricted by statute	35,000,000
Committed to operating expense	5,311,070
Total fund balance	40,311,070
Total liabilities and fund balance	\$ 40,311,070

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Governmental Fund Statement of
Revenues, Expenditures and Changes in Fund Balance

June 30, 2016

	General Fund
Revenues	
Tobacco settlement revenues	\$ 71,118,801
Total revenues	71,118,801
Expenditures	
General government	2,058,680
Total expenditures	2,058,680
Excess of revenues over expenditures	69,060,121
Transfers	
Transfers to state funds and programs pursuant to proviso	(69,090,801)
Total transfers	(69,090,801)
Net change in fund balance	(30,680)
Fund balance	
Beginning of the year	40,341,750
End of the year	\$ 40,311,070

The Notes to Financial Statements are an integral part of this statement.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

(1) Reporting Entity

The Tobacco Settlement Revenue Management Authority (the "Authority") is a public body and an instrumentality of the State of South Carolina (the "State") established in 2001 pursuant to Section 11-49-10 et seq. of the South Carolina Code of Laws 1976, as amended. The State transferred to the Authority all of its rights and interests under the Master Settlement Agreement (the "MSA") and the Consent Decree and Final Judgment (the "Decree") between all participating States and the participating Tobacco manufacturers. These rights include the State's share of all Tobacco Settlement revenue received after June 30, 2001 and in perpetuity to be received under the MSA.

The core of a financial reporting entity is the primary government which has a separately elected governing body. As required by accounting principles generally accepted in the United States of America, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In turn, component units may have component units.

An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is identified herein as a primary entity. The Authority has determined that it qualifies as a primary entity, it is a component unit of the State of South Carolina, and it has no component units.

A primary government or entity is financially accountable if its officials or appointees appoint a voting majority of an organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law (e.g., employees who serve in an ex-officio capacity on the component unit's board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally independent if it holds all of the following powers:

- (1) Determines its budget without another government having the authority to approve and modify that budget.
- (2) Levies taxes or sets rates or charges without approval by another government.
- (3) Issues bonded debt without approval by another government.

The organization is fiscally dependent on the primary government or entity that holds one or more of the above powers. Based on these criteria, the Authority is a blended component unit of the primary government of the State. Accordingly, the financial statements are blended in the State's special revenue funds in the State's Comprehensive Annual Financial Report.

The Authority is governed by a board, which consists of five members. The members are the Governor or her designee, the State Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The Governor serves as chairman; in the absence of the Governor, the meeting is chaired by the State Treasurer. All members of the Board serve ex officio.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

(2) Summary of Significant Accounting Policies

- (a) General. In its accounting and financial reporting in conformity with accounting principles generally accepted in the United States of America, the Authority follows the pronouncements of the Governmental Accounting Standards Board (“GASB”).
- (b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation. GASB Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government-wide financial statements (i.e., the statement of net position and the statement of activities) do not provide information by fund. Significantly, the statement of net position may include non-current assets and liabilities, which generally are not included in the fund statements. The statement of net position includes three components of net position.
 - (1) Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The Authority does not have any capital assets; thus this classification is not used.
 - (2) Restricted net position consists of net position subject to external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The Authority reports that portion of its net position restricted by statutory constraints as restricted net position.
 - (3) Unrestricted net position consists of net position that does not meet the definition of restricted net position or invested in capital assets, net of related debt. The Authority reports that portion of its net position not externally constrained, primarily funds available for payment of its authorized operating expenses, as unrestricted net position.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers who purchase, use, or benefit from the services provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues. The Authority has no program revenues.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

In addition to the government-wide financial statements, the Authority has prepared financial statements for the Authority's only governmental fund. Governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. Tobacco Settlement Revenues ("TSRs") are recognized as soon as they are considered measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within one year after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

The Authority reports one governmental fund, the General Fund, which is the general operating fund of the Authority. It is used to account for all financial resources of the Authority. As a blended component unit of the State, the Authority's General Fund is reported as a special revenue fund in the financial statements of the State.

- (c) Asset Recognition Criteria for TSRs. The Authority implemented GASB Technical Bulletin No. 2004-1: Tobacco Settlement Recognition and Financial Reporting Entity Issues (the "Bulletin"), effective July 1, 2003. The Bulletin requires the Authority to recognize TSRs when the event giving rise to recognition occurs (the domestic shipment of cigarettes by the tobacco manufacturers) in the government-wide financial statements, and when the event occurs and the TSRs become available in the fund financial statements. Other than the asset recognition criteria required by the Bulletin, future collections are not measurable and are therefore not recorded as assets in either the government-wide financial statements or the government fund financial statements.
- (d) Cash and Cash Equivalents. Cash includes cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date acquired by the Authority.
- (e) Investments. Investments, if any, are recorded on the Statement of Net Position and the Governmental Fund Balance Sheet at fair value. All investment income, including changes in the fair value of investments, is reported as revenue in the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- (f) Fund Balance. The Authority reports fund balance in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes fund balance classifications for governmental funds that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported therein. The Statement requires governments to disclose information in the notes about the processes through which constraints are imposed, as well as accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to be spent.

The Authority conforms its fund balance reporting to the classification and hierarchy structure of the State, generally as follows:

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

- (1) Restricted. Fund balance is reported as restricted when constraints placed on resource use are either (a) externally imposed by creditors, grantors, contributors, laws or regulation of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payments of resources from resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party can compel the government to honor.
- (2) Committed. Fund balance is reported as committed if the Authority's by-laws or official actions, including adoption of its annual budget, constrain the use of its resources. Committed constraints can be removed only through similar action that created the constraint.
- (3) Assigned. Fund balance is reported as assigned if the fund balance is constrained by the Authority's intent to expend resources for specific purposes. Such intent may be expressed by an official or body pursuant to delegation by the Authority.
- (4) Non-spendable. Fund balance is reported as non-spendable if the balance has a lack of availability in form or substance of the assets and liabilities reported in the fund to meet its obligations in the near future.
- (5) Unassigned. Fund balance is reported as unassigned for all residual amounts not otherwise classified.

The Authority has no assigned, non-spendable or unassigned fund balance.

The Authority's bond enabling act provides a covenant for the irrevocable assignment of certain of the Authority's assets during any time bonds are outstanding, plus one year and one day thereafter. All of the Authority's outstanding bonds were retired on June 1, 2012. Accordingly, until June 2, 2013, certain of the Authority's assets were classified as restricted by bond covenants because they were subject to a legally enforceable external constraint by the terms of the Trust Indenture.

Subsequent to June 2, 2013, assets previously restricted by bond covenants are available to the State in accordance with the expenditure provisions of Section 11-11-170 of the South Carolina Code of Laws 1976, as amended (the "Expenditure Act"). The Authority classifies all TSRs held at, or received or receivable subsequent to June 2, 2013, as restricted by statute, since the Expenditure Act constrains the use of that portion of the Authority's resources. The remaining portion of net position is reported as unrestricted.

Likewise, in the Governmental Fund Balance Sheet, the portion of fund balance that is subject to the Expenditure Act is reported as restricted by statute; however, the remaining portion of fund balance is reported as committed to operating expense inasmuch as that portion of fund balance is constrained by the Authority's annually adopted budget. The Authority has full statutory power to adopt, revise and rescind its budget, and to expend funds for the costs of administering its operations.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

The Authority classifies the expenditure of funds when incurred based on the nature of the expenditure, with externally directed expenditures generally made from restricted funds, and expenditures made within the discretion of the Authority or subject to its own budget, primarily its authorized operating expenditures, made from committed funds.

- (g) **Administrative Expenses.** The State of South Carolina and certain of its agencies perform certain accounting, administrative, legal and enforcement services for the Authority, and the value of these services is accounted for as general government expenses in the financial statements. Note 6 – Related Party Transactions contains descriptions of and amounts expended for these purposes.
- (h) **Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) Deposits and Investments

Prior to June 2, 2013, the Authority’s cash deposits and investments held by the trustee were held in several restricted accounts in the name of the Authority, subject to investment restrictions imposed by the Trust Indenture. The Authority has not adopted a formal policy for these investments because the Trust Indenture contains these restrictions.

Subsequent to June 2, 2013, all of the Authority’s cash deposits and investments are under the control of the State Treasurer who, by law, has sole authority for investing State funds. State law requires full collateralization of all bank balances under the control of the State Treasurer, who must correct any deficiencies in collateral within two days. At June 30, 2016, all bank balances under the control of the State Treasurer were fully insured or collateralized with securities held by the State’s agent in the name of the State Treasurer.

The following schedule reflects the Authority’s deposits and investments at their fair and reported values at June 30, 2016, and reconciles the amounts reported in the statement of net position to the notes.

	Notes		Statements
Deposits			Cash
Held by State Treasurer	\$ 5,311,070		and cash equivalents
Totals	\$ 5,311,070		\$ 5,311,070

Further information concerning among other things values and risks of deposits and investments under the control of the State Treasurer, including disclosure under GASB Statement No. 40, Deposits and Investments - Risk Disclosures, is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina, which may be accessed at www.cg.sc.gov.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

(4) Bonds Payable

On March 22, 2001, the Authority issued \$934,530,000 aggregate principal amount of Tobacco Settlement Asset-Backed Bonds (the "Series 2001 Bonds") pursuant to an indenture between the Authority and United States Trust Company of New York (subsequently acquired by the Bank of New York), as trustee, dated as of March 1, 2001, and the Tobacco Settlement Revenue Management Authority Act. On June 26, 2008, the Authority defeased the Series 2001 Bonds with certain cash funds and proceeds of \$275,730,000 Tobacco Settlement Revenue Management Authority Tobacco Settlement Revenue Asset-Backed Refunding Bonds, Series 2008 (the "Series 2008 Bonds") issued pursuant to an indenture between The Bank of New York Trust Company, N.A., as trustee, and the Tobacco Settlement Revenue Management Authority.

At June 30, 2016, a total of \$64,890,000 of the Authority's legally and economically defeased Series 2001 Bonds remained outstanding; however, all of the Series 2001 Bonds are deemed paid within the meaning of and with the effect expressed in, and accordingly are no longer outstanding under, the Trust Indenture.

The Series 2008 Bonds were scheduled to retire in ordinary course on June 1, 2018; however, under early redemption provisions ("Turbo Redemptions"), any MSA payments exceeding annual debt service requirements of the Series 2008 Bonds were applied to early redemption of principal. On June 1, 2012, the Authority had sufficient funds to redeem as Turbo Redemptions the entire principal amount of the Series 2008 Bonds then outstanding; accordingly, all of the Authority's debt has been fully discharged.

(5) Disputed Payments

During the periods ending June 30, 2006 through June 30, 2014, a number of participating manufacturers ("PMs") deposited a portion of their tobacco settlement payments into a disputed payments account, incidental to findings by an independent arbitrator that MSA disadvantages were a significant factor in market share losses experienced by the PMs in certain calendar years. Under the provisions of the MSA, PMs are potentially entitled to an adjustment of their required payments under the MSA (a Non-Participating Manufacturer or NPM Adjustment) in the event that all of the PMs, in the aggregate, lose more than two percentage points of market share compared to the market share of the PMs in 1997. However, the adjustment cannot be applied against settling states that have enacted and diligently enforced an escrow fund statute under the MSA. As a result of the PMs' deposit into the disputed payments account, South Carolina's share of payments under the MSA has been reduced since 2006.

In May, 2013, the State joined 21 other states and the PMs in a global settlement of the NPM adjustment disputes for the years 2003 through 2012. The settlement provided that the State would receive during the fiscal year ended June 30, 2014, certain payments released from the disputed payments account, and that the PMs would be entitled to take certain credits from MSA payments due in the fiscal years ending June 30, 2014 through June 30, 2017. Moreover, the PMs did not withhold disputed funds during 2014 and 2015, and agreed to reduce withholding amounts for disputed funds thereafter. In addition to the financial terms of the settlement, the 22 settling states have agreed to a modification of future NPM adjustment disputes.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Financial Statements

June 30, 2016

The State estimated that it would initially receive approximately \$60 million in payments released from the disputed payments account, and the General Assembly determined to receive the settlement in two parts, in September, 2013, and in April, 2014, and made provision under Part IB, Section 118.17 in the fiscal year 2013-14 appropriation act for certain of the settlement funds to be transferred to the State's general fund. The Authority received the first of these settlement payments totaling \$21.7 million in October, 2013, and received the remainder of the settlement payments totaling \$48.7 million in April, 2014.

The Authority expects that credits taken by PMs from MSA payments due in the fiscal years ending June 30, 2015 through June 30, 2017 as described above will result in a reduction of TSRs in those fiscal years, the financial impact of which cannot be presently determined with precision.

(6) Related Party Transactions

The State of South Carolina, through the Office of Attorney General, the State Law Enforcement Division, and the South Carolina Department of Revenue, provides certain legal and enforcement services to the Authority. During the fiscal year ended June 30, 2016, the Authority made or provided for \$2,028,000 in expenditures from its general fund to these state agencies to cover costs of providing these services. The Office of State Treasurer provides administrative, investment, operations, record keeping, and other support services to the Authority; however, no reimbursements were made by the Authority during the fiscal year ended June 30, 2016 to cover costs of providing these services.

(7) Risk Management

The Authority is exposed to risks of loss from torts and maintains State coverage for these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from coverage in the prior year. The insurer promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits except for the deductibles. The Authority and other entities pay premiums to the State's Insurance Reserve Fund ("IRF") which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to torts. The IRF is a self-insurer whose rates are determined actuarially.

No payments for uninsured losses were made during the fiscal year ended June 30, 2016.

(8) Subsequent Events

The Authority has evaluated all events subsequent to the statement of net position date of June 30, 2016 through the date of issuance of these financial statements, September 15, 2016, and has determined that there are no subsequent events requiring disclosure.

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Required Supplementary Information (unaudited)

Budgetary Comparison Schedule
General Fund

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance Positive/(Negative)
	Original	Final		
Revenues				
Tobacco settlement receipts	\$ 70,000,000	\$ 70,000,000	\$ 71,118,801	\$ 1,118,801
Funds carried forward from prior year	50,000	50,000	-	(50,000)
Total revenues	<u>70,050,000</u>	<u>70,050,000</u>	<u>71,118,801</u>	<u>1,068,801</u>
Expenditures				
Contractual services	45,000	45,000	2,056,190	(2,011,190)
Fixed charges and contributions	3,000	3,000	2,490	510
Miscellaneous administrative	2,000	2,000	-	2,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>2,058,680</u>	<u>(2,008,680)</u>
Transfers				
Transfers to other state agencies	-	-	(69,090,801)	(69,090,801)
Total transfers	<u>-</u>	<u>-</u>	<u>(69,090,801)</u>	<u>(69,090,801)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ (30,680)</u>	<u>\$ (70,030,680)</u>

TOBACCO SETTLEMENT REVENUE MANAGEMENT AUTHORITY
(A Component Unit of the State of South Carolina)

Notes to Required Supplementary Information (unaudited)

Budgetary Comparison Schedule
General Fund

Year ended June 30, 2016

(1) Basis of Presentation

Section 11-49-60 of the South Carolina Code of Laws 1976, as amended requires the Authority to adopt an annual budget for its operational expenditures. The accompanying budgetary comparison schedule compares the Authority's legally adopted budget to actual results on the budgetary basis.

(2) Budgetary Revisions

The Authority maintains budgetary control at the object category of expenditure and must approve any transfer of appropriations between the object categories.

(3) Differences in Budgetary and GAAP Reporting

The accompanying budgetary comparison schedule compares the Authority's legally adopted budget with actual results in accordance with the Authority's basis of budgeting. The Authority's primarily cash basis budgetary accounting principles, however, differ significantly from GAAP. These different accounting principles may result in basis differences in the excess (deficiency) of revenues over (under) expenditures. Basis differences arise because the basis of budgeting differs from the GAAP basis used to prepare the governmental fund statement of revenues, expenditures and changes in fund balance. No such differences were reflected in the budgetary comparison schedule for the fiscal year ended June 30, 2016.

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Columbia, SC 29201

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Columbia, SC 29202



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mr. George L. Kennedy III, CPA
State Auditor
Office of the State Auditor
Columbia, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of South Carolina Tobacco Settlement Revenue Management Authority (the "Authority") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise South Carolina Tobacco Settlement Revenue Management Authority's basic financial statements, and have issued our report thereon dated September 15, 2016.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered South Carolina Tobacco Settlement Revenue Management Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Carolina Tobacco Settlement Revenue Management Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of South Carolina Tobacco Settlement Revenue Management Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether South Carolina Tobacco Settlement Revenue Management Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina
September 15, 2016

The Holtz Group, P.A.

SECTION 11-49-100. Accounts to be maintained separately; annual report.

All accounts of the authority must be held and maintained separately from all other funds, properties, assets, and accounts of this State and its other agencies. The board shall keep an accurate account of all of its activities and all of its receipts and expenditures and annually, in the month of January, shall make a report of its activities to the State Budget and Control Board, the report to be in a form prescribed by the State Budget and Control Board. Audited financial statements must be submitted to the Comptroller General by October fifteenth following the end of the fiscal year.

HISTORY: 2000 Act No. 387, Part II, Section 69A.2; 2005 Act No. 164, Section 13.
Code Commissioner's Note

At the direction of the Code Commissioner, reference in this section to the former Budget and Control Board has not been changed pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), until further action by the General Assembly.

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 for which Authority approval is requested:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$9,302,000 Multifamily Housing Revenue Bonds (Elements West End)	Elements West End / Conduit: Greenville Housing Authority	Howell Linkous and Nettles, LLC	Horton Drawdy Ward Mullinax & Farry PA
\$11,000,000 Educational Facilities Revenue Bond (Charleston Southern University)	Charleston Southern University / Conduit: Educational Facilities Revenue Authority	McNair Law Firm	Howell Linkous and Nettles, LLC

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 January 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
\$9,302,000 Multifamily Housing Revenue Bonds (Elements West End)	Elements West End / Conduit: Greenville Housing Authority	Howell Linkous and Nettles, LLC	Horton Drawdy Ward Mullinax & Farry PA	01/2/2017
\$11,000,000 Educational Facilities Revenue Bond (Charleston Southern University)	Charleston Southern University / Conduit: Educational Facilities Revenue Authority	McNair Law Firm	Howell Linkous and Nettles, LLC	12/12/2016

OTHER REVENUE ISSUES:

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

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

AGENCY: Department of Administration, Real Property Services

SUBJECT: Easement

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

- (a) County Location: Beaufort
From: Department of Administration
To: South Carolina Electric and Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.53 acre easement for the construction, installation, operation and maintenance of an 8-inch natural gas pipeline beneath Albergotti Creek off of the west side of US Hwy. 21 near Salt Creek Drive in Beaufort. The new gas pipeline will replace an existing 8-inch gas pipeline which serves the City of Beaufort. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easement across navigable waterways and submerged lands.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easement as recommended by the Department of Administration, Real Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 31, 2017

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Real Property Services
(b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: EASEMENT

3. Summary Background Information:

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

- (a) County Location: Beaufort
From: Department of Administration
To: South Carolina Electric and Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.53 acre easement for the construction, installation, operation and maintenance of an 8-inch natural gas pipeline beneath Albergotti Creek off of the west side of US Hwy. 21 near Salt Creek Drive in Beaufort. The new gas pipeline will replace an existing 8-inch gas pipeline which serves the City of Beaufort. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easement across navigable waterways and submerged lands.
-

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

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

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80 and 1-11-100
2. Easement Survey

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".

SURVEYED BY GLENN ASSOCIATES SURVEYING INC. P.O. BOX 12 JENKINSVILLE, S.C. 29065 Telephone (803) 345-5297



LOCATION SKETCH
SCALE: 1 INCH = 1 MILE

**SCE&G EASEMENT BOUNDARY
ALBERGOTTI CREEK CROSSING
0.53 ACRE**

PT-PT	BEARING	DISTANCE
511-512	S 20°25'57" E	181.88'
512-513	S 22°02'34" E	109.70'
513-514	S 19°29'53" E	144.25'
514-414	S 70°43'39" W	4.97'
414-413	S 27°07'31" W	15.82'
413-412	S 17°56'21" W	29.02'
412-518	S 21°47'37" W	24.08'
518-517	N 19°29'53" W	195.12'
517-516	N 22°02'34" W	109.30'
516-515	N 20°25'57" W	177.35'
515-374	N 40°23'17" E	8.10'
374-375	N 45°42'57" E	29.89'
375-511	S 75°43'23" E	18.97'

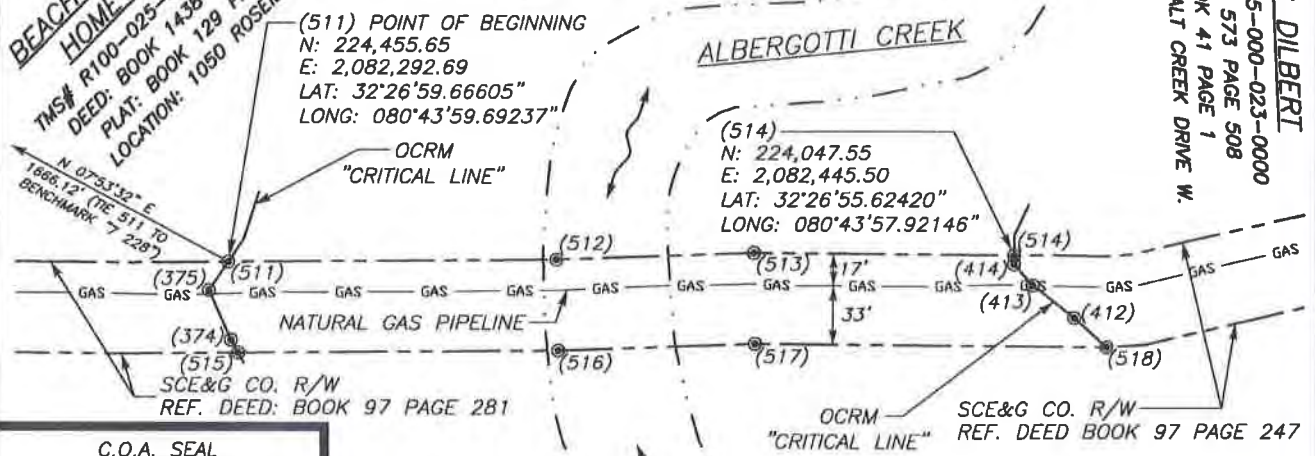


BENCHMARK REFERENCE: 7 228
PID: CK4342
GEODETIC COORDINATES:
LATITUDE: N 32°27'15.98965"
LONGITUDE: W 080°43'56.97282"
SC GRID COORDINATES
NORTH: 226,105.99
EAST: 2,082,521.46
ELEVATION: 27.9'

**BEACHWOOD MOBILE
HOME ESTATES**
TMS# R100-025-000-022F-0000
DEED: BOOK 1438 PAGE 1694
PLAT: BOOK 129 PAGE 27
LOCATION: 1050 ROSEIDA RD.

CONCRETE WALKWAY ON
RAILROAD BED

THOMAS DILBERTI
TMS# R100-025-000-023-0000
DEED: BOOK 573 PAGE 508
PLAT: BOOK 41 PAGE 1
LOCATION: 28 SALT CREEK DRIVE W.



SURVEYOR'S SEAL

Mark E. Mills
8-29-2016

SURVEYOR'S SEAL



ALBERGOTTI CREEK CROSSING
TOTAL SCE&G EASEMENT
AREA = 0.53 ACRE



EASEMENT SURVEY PREPARED FOR
50' WIDE SCE&G R/W
CROSSING ALBERGOTTI CREEK



BEAUFORT COUNTY			SOUTH CAROLINA	
DRAWN	CHECKED	DATE	SCALE	
J.E.F.	M.E.M.	8/29/16	1"=100'	
DRAWING NO.				

AGENCY: Department of Administration, Real Property Services

SUBJECT: Real Property Conveyance - Naval Base Intermodal Facility

The Department of Commerce Division of Public Railways is requesting approval to dispose, by quit-claim deed, of 3 Storehouse Row properties* acquired in 2013 and the Power House** obtained through the 2012 Settlement Agreement with the City of North Charleston together as one sale as follows:

Acreage	Location	County	Price/Transferred To
±1.766	1360 Truxtun Avenue, Building 7*	Charleston	Not less than appraised value/To be determined
±1.657	1362 McMillan Avenue, Building 11*	Charleston	Not less than appraised value/To be determined
±1.321	2120 Noisette Boulevard, Building 10*	Charleston	Not less than appraised value/To be determined
±2.25	1975 North Hobson Avenue**	Charleston	Nominal based on public benefit of rehabilitation of historic structure

These properties were acquired to provide maximum flexibility for implementation of the Naval Base Intermodal Facility (NBIF), but have now been deemed surplus. The Storehouse Row properties would be sold at not less than appraised value. The Department of Commerce is requesting sale of the Power House for nominal consideration in combination with the sale of the Storehouse Row properties due to the significant costs associated with rehabilitation to make the space usable. The terms and conditions of the Transfer and Purchase Agreement(s) will contain a reversionary clause subject to staff approval which will require rehabilitation of the Power House for commercial use by a date certain or the property will revert to approved public entity.

While the properties will be packaged for sale, to ensure the state receives the best value for all of the properties, bidders will also have the opportunity to bid on the individual parcels with the condition that the Storehouse Row properties will not be sold without a suitable buyer for the Power House. The proceeds will be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

AUTHORITY ACTION REQUESTED:

Approve the real property conveyance as recommended by the Department of Administration, Real Property Services.

ATTACHMENTS: Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 31, 2017

Blue Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Real Property Services

(b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

The Department of Commerce Division of Public Railways is requesting approval to dispose, by quit-claim deed, of 3 Storehouse Row properties* acquired in 2013 and the Power House** obtained through the 2012 Settlement Agreement with the City of North Charleston together as one sale as follows:

Acreage	Location	County	Price/Transferred To
±1.766	1360 Truxtun Avenue, Building 7*	Charleston	Not less than appraised value/To be determined
±1.657	1362 McMillan Avenue, Building 11*	Charleston	Not less than appraised value/To be determined
±1.321	2120 Noisette Boulevard. Building 10*	Charleston	Not less than appraised value/To be determined
±2.25	1975 North Hobson Avenue**	Charleston	Nominal based on public benefit of rehabilitation of historic structure

These properties were acquired to provide maximum flexibility for implementation of the Naval Base Intermodal Facility (NBIF), but have now been deemed surplus. The Storehouse Row properties would be sold at not less than appraised value. The Department of Commerce is requesting sale of the Power House for nominal consideration in combination with the sale of the Storehouse Row properties due to the significant costs associated with rehabilitation to make the space usable. The terms and conditions of the Transfer and Purchase Agreement(s) will contain a reversionary clause subject to staff approval which will require rehabilitation of the Power House for commercial use by a date certain or the property will revert to approved public entity

While the properties will be packaged for sale, to ensure the state receives the best value for all of the properties, bidders will also have the opportunity to bid on the individual parcels with the condition that the Storehouse Row properties will not be sold without a suitable buyer for the Power House. The proceeds will be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

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 Sections 1-11-58 and 1-11-65
2. 2016-2017 Appropriations Bill H.5001, Part 1B, Proviso 93.23
3. Letter from Department of Commerce dated January 23, 2017
4. Maps

SECTION 1-11-58. Annual inventory and report; review; sale of surplus property.

(A)(1) Every state agency, as defined by law, shall annually perform an inventory and prepare a report of all residential and surplus real property owned by it. The report shall be submitted to the Department of Administration, Division of General Services, on or before June thirtieth and shall indicate current use, current value, and projected use of the property. Property not currently being utilized for necessary agency operations shall be made available for sale and funds received from the sale of the property shall revert to the general fund.

(2) The Division of General Services shall review the annual reports addressing real property submitted to it and determine the real property which is surplus to the State. A central listing of such property will be maintained for reference in reviewing subsequent property acquisition needs of agencies.

(3) Upon receipt of a request by an agency to acquire additional property, the Division of General Services shall review the surplus property list to determine if the agency's needs may be met from existing state-owned property. If such property is identified, the division shall act as broker in transferring the property to the requesting agency under terms and conditions that are mutually agreeable to the agencies involved.

(4) The department may authorize the Division of General Services to sell any unassigned surplus real property. The division shall have the discretion to determine the method of disposal to be used, which possible methods include: auction, sealed bids, listing the property with a private broker or any other method determined by the division to be commercially reasonable considering the type and location of property involved.

(B) The procedures involving surplus real property sales under this section also are subject to the approvals required in Section 1-11-65 for surplus real property sales above five hundred thousand dollars.

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

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).

93.23. (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.



Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

January 23, 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 the Department of Administration ("DOA") to surplus and dispose of three office buildings and a historic building known as the Power House in City of North Charleston.

BACKGROUND

With approval by the Joint Bond Review Committee and the former Budget and Control Board, Palmetto Railways acquired the three office properties, known as Storehouse Row Numbers 7, 10 and 11, in 2013 as part of the purchase of the remaining properties held by the Noisette Companies on the former Navy Base. The purchase price was approximately \$6 million for all three properties. These Noisette acquisitions allowed Palmetto Railways to consolidate its holdings on the former Navy Base and provide maximum flexibility for implementation of the Navy Base Intermodal Facility ("NBIF"). Palmetto Railways acquired the historic Power House through the 2012 Settlement Agreement with the City of North Charleston pursuant to which various properties were exchanged so that Palmetto Railways controlled properties needed to implement the NBIF and those best suited for industrial and economic development while the City controlled properties best-suited for residential and recreational use.

Now, with the environmental impact statement ("EIS") process coming to a close, Palmetto Railways has properties it no longer needs to retain for NBIF implementation or rail-served economic development.

PROPERTIES TO BE SURPLUSSED AND SOLD

Among the properties Palmetto currently owns, but no longer needs and wishes to sell to replenish the agency's resources that can be reinvested in rail projects, including the NBIF,¹ are the three Storehouse Row office properties and the historic Power House.

Summary descriptions the properties to be surplusued and sold are as follows:

1. Storehouse Row Properties

These properties were collectively appraised in January 2017 for \$9,405,000. The Storehouse Row properties are located on three tax parcels that comprise 4.75 total acres and are under a non-responsible party voluntary clean up contract with the South Carolina Department of Health and Environmental Control ("DHEC").

a. Storehouse Row No. 7 (1360 Truxton Avenue)

Storehouse Row No. 7 is a three-story building comprised of 32,340 square feet of Class B office space, the majority of which is leased, and has on-site parking.

b. Storehouse Row No. 10 (2120 Noisette Boulevard)

Storehouse Row No. 10 is a one-story former industrial building that was converted to multi-tenancy and is comprised of 35,853 square feet of office and warehouse. It is currently occupied by 9 tenants, including Palmetto Railways,² and has on-site parking.

c. Storehouse Row No. 11 (1362 McMillan Avenue)

Storehouse Row No. 11 is a three-story structure comprised of 47,185 square feet of Class A office over an open parking garage. The first floor is occupied by three tenants and the third and fourth floors are occupied by DHEC.

2. The Power House

The Powerhouse is the most prominent and architecturally significant building on the former Navy Base. Constructed in 1909, it is currently listed on the National Register as part of the Charleston Navy Yard

¹ Palmetto Railways is currently compiling a complete list of properties that Palmetto Railways now knows can be surplusued and sold, excluding the properties best-suited for rail-served economic development projects, which will require separate state approvals.

² If Storehouse Row No. 10 is sold, Palmetto Railways will likely lease its current space, subject to requisite approvals, until such time as Palmetto Railways is able to relocate its Navy Base operations to the NBIF site.

Historic District. Because it is located in an industrial area adjacent to the NBIF site, the City of North Charleston transferred the Power House to Palmetto Railways in 2012 with the understanding that Palmetto Railways would make every effort to preserve it. This property was appraised in January 2017 for a negative value of \$995,000, but because the building is protected, it cannot be torn down.

JUSTIFICATION

The Storehouse Row properties have current tenants and are marketable to third parties. In contrast, the Power House, while historic and perhaps the most iconic building on the former Navy Base, has been vacant for 20 years and has proven not to be marketable as a standalone property (when owned by the City of North Charleston or since Palmetto Railways took title pursuant to the 2012 settlement) because of the significant costs associated with rehabilitation to make the space useable. The only party who previously expressed interest in the Power House walked away when a 2015 estimate determined that it would take over \$15 million to rehabilitate the building to turn it into office space.

Palmetto Railways currently has been approached by a buyer who has a track record rehabilitating historic properties in Charleston and North Charleston who is interested in acquiring all four properties. The potential buyer has a favorable relationship with the South Carolina State Historic Preservation Office and DHEC and proposes to restore the Power House and return it to the tax rolls by financing the project with available state and federal tax credits in combination with the acquisition of the revenue-producing Storehouse Row properties.

Given the opportunity to restore this iconic structure, which currently has a negative value and will continue to deteriorate and become a larger liability unless it is restored, Palmetto Railways is proposing that the properties be marketed together and that proposals only be deemed acceptable if from buyers with the qualifications and demonstrated ability to restore the Power House and return it to a productive use. To that end, the City of North Charleston has submitted a letter in support of transferring the Power House for nominal consideration in combination with a fair market sale of the three Store House Row properties, subject to the buyer's having demonstrated experience in successfully developing historical properties in the greater Charleston area.

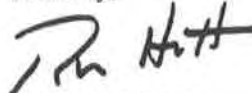
If, after DOA advertises the properties, the buyer who has already approached Palmetto Railways (or another qualified buyer with a proven record of restoring historical properties) makes a successful proposal to purchase the properties and restore the Power House, Palmetto Railways will receive the benefit of replenishing its funds needed for rail projects and the local community and state will benefit from the preservation of a historic property and return of that property to productive, taxable use.

SUMMARY OF REQUESTS FOR APPROVAL

1. Establish all four real properties as surplus and available for sale.
2. Pursuant to S.C. Code Sections 1-11-58(A)(4) and 1-11-65, authorize the Division of General Services to sell all four surplus real properties by offering them as a package sale and with Storehouse Row Nos. 7, 10 and 11 being offered at fair market value and the Power House being offered for transfer at nominal consideration subject to a Purchase and Sale Agreement, the terms of which shall be approved by SFAA and DOA staff and which shall contain a commitment by a qualified buyer with the demonstrated ability and desire to restore this historical structure for a productive use by a date certain.
3. Authorize inclusion in the Power House deed of a reverter clause that would allow an appropriate public entity (i.e., Palmetto Railways, the Charleston Naval Complex Redevelopment Authority, or the City of North Charleston) to regain title to the Power House should the buyer be unable to rehabilitate it as contemplated by the Purchase and Sale Agreement.

In accordance with Proviso 93.23, proceeds from the sale will be retained by Palmetto Railways and used to fund the NBIF project and related rail activities.

Sincerely,

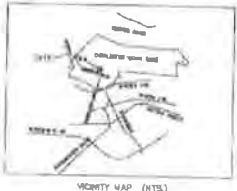
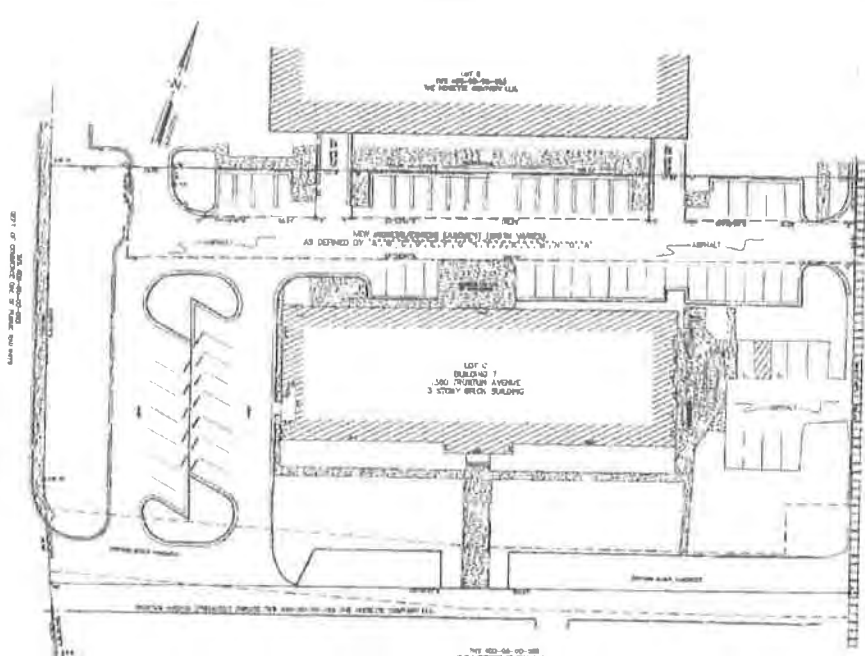


Robert M. Hitt III

Cc: Jeff McWhorter, President, Palmetto Railways
Karen Blair Manning, Chief Legal Counsel
Chris Huffman, Chief Financial Officer

List of Documents to be Provided:

1. Real Property Transaction Submission & Approval Forms
2. Updated Appraisals
3. Surveys
4. Existing deeds



VICINITY MAP (N.T.S.)

NOTES AND CONDITIONS:
 1. THE LOT IS TO BE SUBDIVIDED
 2. THE PROPERTY IS TO BE DEVELOPED AS A
 3. THE LOT IS TO BE DEVELOPED AS A
 4. THE LOT IS TO BE DEVELOPED AS A
 5. THE LOT IS TO BE DEVELOPED AS A

SCALE:
 1" = 100' HORIZ.
 1" = 20' VERT.



STATE OF MISSISSIPPI
 ENGINEER
 SURVEYOR



GRAPHIC SCALE
 0 50 100 FEET

PLAN SHOWING
 NEW INDUSTRIAL PARKING (ASPHALT)
 FOR LOT 1 - 300,000 SQ. FT.
 FORMER HAZARDOUS WASTE TREATMENT
 CITY OF NORTH COMPTON, TAMMERMEN COUNTY, MISS.
 SCALE 1"=20' DECEMBER 12, 2012



HOWARD ENGINEERING
 AND SURVEYING, INC.
 1000 W. 10TH STREET, SUITE 100
 TAMMERMEN, MISSISSIPPI 39284
 (601) 833-1111
 www.howard-engineering.com

AGENCY: Department of Administration, Real Property Services

SUBJECT: Real Property Conveyance – Transfer of Surplus Armory

Controlling Agency: Department of Administration
Acreage: 1.27± acres
Location: 45 Park Road, Inman
County: Spartanburg
Purpose: To transfer a surplus armory to a political subdivision as directed by the 2005 Joint Resolution R199, S286.
Grantee: City of Inman
Additional Information: On September 27, 2005, the Budget and Control Board approved the transfer of 2.13± acres of the Inman National Guard Armory to the then Town of Inman. It was recently discovered that the Armory property was comprised of two contiguous parcels measuring 2.13± acres and 1.27± acres respectively and that the second parcel was inadvertently omitted in the 2005 transfer. The Department of Administration is seeking approval to transfer the 1.27-acre parcel to the City of Inman.

AUTHORITY ACTION REQUESTED:

Approve the real property conveyances as recommended by the Department of Administration, Real Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 31, 2017

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Real Property Services
(b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCE

3. Summary Background Information:

Controlling Agency: Department of Administration
Acreage: 1.27± acres
Location: 45 Park Road, Inman
County: Spartanburg
Purpose: To transfer a surplus armory to a political subdivision as directed by the 2005 Joint Resolution R199, S286.
Grantee: City of Inman
Additional Information: On September 27, 2005, the Budget and Control Board approved the transfer of 2.13± acres of the Inman National Guard Armory to the then Town of Inman. It was recently discovered that the Armory property was comprised of two contiguous parcels measuring 2.13± acres and 1.27± acres respectively and that the second parcel was inadvertently omitted in the 2005 transfer. The Department of Administration is seeking approval to transfer the 1.27-acre parcel to the City of Inman.

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

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

6. List of Supporting Documents:

1. Joint Resolution
2. SC Code of Laws Section 1-11-65

NOTE: THIS COPY IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL PUBLISHED IN THE ADVANCE SHEETS TO THE ACTS AND JOINT RESOLUTIONS. WHEN THIS DOCUMENT IS PUBLISHED IN THE ADVANCE SHEET, THIS NOTE WILL BE REMOVED.

(R199, S286)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF A SURPLUS NATIONAL GUARD ARMORY IN INMAN, SOUTH CAROLINA, TO THE TOWN OF INMAN; TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF THE LOCKHART NATIONAL GUARD ARMORY TO THE TOWN OF LOCKHART; AND TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER THE OWNERSHIP OF THE JONESVILLE NATIONAL GUARD ARMORY TO THE TOWN OF JONESVILLE.

Whereas, the National Guard Armory located on the Oakland Avenue Extension, Inman, South Carolina, has been vacated by the 1st Battalion, 178th Field Artillery of the Army National Guard; and

Whereas, the State Military Department has declared this property surplus to its current needs; and

Whereas, the Town of Inman will use the armory for the benefit of the community. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

Ownership of surplus National Guard Armory transferred to Town of Inman

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the surplus National Guard Armory located on the Oakland Avenue Extension, Inman, South Carolina, to the Town of Inman, South Carolina.

Ownership of Lockhart National Guard Armory transferred to Town of Lockhart

SECTION 2. Pursuant to the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Lockhart National Guard Armory to the Town of Lockhart, South Carolina.

Ownership of Jonesville National Guard Armory transferred to Town of Jonesville

SECTION 3. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Jonesville National Guard Armory to the Town of Jonesville, South Carolina.

Time effective

SECTION 4. This joint resolution takes effect upon approval by the Governor.

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).

AGENCY: State Fiscal Accountability Authority, Office of Executive Director

SUBJECT: Bank Account Transparency and Accountability

Proviso 117.83 of the Fiscal Year 2016-17 Appropriations Act requires agencies with composite reservoir bank accounts or other accounts which are not included in the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted from this requirement. The proviso also provides for an agency to petition the State Fiscal Accountability Authority for an exemption from the detailed reporting requirements if release of the information would be detrimental to the state or agency. Agencies exempted from the detailed transaction reporting by action of the former Budget and Control Board must provide the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.

The SFAA Office of Executive Director requested state agencies to provide the required reports by October 1, 2016. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on its website. Attached is a list which submitted a report in accordance with Proviso 117.83 of the FY 2016-17 Appropriations Act.

One agency has requested an exemption from the reporting requirements of Proviso 117.83:

South Carolina Vocational Rehabilitation Department

The Proviso requires that the meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the State Fiscal Accountability Authority in a public meeting.

AUTHORITY ACTION REQUESTED:

- a) Receive as information the list of agencies which have submitted reports in accordance with Proviso 117.83, concerning bank account transparency and accountability.
- b) Grant approval for the agency request for exemption from the detailed reporting requirements of Proviso 117.83 except for the following information 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.
- c) Request the State Auditor's Office to continue to include a review of agency composite accounts when performing audits of agencies.

ATTACHMENTS:

Proviso 117.83; Summary of agency responses; Letter from Neal Getsinger, Commissioner, SC Vocational Rehabilitation Department

H. 5001
General Appropriations Bill for Fiscal Year 2016-2017
Ratified Version

PART IB
SECTION 117 - X900 - GENERAL PROVISIONS

117.83. (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the State Fiscal Accountability Authority by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the beginning and year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. To facilitate review, the State Fiscal Accountability Authority shall prescribe a common format for the report which agencies must use. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

When the State Auditor conducts or contracts for an audit of a state agency, accounts of the agency subject to this proviso must be included as part of the review.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the State Fiscal Accountability Authority to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the State Fiscal Accountability Authority in a public meeting.

**AGENCY COMPOSITE BANK ACCOUNTS
REPORTS RECEIVED**

AGENCY	EXEMPTION REQUESTED
DEPARTMENT OF ADMINISTRATION	YES
DEPARTMENT OF DISABILITIES & SPECIAL	YES
DEPARTMENT OF JUVENILE JUSTICE	YES
DEPARTMENT OF MOTOR VEHICLES	YES
DEPARTMENT OF NATURAL RESOURCES	YES
DEPARTMENT OF REVENUE	YES
DEPARTMENT OF SOCIAL SERVICES	YES
OFFICE OF ATTORNEY GENERAL	YES
SC LAW ENFORCEMENT DIVISION	YES
STATE ACCIDENT FUND	YES
VOCATIONAL REHABILITATION DEPARTMENT	YES
WIL LOU GRAY OPPORTUNITY SCHOOL	YES
ADJUTANT GENERAL'S OFFICE	NO
DEPARTMENT OF COMMERCE	NO
DEPARTMENT OF EMPLOYMENT AND WORKFORCE	NO
DEPARTMENT OF HEALTH AND HUMAN SERVICES	NO
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL	NO
DEPARTMENT OF LABOR, LICENSING AND REGULATION	NO
DEPARTMENT OF PARKS RECREATION AND TOURISM	NO
DEPARTMENT OF PUBLIC SAFETY	NO
DEPARTMENT OF TRANSPORTATION	NO
FORESTRY COMMISSION	NO
GOVERNOR'S MANSION AND GROUNDS	NO
JOBS ECONOMIC DEVELOPMENT AUTHORITY	NO
JUDICIAL DEPARTMENT	NO
SCHOOL FOR THE DEAF AND BLIND	NO
SECRETARY OF STATE	NO
STATE MUSEUM	NO



November 14, 2016

Grant Gillespie, Executive Director
State Fiscal Accountability Authority
1200 Senate St., Suite 600
Columbia, SC 29201

Re: Exemption from Proviso 117.83

Dear Mr. Gillespie:

The South Carolina Vocational Rehabilitation Department (SCVRD) is respectfully requesting an exemption from the reporting requirements concerning Proviso 117.83 of the FY 2016-17 Appropriation Act. The transactions of the composite reservoir bank account, which is managed by SCVRD, are directly related to the provision of client (the term "client" refers to a person with a disability who receives rehabilitation services from our agency) services. Each transaction associated with this account identifies our clients (the payees) by name. Releasing the names of the payees on the account and linking the transactions to the accountability and transparency website would violate Federal and State confidentiality laws protecting applicants, clients, and former clients of SCVRD.

34 C.F.R. Section 361.38(e) and S.C. Code Ann. Section 43-31-150 (1976) require written consent of the client or a court order before information may be released. Copies of the State & Federal provisions are enclosed for your review. In addition, the Privacy Act of 1974, as amended at 5 U.S.C. 552a, protects records that can be retrieved from a system of records by personal identifiers such as a name, social security number, or other identifying number or symbol. Our agency must follow Federal and State laws and regulations as they relate to confidentiality. These laws and regulations greatly restrict our ability to disclose personal information regarding applicants, clients, and former clients.

If you should have any questions regarding this request, please contact Rick Elam at 803-896-6507.

Sincerely,

Neal Getsinger
Commissioner

RECEIVED

NOV 15 2016

SFAA

Neal Getsinger, Commissioner

The South Carolina Vocational Rehabilitation Department prepares and assists
eligible South Carolinians with disabilities to achieve and maintain competitive employment

State Office • 1410 Boston Avenue • P.O. Box 15 • West Columbia, South Carolina 29170 • scvrd.net
803-896-6500 (Office) • 803-896-6558 (Fax) • 800-832-7526 (Toll free)
803-896-6553 (TTY) • info@scvrd.state.sc.us

South Carolina Code

§ 43-31-150. Unlawful disclosure or use of information; records and communications are confidential and privileged.

It shall be unlawful, except for purposes directly connected with the administration of the vocational rehabilitation program, and in accordance with regulations, for any person to solicit, disclose, receive or make use of, or authorize, knowingly permit, participate in or acquiesce in the use of any list of, or names of, or any information concerning, persons applying for or receiving vocational rehabilitation, directly or indirectly derived from the records, papers, files, communications of the State or subdivisions or agencies thereof, or acquired in the course of the performance of official duties without the written consent of each such applicant and recipient. The records, papers, files and communications shall be regarded as confidential information and privileged.

HISTORY: 1962 Code § 71-285; 1957 (50) 114; 1972 (57) 2398.



FEDERAL REGISTER

Vol. 81
No. 161

Friday,
August 19, 2016

Part IV

Department of Education

34 CFR Parts 361, 363, and 397
State Vocational Rehabilitation Services Program; State Supported
Employment Services Program; Limitations on Use of Subminimum Wage;
Final Rule

(4) Inform the individual that, if he or she initially chooses not to pursue an employment outcome as defined in § 361.5(c)(15), he or she can seek services from the designated State unit at a later date if, at that time, he or she chooses to pursue an employment outcome; and

(5) Refer the individual, as appropriate, to the Social Security Administration in order to obtain information concerning the ability of individuals with disabilities to work while receiving benefits from the Social Security Administration.

(c) *Criteria for appropriate referrals.* In making the referrals identified in paragraph (a)(2) of this section, the designated State unit must—

(1) Refer the individual to Federal or State programs, including programs carried out by other components of the statewide workforce development system, best suited to address the specific employment needs of an individual with a disability; and

(2) Provide the individual who is being referred—

(i) A notice of the referral by the designated State agency to the agency carrying out the program;

(ii) Information identifying a specific point of contact within the agency to which the individual is being referred; and

(iii) Information and advice regarding the most suitable services to assist the individual to prepare for, secure, retain, or regain employment.

(d) *Order of selection.* In providing the information and referral services under this section to eligible individuals who are not in the priority category or categories to receive vocational rehabilitation services under the State's order of selection, the State unit must identify, as part of its reporting under section 101(a)(10) of the Act and § 361.40, the number of eligible individuals who did not meet the agency's order of selection criteria for receiving vocational rehabilitation services and did receive information and referral services under this section.

(Approved by the Office of Management and Budget under control number 1205-0522)

(Authority: Sections 7(11), 12(c), 101(a)(5)(E), 101(a)(10)(C)(ii), and 101(a)(20) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 705(11), 709(c), 721(a)(5)(E), 721(a)(10)(C)(ii), and 721(a)(20))

§ 361.38 Protection, use, and release of personal information.

(a) *General provisions.* (1) The State agency and the State unit must adopt and implement written policies and procedures to safeguard the confidentiality of all personal

information, including photographs and lists of names. These policies and procedures must ensure that—

(i) Specific safeguards are established to protect current and stored personal information, including a requirement that data only be released when governed by a written agreement between the designated State unit and receiving entity under paragraphs (d) and (e)(1) of this section, which addresses the requirements in this section;

(ii) All applicants and recipients of services and, as appropriate, those individuals' representatives, service providers, cooperating agencies, and interested persons are informed through appropriate modes of communication of the confidentiality of personal information and the conditions for accessing and releasing this information;

(iii) All applicants and recipients of services or their representatives are informed about the State unit's need to collect personal information and the policies governing its use, including—

(A) Identification of the authority under which information is collected;

(B) Explanation of the principal purposes for which the State unit intends to use or release the information;

(C) Explanation of whether providing requested information to the State unit is mandatory or voluntary and the effects of not providing requested information;

(D) Identification of those situations in which the State unit requires or does not require informed written consent of the individual before information may be released; and

(E) Identification of other agencies to which information is routinely released;

(iv) An explanation of State policies and procedures affecting personal information will be provided to each individual in that individual's native language or through the appropriate mode of communication; and

(v) These policies and procedures provide no fewer protections for individuals than State laws and regulations.

(2) The State unit may establish reasonable fees to cover extraordinary costs of duplicating records or making extensive searches and must establish policies and procedures governing access to records.

(b) *State program use.* All personal information in the possession of the State agency or the designated State unit must be used only for the purposes directly connected with the administration of the vocational rehabilitation program. Information

containing identifiable personal information may not be shared with advisory or other bodies that do not have official responsibility for administration of the program. In the administration of the program, the State unit may obtain personal information from service providers and cooperating agencies under assurances that the information may not be further divulged, except as provided under paragraphs (c), (d), and (e) of this section.

(c) *Release to applicants and recipients of services.* (1) Except as provided in paragraphs (c)(2) and (3) of this section, if requested in writing by an applicant or recipient of services, the State unit must make all requested information in that individual's record of services accessible to and must release the information to the individual or the individual's representative in a timely manner.

(2) Medical, psychological, or other information that the State unit determines may be harmful to the individual may not be released directly to the individual, but must be provided to the individual through a third party chosen by the individual, which may include, among others, an advocate, a family member, or a qualified medical or mental health professional, unless a representative has been appointed by a court to represent the individual, in which case the information must be released to the court-appointed representative.

(3) If personal information has been obtained from another agency or organization, it may be released only by, or under the conditions established by, the other agency or organization.

(4) An applicant or recipient of services who believes that information in the individual's record of services is inaccurate or misleading may request that the designated State unit amend the information. If the information is not amended, the request for an amendment must be documented in the record of services, consistent with § 361.47(a)(12).

(d) *Release for audit, evaluation, and research.* Personal information may be released to an organization, agency, or individual engaged in audit, evaluation, or research only for purposes directly connected with the administration of the vocational rehabilitation program or for purposes that would significantly improve the quality of life for applicants and recipients of services and only if, in accordance with a written agreement, the organization, agency, or individual assures that—

(1) The information will be used only for the purposes for which it is being provided;

(2) The information will be released only to persons officially connected with the audit, evaluation, or research;

(3) The information will not be released to the involved individual;

(4) The information will be managed in a manner to safeguard confidentiality; and

(5) The final product will not reveal any personal identifying information without the informed written consent of the involved individual or the individual's representative.

(e) *Release to other programs or authorities.* (1) Upon receiving the informed written consent of the individual or, if appropriate, the individual's representative, the State unit may release personal information to another agency or organization, in accordance with a written agreement, for its program purposes only to the extent that the information may be released to the involved individual or the individual's representative and only to the extent that the other agency or organization demonstrates that the information requested is necessary for its program.

(2) Medical or psychological information that the State unit determines may be harmful to the individual may be released if the other agency or organization assures the State unit that the information will be used only for the purpose for which it is being provided and will not be further released to the individual.

(3) The State unit must release personal information if required by Federal law or regulations.

(4) The State unit must release personal information in response to investigations in connection with law enforcement, fraud, or abuse, unless expressly prohibited by Federal or State laws or regulations, and in response to an order issued by a judge, magistrate, or other authorized judicial officer.

(5) The State unit also may release personal information in order to protect the individual or others if the individual poses a threat to his or her safety or to the safety of others.

(Authority: Sections 12(c) and 101(a)(6)(A) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 721(a)(6)(A))

§ 361.39 State-imposed requirements.

The designated State unit must, upon request, identify those regulations and policies relating to the administration or operation of its vocational rehabilitation program that are State-imposed, including any regulations or policy based on State interpretation of any Federal law, regulation, or guideline.

(Authority: Section 17 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 714)

§ 361.40 Reports; Evaluation standards and performance indicators.

(a) *Reports.* (1) The vocational rehabilitation services portion of the Unified or Combined State Plan must assure that the designated State agency will submit reports, including reports required under sections 13, 14, and 101(a)(10) of the Act—

(i) In the form and level of detail and at the time required by the Secretary regarding applicants for and eligible individuals receiving services, including students receiving pre-employment transition services in accordance with § 361.48(a); and

(ii) In a manner that provides a complete count (other than the information obtained through sampling consistent with section 101(a)(10)(E) of the Act) of the applicants and eligible individuals to—

(A) Permit the greatest possible cross-classification of data; and

(B) Protect the confidentiality of the identity of each individual.

(2) The designated State agency must comply with any requirements necessary to ensure the accuracy and verification of those reports.

(b) [Reserved]

(Approved by the Office of Management and Budget under control number 1205-0522)

(Authority: Sections 12(c), 101(a)(10)(A) and (F), and 106 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c), 721(a)(10)(A) and (F), and 726)

Provision and Scope of Services

§ 361.41 Processing referrals and applications.

(a) *Referrals.* The designated State unit must establish and implement standards for the prompt and equitable handling of referrals of individuals for vocational rehabilitation services, including referrals of individuals made through the one-stop service delivery systems under section 121 of the Workforce Innovation and Opportunity Act. The standards must include timelines for making good faith efforts to inform these individuals of application requirements and to gather information necessary to initiate an assessment for determining eligibility and priority for services.

(b) *Applications.* (1) Once an individual has submitted an application for vocational rehabilitation services, including applications made through common intake procedures in one-stop centers under section 121 of the Workforce Innovation and Opportunity Act, an eligibility determination must be made within 60 days, unless—

(i) Exceptional and unforeseen circumstances beyond the control of the

designated State unit preclude making an eligibility determination within 60 days and the designated State unit and the individual agree to a specific extension of time; or

(ii) An exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with § 361.42(e).

(2) An individual is considered to have submitted an application when the individual or the individual's representative, as appropriate—

(i)(A) Has completed and signed an agency application form;

(B) Has completed a common intake application form in a one-stop center requesting vocational rehabilitation services; or

(C) Has otherwise requested services from the designated State unit;

(ii) Has provided to the designated State unit information necessary to initiate an assessment to determine eligibility and priority for services; and

(iii) Is available to complete the assessment process.

(3) The designated State unit must ensure that its application forms are widely available throughout the State, particularly in the one-stop centers under section 121 of the Workforce Innovation and Opportunity Act.

(Authority: Sections 12(c), 101(a)(6)(A), and 102(a)(6) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c), 721(a)(6)(A), and 722(a)(6))

§ 361.42 Assessment for determining eligibility and priority for services.

In order to determine whether an individual is eligible for vocational rehabilitation services and the individual's priority under an order of selection for services (if the State is operating under an order of selection), the designated State unit must conduct an assessment for determining eligibility and priority for services. The assessment must be conducted in the most integrated setting possible, consistent with the individual's needs and informed choice, and in accordance with the following provisions:

(a) *Eligibility requirements—*(1) *Basic requirements.* The designated State unit's determination of an applicant's eligibility for vocational rehabilitation services must be based only on the following requirements:

(i) A determination by qualified personnel that the applicant has a physical or mental impairment;

(ii) A determination by qualified personnel that the applicant's physical or mental impairment constitutes or results in a substantial impediment to employment for the applicant; and

(iii) A determination by a qualified vocational rehabilitation counselor

AGENCY: Executive Director

SUBJECT: Qualified Public Educational Facilities (2016 Volume Cap Carryforward)

Internal Revenue Code Section 26 U.S.C. Section 142(k) for qualified public educational facilities and Section 142(a)(13) were added by Section 422(a) and (b) of P.L. 107-16 in 2001. Section 142(k) provides a separate and independent volume cap for qualified public educational facilities to be used for the issuance of bonds for public educational facilities. These bonds are not subject to the general volume limitation under Code Section 146 but are subject to a separate volume limitation set forth in Code Section 142(k). No regulations for this provision have been promulgated.

The volume cap for qualified public educational facilities is governed by Section 142(k)5. That Section provides, in part, the following:

(B) Allocation rules.

....

(ii) Rules for carryforward of unused limitation. A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of Section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).

The volume cap for calendar year 2016 was \$48,961,460 and has been unused. The Authority is asked to elect to carryforward the entire volume cap for 2016 to be used for the issuance of bonds for qualified public educational facilities as described in Section 142(a)(13) and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation. Pursuant to Section 142(k)(5)(B)(ii) the carryforward will be valid for the next three calendar years.

AUTHORITY ACTION REQUESTED:

Approve the carryforward of the unused volume cap allocation for qualified public educational facilities for calendar year 2016 to be used for the issuance of bonds of such bonds and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation to be valid for the next three calendar years.

ATTACHMENTS:

Internal Revenue Code 26 U.S.C. Section 142; Certification of 2016 State Ceiling for Qualified Public Educational Facilities Bonds

26 U.S.C.

United States Code, 2011 Edition

Title 26 - INTERNAL REVENUE CODE

Subtitle A - Income Taxes

CHAPTER 1 - NORMAL TAXES AND SURTAXES

Subchapter B - Computation of Taxable Income

PART IV - TAX EXEMPTION REQUIREMENTS FOR STATE AND LOCAL BONDS

Subpart A - Private Activity Bonds

Sec. 142 - Exempt facility bond

From the U.S. Government Printing Office, www.gpo.gov**§142. Exempt facility bond****(a) General rule**

For purposes of this part, the term “exempt facility bond” means any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

- (1) airports,
- (2) docks and wharves,
- (3) mass commuting facilities,
- (4) facilities for the furnishing of water,
- (5) sewage facilities,
- (6) solid waste disposal facilities,
- (7) qualified residential rental projects,
- (8) facilities for the local furnishing of electric energy or gas,
- (9) local district heating or cooling facilities,
- (10) qualified hazardous waste facilities,
- (11) high-speed intercity rail facilities,
- (12) environmental enhancements of hydroelectric generating facilities,
- (13) qualified public educational facilities,
- (14) qualified green building and sustainable design projects, or
- (15) qualified highway or surface freight transfer facilities.

(b) Special exempt facility bond rules

For purposes of subsection (a)—

(1) Certain facilities must be governmentally owned**(A) In general**

A facility shall be treated as described in paragraph (1), (2), (3), or (12) of subsection (a) only if all of the property to be financed by the net proceeds of the issue is to be owned by a governmental unit.

NIKKI HALEY, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE
COMMITTEE

W. BRIAN WHITE
CHAIRMAN, HOUSE WAYS AND MEANS
COMMITTEE

OFFICE OF THE EXECUTIVE DIRECTOR

Grant Gillespie
Executive Director

(803) 734-8018
GGillespie@sfaa.sc.gov


January 20, 2016

**CERTIFICATION OF
2016 STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS
ESTABLISHED IN TAX REFORM ACT OF 1986, AS AMENDED**

In accord with Section 1-11-500 of the Code of Laws of South Carolina, 1976, as amended, which is part of a plan for allocating the State Ceiling on the issuance of tax exempt private activity bonds established in the Tax Reform Act of 1986, as amended, I have determined that the most recent census estimate of the resident population of the State of South Carolina published by the Bureau of the Census before the beginning of 2015 is 4,896,146.

That population estimate is included in Census Bureau release CB15-215 dated December 22, 2015.

On that basis, I have calculated and I certify the 2016 state ceiling on the issuance of private activity bonds for the State of South Carolina, as established in the Tax Reform Act of 1986, as amended, to be \$489,614,600.


Delbert H. Singleton, Jr.
Secretary to the Authority

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Housing Authority of the City of Greenville
- Amount of Issue: \$9,302,000 Multifamily Housing Revenue Bonds
- Allocation Needed: \$9,302,000
- Name of Project: Elements West End
- Employment Impact: n/a
- Project Description: to provide financing for the acquisition, construction, and renovation of a historic warehouse for conversion into 60 rental units geared toward workforce housing
- 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:

Resolution with attachments

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE, SOUTH CAROLINA, OF ITS MULTIFAMILY HOUSING REVENUE BONDS (ELEMENTS WEST END)

WHEREAS, The Housing Authority of the City of Greenville, South Carolina (the "Authority"), was created by a resolution adopted by the City Council of the City of Greenville pursuant to Title 31, Chapter 3, Article 5 of the Code of Laws of South Carolina 1976, as amended; and

WHEREAS, the Authority, acting by and through its Board of Commissioners, is authorised and empowered under and pursuant to the provisions of Title 31, Chapter 13 (and particularly Section 31-13-90 thereof) and Sections 31-3-20(15) and (17) and 31-3-540 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, as amended, with respect to multi-family housing; and

WHEREAS, the Act provides that, upon the approval of the State Fiscal Accountability Authority ("SFAA"), the Authority may issue from time to time bonds for the purpose of obtaining funds with which to make (1) construction loans secured by mortgages of housing sponsors or of persons or families of either beneficiary class (as defined in the Act); and (2) permanent mortgage loans to housing sponsors or to persons or families of either beneficiary class who agree to and shall be required to provide construction of residential housing for rental by persons or families of either beneficiary class; provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorised to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Board; or (b) if the notes or bonds are sold or placed either as "mortgage bonds sold as a unit" or in "transactions with banks, institutional buyers, etc." as provided in Section 35-1-320(5) and (8) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the SFAA its Petition dated January __, 2017 (the "Petition"), which, together with the schedules thereto attached, sets forth certain information with respect to the Bonds;

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

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

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Multifamily Housing Revenue Bonds (Elements West End) in the principal amount not to exceed \$9,302,000.

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

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

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

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

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

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

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



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 01/31/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Greenville Housing Authority Series: 2017A
 Borrower (if not Issuer): Elements West End LLC
 Bond Caption: Multi-Family Housing Revenue Bonds (Elements West End)
 Bond Resolution Amount: \$9,302,000.00 Est. Production/Par Amt: \$7,500,000.00

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

Submitted By:

Final Production/Par Amt: \$0.00

ENTITY: Howell Linkous & Nettles
 BY: Sam Howell
 ITS: Bond Counsel to Transaction
 Tel: 843.266 3801
 Email: samhowell@bond-law.com

Transaction Type/Method of Sale:

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Elements West End
 Project Address/Location: 806 Green Ave., Greenville, South Carolina Amount: \$7,500,000.00
 Project Type: Multi Family Housing County: Greenville
 Projected Avg Interest Rate: 6.5%- 7.5% Final Maturity: 03/31/47

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)
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Cedar Ventures LLC/Moody Capita Disclosure Counsel: Dorsey & Whitney
 Bond Counsel: Howell Linkous & Nettles Issuer's Counsel: Horton Drawdy Ward Mullinax & Farry P
 Underwriter: Dougherty & Company Other: Rogers Lewis, Borrower Counsel
 Other: _____ Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

Substantial rehabilitation of an historic building in West End part of Greenville using federal and state historic tax credits along with South Carolina textile tax credits. The housing will be geared towards work force housing and priced or rented below current market rates.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>01/19/17</u>	<u>GHA Approval</u>
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>01/31/17</u>	

Project Approvals - Please list state entities only		Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>	
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>00/00/00</u>	

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

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

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. 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
\$ 3,797,000.00	00/00/00	
\$ 8,545,072.00	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 12,342,072.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (a) Par	\$ 7,500,000.00	\$ 9,229,720.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 525,000.00	Capitalized Interest Fund
(2) Issuer/Borrower Cont.	\$ 926,338.00	\$ 614,509.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.		\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution		\$ 479,741.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 319,515.00	Property Tax Reserves
Type - Tax Credit Equity	\$ 3,915,734.00	\$ 100,000.00	working capital
Residual Project Sources		\$ 22,000.00	title
(6) Other		\$ 5,000.00	market study
(a) GF -	\$	\$ 345,587.00	tax credit syndication and borrowing fees
(a) FF -	\$	\$ 10,000.00	Construction Monitor
(c) OF -	\$	\$ 227,000.00	repayment of Partner loans
Total Project Sources	\$ 12,342,072.00	\$ 464,000.00	Developer Fee
		\$ 12,342,072.00	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	Cedar Ventures		9/15/2016	\$ 131,250.00	\$	\$ 131,250.00
Bond Counsel	Howl Linkous & Nettles			\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel	Dorsey & Whitney			\$ 50,000.00	\$	\$ 50,000.00
Issuer's Counsel	Horton Drawdy Ward			\$	\$	\$
Underwriter's Counsel	Dorsey & Whitney			See Disclosure Counsel	\$	#VALUE!
Transaction Counsel	Rogers Lewis			\$ 20,000.00	\$	\$ 20,000.00
Legal Expenses	Trustee Counsel			\$ 5,000.00	\$	\$ 5,000.00
				\$	\$	\$
Rating Agency - S&P	N/A			\$	\$	\$
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch	N/A			\$	\$	\$
Underwriter's Compensation				\$ 131,250.00	\$	\$ 131,250.00
Registrar / Paying Agent	TBD			\$ 11,000.00	\$	\$ 11,000.00
Escrow Agent	TBD			\$ 5,000.00	\$	\$ 5,000.00
Accountant	Rubin Brown			\$ 7,500.00	\$	\$ 7,500.00
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 971.00	\$	\$ 971.00
Issuer's Fee	SC JEDA / SC SHFDA	GHA		\$ 52,500.00	\$	\$ 52,500.00
				\$ 479,471.00	\$	#VALUE!

Est. Annual COI Fees (% of Transaction):

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

1.75%	#DIV/0!
0.87%	#DIV/0!
1.87%	#DIV/0!
0.00%	#DIV/0!

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

1.75%	#DIV/0!
1.03%	#DIV/0!
6.39%	#DIV/0!

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) is designated as the state pool and \$297,667,140 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$496,111,900 remaining for 2017. Allocation requests for 2017 totaling \$61,302,000 have been received thus far.

Relating to requests for calendar year 2017 ceiling allocations, the Authority is asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

The recommendation from the Department of Commerce for allocations for this cycle totals \$61,302,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

Greenville Housing Authority, Elements West End (City of Greenville), \$9,302,000;
JEDA HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000

The SC Code of Laws Section 1-11-540 (B) provides that “requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board... 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.” Bond counsel for HarborChase of Riverwalk and River Park Senior Living projects positive economic, job creation, and infrastructure impact to the State is of such significance that approval of the allocation request is warranted prior to July 1.

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$434,809,900 (state pool - \$198,444,760; local pool - \$236,365,140) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

1) 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:

Greenville Housing Authority, Elements West End (City of Greenville), \$9,302,000
JEDA HarborChase of Riverwalk (York County), \$27,000,000; and
JEDA, River Park Senior Living (Horry County), \$25,000,000

2) Authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

ATTACHMENTS:

2017 Ceiling Allocation Requests; Young 1/24/17 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 Elements West End	9,302,000	9,302,000	Howell			Greenville	
2	01/05/17	JEDA HarborChase of Riverwalk	27,000,000	36,302,000	Emily Luther	x	x	Rock Hill	
3	01/05/17	JEDA River Park Senior Living	25,000,000	61,302,000	Emily Luther	x	x	Little River	

2017 South Carolina State Ceiling

Balance remaining as of January 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 Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
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					
01/31/17	Gville Housing Authority	Elements West End		9,302,000				Howell
01/31/17	JEDA	HarborChase of Riverwalk		27,000,000				Luther
01/31/17	JEDA	River Park Senior Living		25,000,000				Luther
TOTAL, LOCAL POOL				61,302,000	236,365,140	0		
GRAND TOTAL			496,111,900	61,302,000	434,809,900	0		

2017 South Carolina State Ceiling Allocations

Summary, CY 2017

2017 State Ceiling
 Initial Allocations **496,111,900**
 Expired/Relinquished 61,302,000
 Actual Allocations 0
 Certified for Issue **61,302,000**
 Carried Forward 0

Balance Available: 434,809,900

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

Emily S. Luther
Special Counsel
Telephone: 803.253.6841
Direct Fax: 803.255.8017
emilyluther@parkerpoe.com

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

January 5, 2017

Via Email and Hand Delivery

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

**Re: Not Exceeding \$27,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(HarborChase of Riverwalk Project) Series 2017A and Series 2017B (taxable)**

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") consideration at its January 31, 2017, meeting, the following documents relating to a request pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), for an allocation of State volume cap in the amount of \$27,000,000 for the above-referenced bonds ("Bonds"):

- A. a completed transmittal form and Attachment A;
- B. JEDA's Petition to the SFAA;
- C. JEDA's Inducement Resolution and Inducement Agreement;
- D. SFAA's Resolution; and
- E. JEDA's Bond Resolution.

The Bonds were approved by the SFAA and the South Carolina Jobs-Economic Development Authority ("JEDA") in calendar year 2016 for the purpose of providing a loan to RockBridge Community One, LLC ("Borrower"), for the construction of an assisted living and memory care facility in the City of Rock Hill, South Carolina ("Project"). Additionally, the SFAA previously approved a tentative volume cap allocation of \$27,000,000 for the Bonds, but due to the volatile market conditions in the last quarter of the calendar year 2016, the Bonds did not close and the tentative volume cap allocation granted by the SFAA expired on December 31, 2016.

The financing and Project teams believe the Bonds will be successfully issued and closed in the first quarter of 2017 and construction will begin immediately thereafter. Thus, together with JEDA, the Borrower requests that the SFAA grant an allocation of State volume cap for the Bonds in the amount of \$27,000,000 for calendar year 2017. The Project's positive economic, job creation, and infrastructure impact to the State, as more particularly detailed in Attachment A to the transmittal form, is of such significance that approval of the allocation request is

Delbert E. Singleton, Jr.
Assistant Executive Director and Authority Secretary

Page 2

warranted to be given at the SFAA's January 31, 2017, meeting and not deferred until after July 1. Additionally, deferring approval of the allocation request until after July 1 would significantly delay construction of the Project and considerably impair the Project's ability to meet the infrastructure needs as described in Attachment A.

Pursuant to Section 1-11-530 of the Act, the allocation amount as set forth in this letter and the enclosed documents constitutes all of the private activity bond financing contemplated at this time for the project.

Please do not hesitate to contact me with any questions or if you should need additional information.

Sincerely,

Emily S. Luther

Enclosures: stated

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

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

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: January 3, 2017

Submitted for SFAA Meeting on:
January 31, 2017

FROM:

Parker Poe Adams & Bernstein LLP
Name of Law Firm
1221 Main Street, Suite 1100
Street Address/Box Number
Columbia, South Carolina 29201
City, State, Zip Code
(803) 255.8000
Area Code/Telephone Number

RE:

not exceeding \$27,000,000
Amount of Issue
SC Jobs-Economic Development Authority
Name of Issuing Authority
Economic Development Revenue Bonds
Type of Bonds or Notes
February 15, 2017
Projected Issue Date

Project Name: HarborChase of Riverwalk

Project Description: See Attachment A

Employment as a result of the project: 90 (direct); 493 (indirect) within 24 months

Ceiling Allocation Required
X Yes (\$27,000,000) No
Amount

Refunding Involved
Yes (\$) No
Amount

Project Approved Previously
X Yes (\$27,000,000) No
Amount

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

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

- A. X Petition
B. X Resolution or Ordinance
C. X Inducement Resolution or comparable preliminary approval
D. N/A Department of Health and Environmental Control Certificate if required
E. X State Fiscal Accountability Authority Resolution (original)
Plus copies for certification and return to bond counsel
F. N/A Draft bond counsel opinion letter
G. N/A Processing Fee
Amount: \$ Check No:
Payor:

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

By:
Signature

ATTACHMENT A TO TRANSMITTAL FORM

The not exceeding \$27,000,000 of the South Carolina Jobs-Economic Development Authority's ("JEDA") Economic Development Revenue Bonds ("Bonds") to be loaned to RockBridge Community One, LLC ("Borrower") for the construction of HarborChase of Riverwalk, an assisted living facility with memory care in the City of Rock Hill, South Carolina ("Project"), were approved by the State Fiscal Accountability Authority ("SFAA") by Resolution on August 23, 2016, and by JEDA, contingent on SFAA approval, on August 15, 2016.

At the time of the approval of the Bonds, the SFAA likewise made a tentative allocation of State volume cap for the Bonds and the Project. However, due to volatile market conditions during the last quarter of 2016, the Bonds were not able to be sold and closed before the end of 2016, at which time the tentative volume cap allocation for the Bonds expired. BB&T Capital Markets, the Underwriter for the Bonds, believes that the first quarter of 2017 will be a more favorable time for the market and suggests that the bonds be sold in early 2017. As such, JEDA and the Borrower are requesting an allocation of State volume cap for the Bonds at the SFAA's meeting on January 31, 2017, to allow for the Bonds to be issued in the first quarter of 2017.

The Borrower is a Delaware limited liability company. It is wholly owned by RockBridge Senior Living Group, LLC and is a special purpose entity created for the purpose of constructing, owning and operating the Project. The Project will consist of 88 units (63 assisted living and 25 memory care units) and will be located in the planned Riverwalk Community, a 1000 acre, mixed-use development in the City of Rock Hill.

The Project is anticipated to provide a significant positive impact to the City of Rock Hill and the State by meeting a patent need for assisted living and memory care housing in the Rock Hill PMA, which is comprised of a 6 zip code area. The 65+ population in the Rock Hill PMA is anticipated to increase by 35.2% by 2020 and there is a projected need for assisted living and memory care housing of 209 units in 2018 and 263 units by 2020. These anticipated needs are unmet based on current inventory and units under development. The Project will fill a portion of this unmet but needed infrastructure for the Rock Hill area.

The Borrower has closed on the purchase of the land on which the Project will be located in March of 2015. The Borrower has also undertaken other pre-development work, including a voluntary environmental cleanup of the Project site. The Borrower was issued a Certificate of Completion on April 17, 2015, by the South Carolina Department of Health and Environmental Control certifying that the Borrower had completed the terms of the Voluntary Cleanup Contract 14-6259-NRP.

In addition to the Project meeting a need for assisted living and memory care housing in the Rock Hill PMA, the Project will result in an investment of approximately \$31,250,000 in the City of Rock Hill, and the direct employment of 90 people within 24 months and the indirect employment of approximately 493, which employees will be from the City and adjacent areas. The Borrower has received full construction and design approval from the South Carolina Department of Health and Environmental Control and the City of Rock Hill as of December 20, 2016, and can begin construction as soon as the financing is closed.

The construction timeline for the Project is estimated to be 12-17 months. To complete construction of the Project in order to meet the increased affordable housing and memory care service needs in the Rock Hill PMA expected in 2018, the Bond financing needs to be completed as soon as possible for construction to begin. As noted above, the Project and financing teams were prepared to issue the Bonds in the last quarter of 2016, but due to unexpected market volatility, the Bonds could not be issued and closed. The financing team believes that the first quarter of 2017 is the best opportunity to complete the financing. Deferring the grant of the volume cap allocation request would significantly impair the timeliness of this much needed infrastructure provided by the Project.



Aerial Rendering of the Project

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

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

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

1. The Act, among other things, empowers the Authority: (i) to utilize any of its program funds to establish loan programs to be utilized to acquire, by construction or purchase, land and buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition or construction thereof and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina ("*State*") and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (ii) subject to the approval of the State Fiscal Accountability Authority of the issuance of its bonds through public sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist RockBridge Community One, LLC ("*Borrower*") by issuing one or more series of its Economic Development Revenue Bonds ("*Bonds*") for purposes of defraying the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping an assisted living facility, consisting of approximately 88 units comprising approximately 77,500 square feet, in the City of Rock Hill, South Carolina ("*City*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds

3. The Authority has been advised by the Borrower that the estimated cost of the Project will be approximately \$31,510,000 and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$27,000,000 to defray such costs.

4. The Bonds are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors, which arrangement the Authority has determined to be most advantageous.

5. The Authority hereby finds that:

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

(b) It is anticipated that the Project will benefit the general public welfare of the State, and the City in particular, by providing for (i) the creation of (A) indirect employment of approximately 493 people within 24 months, and (B) direct employment for 70 people within 12 months, and an additional 20 people within 24 months, for a total of 90 employees, which employees will be from the City and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

(a) Require a resolution from the governing body of the City containing the following findings: (i) that the financing of the Project will serve the purposes of the Act; (ii) that the financing of the Project is anticipated to benefit the general public welfare of the City by providing services, employment, or other public benefits not otherwise provided locally; (iii) that the financing of the Project will give rise to no pecuniary liability of the Authority or the City or a charge against either of their general credit or taxing power; and (iv) the amount of Bonds required to finance the Project.

(b) Hold a public hearing in the City in connection with such resolution;

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

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

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

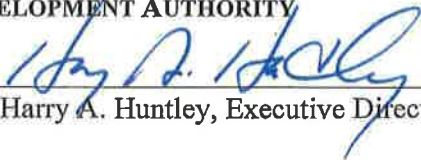
(f) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of

financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

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

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 
Harry A. Huntley, Executive Director

(SEAL)

Dated: June , 2016

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

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND ROCKBRIDGE COMMUNITY ONE, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED \$27,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS

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

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

WHEREAS, RockBridge Community One, LLC, and its related entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$27,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to defray the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping an assisted living facility, consisting of approximately 88 units comprising approximately 77,500 square feet, in the City of Rock Hill, South Carolina ("*City*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds, and the Authority wishes to induce the Borrower to undertake the Project; and

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

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority of South Carolina (“*State Fiscal Accountability Authority*”), in compliance with Section 41-43-110 of the Act, the Petition (defined below) of the Authority requesting approval by the State Fiscal Accountability Authority for the issuance of the Bonds which are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority (“*Board*”) as follows:

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

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 493 people within 24 months, and (B) direct employment for 70 people within 12 months, and an additional 20 people within 24 months, for a total of 90 employees, which employees will be from the City and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

Section 2. Subject to such approval by the State Fiscal Accountability Authority and the governing board of the City, as required by law, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

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

Section 4. The Executive Director is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by

counsel to the Authority), in the name and on behalf of the Authority and to affix the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

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

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

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of a petition ("*Petition*") in the form attached hereto as Exhibit B (with such changes as shall have been approved by counsel to the Authority), requesting approval by the State Fiscal Accountability Authority (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors.

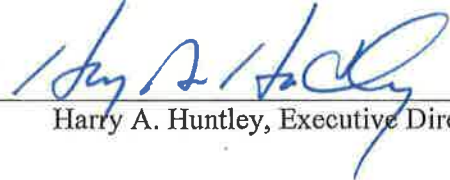
Section 8. The Chairman of the Board shall be and is hereby authorized and directed to execute the Petition in the name and on behalf of the Authority, and the Executive Director of the Authority shall be and is hereby authorized and directed to affix the seal of the Authority to the Petition and to attest the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the State Fiscal Accountability Authority.

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

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Passed and approved: June 8th, 2016.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

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

WITNESSETH

ARTICLE I RECITATION OF FACTS

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

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

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

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$27,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to defray the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping an assisted living facility, consisting of approximately 88 units comprising approximately 77,500 square feet, in the City of Rock Hill, South Carolina ("*City*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds, and the Authority wishes to induce the Borrower to undertake the Project.

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 493 people within 24 months, and (B) direct employment for 70 people within 12 months, and an additional 20 people within 24 months, for a total of 90 employees, which employees will be from the City and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public

benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Fiscal Accountability Authority of the State of South Carolina ("*State Fiscal Accountability Authority*") and the governing body of the City, as may be required by law, and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

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

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

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

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

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

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

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

(a) to acquire the Project;

(b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;

(c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;

(d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and

(e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

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

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project, including the acquisition of membership interests, real property, or leasehold interests therein, the construction of

a building or buildings and additions to a building or buildings, and the acquisition and installation of the equipment and furnishings, prior to the issuance of the Bonds.

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

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

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

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

[SIGNATURE PAGE FOLLOWS]
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(SEAL)

Dated: June 8th, 2016

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

By: 
Harry A. Huntley, Executive Director

ROCKBRIDGE COMMUNITY ONE, LLC

By: _____
Gerry Sawyer, Authorized Representative

Dated: June ____, 2016


**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: June __, 2016

ROCKBRIDGE COMMUNITY ONE, LLC

By:  _____
Gerry Sawyer, Authorized Representative

Dated: June 15, 2016

STATE OF SOUTH CAROLINA)
) HarborChase of Riverwalk
COUNTY OF RICHLAND)

I, DELBERT H. SINGLETON, JR., SECRETARY to the State Fiscal Accountability Authority, DO HEREBY CERTIFY:

That the State Fiscal Accountability Authority (the Authority) is composed of the following:

Her Excellency, Nikki R. Haley, Governor and Chair of the Authority;
The Honorable Curtis M. Loftis, Jr., State Treasurer;
The Honorable Richard Eckstrom, Comptroller General;
The Honorable Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
The Honorable W. Brian White, Chairman, House Ways and Means Committee.

That due notice of a meeting of the Authority, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, August 23, 2016, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary, in the lobbies of the Wade Hampton and Edgar A. Office Buildings, and near the Authority Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 9:15 a.m. on Monday, August 22, 2016.

That all members of the Authority were present at the meeting.

That, at the meeting, a motion to adopt a Resolution, of which the attached is a true, correct and verbatim copy, was made by Senator Leatherman, the motion was seconded by Mr. Eckstrom, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

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That the Chairman thereupon declared the Resolution adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Authority in my custody as its Secretary.

September 6, 2016



A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$27,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (HARBORCHASE OF RIVERWALK PROJECT) IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("*Act*"), requested approval by the State Fiscal Accountability Authority of the State of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$27,000,000 (together, the "*Bonds*") through a limited offering, or as the Authority may determine to be most advantageous; and

WHEREAS, the Authority represents to the State Fiscal Accountability Authority of the State of South Carolina that the Bonds will be sold in a manner acceptable to the Authority.

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

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

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

Section 3. This Resolution shall take effect immediately.

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

A BOND RESOLUTION

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NOT EXCEEDING \$27,000,000 SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (HARBORCHASE OF RIVERWALK PROJECT) TO BE ISSUED IN ONE OR MORE SERIES PURSUANT TO TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AUTHORIZING THE LOAN OF THE PROCEEDS OF THE BONDS TO ROCKBRIDGE COMMUNITY ONE, LLC; AUTHORIZING THE OWNERSHIP AND OPERATION BY ROCKBRIDGE COMMUNITY ONE, LLC OF THE ASSISTED LIVING FACILITIES TO BE FINANCED BY THE PROCEEDS OF THE BONDS; AUTHORIZING THE EXECUTION, DISTRIBUTION AND USE OF A LIMITED OFFERING MEMORANDUM IN CONNECTION WITH THE OFFERING OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ALL INSTRUMENTS, AGREEMENTS, DOCUMENTS, AND CERTIFICATES NECESSARY TO ACCOMPLISH THE FOREGOING; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY RELATING TO ANY OF THE FOREGOING.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

ARTICLE I FINDINGS OF FACT

Incident to the adoption of this Resolution, the Board of Directors ("**Board**") of the South Carolina Jobs-Economic Development Authority ("**Authority**") makes the following findings of facts:

Section 1.1. The Authority, acting through its Board, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended ("**Act**") to utilize any of its program funds to establish loan programs to reduce the costs of capital to qualified business enterprises and for other purposes described in Section 41-43-160 of the Act and, thus, provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina ("**State**"), and act in conjunction with other persons or organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State.

Section 1.2. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act. Section 41-43-110 of the Act further provides that the bonds issued by the Authority are limited obligations of the Authority payable solely from a revenue producing source or from a special source which does not include revenues from any tax or license and that such bonds do not constitute an indebtedness of the State or the Authority within the meaning of any State constitutional provision or statutory limitation.

Section 1.3. RockBridge Community One, LLC ("**Borrower**"), applied to the Authority to issue, not exceeding \$27,000,000 of the Authority's economic development revenue bonds ("**Bonds**") in one or more series, taxable or tax-exempt, to defray the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping an assisted living facility, consisting of approximately 88 units comprising approximately 77,500 square feet in the City of Rock Hill, South Carolina ("**City**"), all of which constitutes property eligible to be financed with economic development revenue bonds ("**Project**"); (ii) fully fund a debt service reserve fund related to the Bonds; (iii) finance capitalized

interest during the construction period of the Project; and (iv) provide for the payment of certain fees and expenses to be incurred in connection with the issuance of the Bonds.

Section 1.4. Pursuant to the authorizations of the Act, the Authority has heretofore agreed to assist the Borrower through the issuance and delivery of not exceeding the aggregate principal amount of \$27,000,000 of the Authority's Bonds in one or more taxable or tax-exempt series.

Section 1.5. The cost of the acquisition, rehabilitation, furnishing and equipping of the portion of the Project to be financed with the proceeds of the Bonds (including the amount necessary to fund any capitalized interest and certain fees and expenses to be incurred in connection with the issuance of the Bonds) will not exceed \$27,000,000. The Borrower has now requested that the Authority proceed with the issuance of the Bonds pursuant to the Act.

Section 1.6. The Authority authorized a petition ("*Petition*") to the State Fiscal Accountability Authority ("*State Authority*") on June 8, 2016, and the State Authority will consider the Bonds as required by the Act at the State Authority's meeting on August 23, 2016. Subject to approval of the Bonds by the State Authority, the Board adopts this Resolution for the purposes of (a) providing for the issuance, sale, and delivery of the Bonds; (b) authorizing the execution, distribution, and use of a preliminary Limited Offering Memorandum and a final Limited Offering Memorandum (collectively, "*Memorandum*") in connection with the offering of the Bonds; (c) authorizing the initial ownership and operation of the Project by the Borrower; and (d) authorizing the execution and delivery of (i) a Bond Purchase Agreement ("*Bond Purchase Agreement*") among the Authority, the Borrower, and BB&T Capital Markets, a division of BB&T Securities, LLC, as underwriter ("*Underwriter*"), (ii) an Trust Indenture ("*Indenture*") between the Authority and U.S. Bank National Association, as trustee (in such capacity, the "*Trustee*"), which will prescribe the terms and conditions under which the Bonds will be issued and the security therefor, (iii) a Loan Agreement ("*Loan Agreement*") between the Authority and the Borrower, which provides for a loan of the proceeds of the Bonds by the Authority to the Borrower, the repayment of such loan by the Borrower, the payment by the Borrower of all expenses of operating and maintaining the Project in good repair, keeping the Project properly insured, and payment of all taxes, assessments, and other charges levied or assessed against or with respect to the Project, (iv) an Arbitrage and Tax Regulatory Agreement ("*Tax Compliance Agreement*") between the Authority and the Borrower entered into to ensure that the interest on any series of tax-exempt Bonds is and remains excluded from the gross income of the owners of the Bonds for federal income taxation purposes, and (v) all other instruments, documents, agreements, and certificates necessary to accomplish the purposes of the foregoing (all instruments, documents, agreements, and certificates the execution and delivery of which by the Authority is herein authorized, whether described in this Section or not, are referred to collectively as the "*Authority Documents*").

Section 1.7. The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in (a) creation of indirect employment of approximately 493 people within 24 months, and the creation of direct employment for approximately 70 people within 12 months and an additional 20 people within 24 months, for a total of 90 employees, which employees will be from the City and adjacent areas and (b) alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein described bears a reasonable relationship to the principal amount of the Bonds.

Section 1.8. (a) The Borrower is an organization with established credit and is a responsible party; (b) the amount of program funds committed bears a reasonable relationship to the amount of private funds committed to the Project; and (c) the issuance of Bonds in a principal amount of not exceeding \$27,000,000 and is required to fund the Project.

Section 1.9. The size and scope of the Project are such that a definite benefit to the economy of the State, and the City in particular, is reasonably expected to result from the Project being financed.

Section 1.10. The provisions, terms, and conditions of the Authority Documents are reasonable and proper, taking into account such factors as the type of program involved, the amount of the Bonds, and the number and type of jobs involved.

Section 1.11. A meeting of the City Council of the City and public hearing was duly noticed and held on August 8, 2016, at which meeting the resolution approving the Project and the Bonds was adopted.

Section 1.12. The public interest is adequately protected by the terms of the Authority Documents.

Section 1.13. The Bonds are limited obligations of the Authority and do not constitute an indebtedness of the State or the Authority within the meaning of any constitutional provision or statutory limitation (other than Article X, Section 13(9) of the State Constitution permitting indebtedness payable from a source other than revenues derived from a tax or license) and do not give rise to any pecuniary liability of the State or the Authority or a charge against the general credit of the State or the Authority or taxing powers of the State, and these facts shall be plainly stated on the face of each Bond. The Authority does not have taxing power.

ARTICLE II LOAN PROVISIONS; EXECUTION OF THE AUTHORITY DOCUMENTS

Section 2.1. In order to promote and develop the business and economic welfare of the State, encourage and assist in the location of new business enterprises in the State, and in the rehabilitation and assistance of existing business enterprises, and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State, and to otherwise accomplish the purposes of the Act by assisting the Borrower with financing the Project, the making of a loan pursuant to the terms of the Loan Agreement to be utilized by the Borrower for the acquisition of the Project, is hereby authorized, ratified, and approved.

Section 2.2. The execution and delivery on behalf of the Authority of the Bond Purchase Agreement, in such form as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Bond Purchase Agreement shall be executed on behalf of the Authority by the Chairman, Vice Chairman, or Acting Chairman of the Board (collectively, "*Chairman*") or the Executive Director of the Authority ("*Executive Director*").

Section 2.3. The execution and delivery on behalf of the Authority of the Indenture, in substantially the form presented at this meeting, with such changes as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Indenture shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.4. The execution and delivery on behalf of the Authority of the Loan Agreement, in substantially the form presented at this meeting, with such changes as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Loan Agreement shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.5. The execution and delivery on behalf of the Authority of the Tax Compliance Agreement in such form as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Tax Compliance Agreement shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.6. The execution and delivery on behalf of the Authority of such other instruments, documents, agreements, and certificates as the Chairman or the Executive Director, with advice of counsel, deems reasonably necessary or advisable to accomplish the foregoing and the closing and the sale of the Bonds are hereby authorized and directed. Such instruments, documents, agreements, and certificates (which constitute Authority Documents hereunder) shall be executed on behalf of the Authority by the Chairman or the Executive Director.

ARTICLE III ISSUANCE OF THE BONDS

Section 3.1. The Bonds shall be designated "South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (HarborChase of Riverwalk Project)," with such additional designation to include their series or if the Bonds are issued in two or more series, they shall bear such additional or different designations as are necessary to differentiate the two series, and shall be in such amounts for such series, subject to aggregate maximum set forth below, as approved by the Chairman or the Executive Director (his or their execution of the Bonds to be conclusive evidence of such approval). The Chairman and Executive Director are authorized to execute the Bonds and affix the seal of the Authority. Upon the execution and delivery of the Authority Documents, the Bonds in the principal amount of not exceeding \$27,000,000 shall be issued and the proceeds thereof expended in the manner provided by the Authority Documents in order to defray the cost of the acquisition, rehabilitation, furnishing, and equipping of the Project, pay certain costs and expenses and establish certain funds related to the issuance of the Bonds. The Bonds shall be in such series and principal amounts, be dated, mature, bear interest, be subject to redemption, and have such other terms as shall be approved by the Chairman or the Executive Director (his or their execution of the Bonds to be conclusive evidence of such approval), provided that the principal amount thereof shall not exceed \$27,000,000.

Section 3.2. The Bonds shall be in the form substantially as set forth in the exhibits to the Indenture and otherwise therein and shall be executed on behalf of the Authority in the manner provided in the Indenture, and prior to delivery, shall be authenticated by the Trustee as prescribed in the Indenture.

ARTICLE IV SALE OF THE BONDS

Section 4.1. Upon the advice of the Borrower, the sale of the Bonds to the Underwriter in accordance with the terms of the Bond Purchase Agreement for sale or resale to an investor or investors has been determined to be most advantageous by the Board, and the sale is hereby approved, and the Chairman or the Executive Director is fully authorized and empowered to take such further action and to execute and deliver such other instruments, agreements, documents, and certificates as may be necessary and proper to effect the delivery of the Bonds in a manner consistent with the foregoing provisions of this Resolution, and the action of such officers or either of them in executing and delivering such instruments, agreements, documents, and certificates in such form as the executing officer or officers shall approve is hereby authorized. The execution and delivery of the Memorandum, in such form as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and its distribution and use in the sale of Bonds, are hereby approved and ratified. Both the Chairman and the Executive Director, or either one of them, are hereby authorized and directed to execute and deliver the Memorandum with any additional or modified information as the Chairman or Executive

Director, with advice of counsel, deems necessary or advisable for the purposes thereof, the execution being conclusive evidence of approval.

**ARTICLE V
DISPOSITION OF BOND PROCEEDS**

Section 5.1. When received, the proceeds of the Bonds shall be paid directly to the Trustee and thereafter disposed of by the Trustee in accordance with the terms and provisions of the Authority Documents, and not otherwise.

**ARTICLE VI
MISCELLANEOUS**

Section 6.1. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Authority Documents or the Bonds, against any Director of the Authority, or any officer, or employee, agent or attorney of the Authority, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate or entity obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any director, officer, employee, agent, or attorney of the Authority, past, present or future, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority and the Trustee or the bondholders or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every director, officer, employee, agent, or attorney is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of directors, officers, employees, agents, or attorney of the Authority under the provisions contained in this Section 6.1 shall survive the termination of the Authority Documents.

Section 6.2. This Resolution shall be construed and interpreted in accordance with the laws of the State.

Section 6.3. This Resolution shall become effective immediately upon its adoption by the Board.

Section 6.4. The provisions of this Resolution are hereby declared to be separable and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, the declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 6.5. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

(Signature page follows)

Passed and approved this 15th day of August, 2016.

**SOUTH CAROLINA
JOBS-ECONOMIC DEVELOPMENT AUTHORITY**



Harry A. Huntley, Executive Director



(SEAL)

*signature page to Bond Resolution
(HarborChase of Riverwalk Project)*

Emily S. Luther
Special Counsel
Telephone: 803.253.6841
Direct Fax: 803.255.8017
emilyluther@parkerpoe.com

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

January 5, 2017

Via Email and Hand Delivery

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

**Re: Not Exceeding \$25,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(River Park Senior Living Project) Series 2017A and Series 2016B (taxable)**

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") consideration at its January 31, 2017, meeting, the following documents relating to a request pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), for an allocation of State volume cap in the amount of \$25,000,000 for the above-referenced bonds ("Bonds"):

- A. a completed transmittal form and Attachment A;
- B. JEDA's Petition to the SFAA;
- C. JEDA's Inducement Resolution and Inducement Agreement;
- D. SFAA's Resolution;
- E. JEDA's Bond Resolution.

The Bonds were approved by the SFAA and the South Carolina Jobs-Economic Development Authority ("JEDA") in calendar year 2016 for the purpose of providing a loan to CR Senior Living, LLC, and its related or affiliated entities, for the construction of an assisted living and memory care facility in Horry County, South Carolina ("Project"). Additionally, the SFAA previously approved a tentative volume cap allocation of \$25,000,000 for the Bonds, but due to the volatile market conditions in the last quarter of the calendar year 2016, the Bonds did not close and the tentative volume cap allocation granted by the SFAA expired on December 19, 2016.

The financing and Project teams believe the Bonds will be successfully issued and closed in the first quarter of 2017 and construction will begin immediately thereafter. Thus, together with JEDA, the Borrower requests that the SFAA grant an allocation of State volume cap for the Bonds in the amount of \$25,000,000 for calendar year 2017. The Project's positive economic, job creation, and infrastructure impact to the State, as more particularly detailed in Attachment A to the transmittal form, is of such significance that approval of the allocation request is

Delbert E. Singleton, Jr.
Assistant Executive Director and Authority Secretary

Page 2

warranted to be given at the SFAA's January 31, 2017, meeting and not deferred until after July 1. Additionally, deferring approval of the allocation request until July 1 would significantly delay construction of the Project and considerably impair the Project's ability to meet the infrastructure needs as described in Attachment A.

Pursuant to Section 1-11-530 of the Act, the allocation amount as set forth in this letter and the enclosed documents constitutes all of the private activity bond financing contemplated at this time for the project.

Please do not hesitate to contact me with any questions or if you should need additional information.

Sincerely,

Emily S. Luther

Enclosures: stated

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

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

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: January 3, 2017

Submitted for SFAA Meeting on:

January 31, 2017

FROM:

Parker Poe Adams & Bernstein LLP
Name of Law Firm

1221 Main Street, Suite 1100
Street Address/Box Number

Columbia, South Carolina 29201
City, State, Zip Code

(803) 255.8000
Area Code/Telephone Number

RE:

not exceeding \$25,000,000
Amount of Issue

SC Jobs-Economic Development Authority
Name of Issuing Authority

Economic Development Revenue Bonds
Type of Bonds or Notes

March 1, 2017
Projected Issue Date

Project Name: River Park Senior Living

Project Description: See Attachment A

Employment as a result of the project: 65 (direct); 60 (indirect) within 24 months

Ceiling Allocation Required
X Yes (\$25,000,000) ___ No
Amount

Refunding Involved
___ Yes (\$) ___ No
Amount

Project Approved Previously
X Yes (\$25,000,000) ___ No
Amount

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

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

- A. X Petition
B. X Resolution or Ordinance
C. X Inducement Resolution or comparable preliminary approval
D. N/A Department of Health and Environmental Control Certificate if required
E. X State Fiscal Accountability Authority Resolution (original)
Plus ___ copies for certification and return to bond counsel
F. N/A Draft bond counsel opinion letter
G. N/A Processing Fee
Amount: \$ ___ Check No: ___
Payor: ___

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

By: ___
Signature

ATTACHMENT A TO TRANSMITTAL FORM

The not exceeding \$25,000,000 of the South Carolina Jobs-Economic Development Authority's ("JEDA") Economic Development Revenue Bonds ("Bonds") to be loaned to CR Senior Living, LLC (or its affiliated and related entities) ("Borrower") for the construction of River Park Senior Living, an assisted living facility with memory care in Horry County, South Carolina ("Project") was approved by the State Fiscal Accountability Authority ("SFAA") by Resolution on September 20, 2016, and by JEDA on September 21, 2016.

At the time of the approval of the Bonds, the SFAA likewise made a tentative allocation of State volume cap for the Bonds and the Project. However, due to volatile market conditions during the last quarter of 2016, the Bonds were not able to be sold and closed before the end of 2016, at which time the tentative volume cap allocation for the Bonds expired. BB&T Capital Markets, the Underwriter for the Bonds, believes that the first quarter of 2017 will be a more favorable time for the market and suggests that the bonds be sold in early 2017. As such, JEDA and the Borrower are requesting an allocation of State volume cap for the Bonds at the SFAA's meeting on January 31, 2017, to allow for the Bonds to be issued in the first quarter of 2017.

The Borrower is a North Carolina limited liability company. The Borrower is a special purpose entity, created through a partnership of CapRock, LLC and David Little, principal of Progressive Management - entities experienced in the development of assisted living communities - for the purpose of constructing, owning and operating assisted living facilities with memory care in South Carolina. The project team recently completed a financing for and has begun construction on an assisted living facility in Boiling Springs, South Carolina.

The Project will consist of approximately 66 assisted living and memory care units and 40 independent living units, comprising an aggregate of approximately 110,000 square feet. The Borrower has identified a site on which to locate the Project and engaged a firm which conducted a market study evidencing a need for an assisted living facility in the Little River area.

The Project will result in an investment of approximately \$23,100,000 in Horry County, and the direct employment of 65 people within 24 months and the indirect employment of approximately 60 people, which employees will be from Horry County and adjacent areas. In addition to the significant positive impact to the State and Horry County flowing from the capital investment and job creation resulting from the Project, the Project will also provide a significant positive impact by supplying much needed infrastructure for the County. The 65+ population in Horry County is expected to increase by at least 21.8% by 2018, which is expected to put significant pressure on the current healthcare facilities and services located in the County and create an unmet demand for affordable, assisted living and memory care housing. At the time of the study conducted for the Project, there were no other facilities planned to meet the additional housing and care needs resulting from the increase in the 65+ population. The Project will alleviate the pressure on the County's healthcare infrastructure by providing affordable housing, services and support to the increasing senior population that meets the assisted living and memory care needs of that population.

The construction timeline for the Project is estimated to be 10-12 months. To complete construction of the Project in order to meet the increased affordable housing and memory care service needs in the County expected in 2018, the Bond financing needs to be completed as soon as possible for construction to begin. As noted above, the Project and financing teams were prepared to issue the Bonds in the last quarter of 2016, but due to unexpected market volatility, the Bonds could not be issued and closed. The financing team believes that the first quarter of 2017 is the best opportunity to complete the financing. Deferring the grant of the volume cap allocation request would significantly impair the ability of the Project to be completed by 2018 when the need for the infrastructure is greatest.

STATE OF SOUTH CAROLINA)	
)	
RICHLAND COUNTY)	
)	
_____)	
)	
TO THE STATE FISCAL)	PETITION OF
)	SOUTH CAROLINA
)	JOBS-ECONOMIC
ACCOUNTABILITY AUTHORITY)	ECONOMIC
)	DEVELOPMENT
)	AUTHORITY
OF SOUTH CAROLINA)	

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

1. The Act, among other things, empowers the Authority: (i) to utilize any of its program funds to establish loan programs to be utilized to acquire, by construction or purchase, land and buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition or construction thereof and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina ("*State*") and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (ii) subject to the approval of the State Fiscal Accountability Authority of the issuance of its bonds pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist CR Senior Living, LLC ("*Borrower*") by issuing one or more series of its Economic Development Revenue Bonds ("*Bonds*") for purposes of defraying the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping a housing development consisting of (A) an approximately 66-room, assisted living and memory care facility comprising approximately 60,000 square feet, and (B) an approximately 40-unit, independent living facility comprising 45,000 square feet in Horry County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds.

3. The Authority has been advised by the Borrower that the estimated cost of the Project will be approximately \$23,100,000 and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$25,000,000 to defray such costs.

4. The Bonds are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors, which arrangement the Authority has determined to be most advantageous.

5. The Authority hereby finds that:

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

(b) It is anticipated that the Project will benefit the general public welfare of the State, and the County in particular, by providing for (i) the creation of (A) indirect employment of approximately 60 people within 24 months, and (B) direct employment for 45 people within 12 months, and an additional 20 people within 24 months, for a total of 65 employees, which employees will be from the County and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

(a) Require a resolution from the governing body of the County containing the following findings: (i) that the financing of the Project will serve the purposes of the Act; (ii) that the financing of the Project is anticipated to benefit the general public welfare of the County by providing services, employment, or other public benefits not otherwise provided locally; (iii) that the financing of the Project will give rise to no pecuniary liability of the Authority or the County or a charge against either of their general credit or taxing power; and (iv) the amount of Bonds required to finance the Project.

(b) Hold a public hearing in the County in connection with such resolution;

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

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

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

(f) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of

financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

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

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

(SEAL)

By: 

Harry A. Huntley, Executive Director

Dated: July 20, 2016

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

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND CR SENIOR LIVING, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED \$25,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS

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

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

WHEREAS, CR Senior Living, LLC, and its related entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$25,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to defray the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping a housing development consisting of (A) an approximately 66-room, assisted living and memory care facility comprising approximately 60,000 square feet, and (B) an approximately 40-unit, independent living facility comprising 45,000 square feet in Horry County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds, and the Authority wishes to induce the Borrower to undertake the Project; and

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

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority of South Carolina (“*State Fiscal Accountability Authority*”), in compliance with Section 41-43-110 of the Act, the Petition (defined below) of the Authority requesting approval by the State Fiscal Accountability Authority for the issuance of the Bonds which are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority (“*Board*”) as follows:

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

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 60 people within 24 months, and (B) direct employment for 45 people within 12 months, and an additional 20 people within 24 months, for a total of 65 employees, which employees will be from the County and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

Section 2. Subject to such approval by the State Fiscal Accountability Authority and the governing board of the County, as required by law, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

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

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

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

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

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of a petition ("*Petition*") in the form attached hereto as Exhibit B (with such changes as shall have been approved by counsel to the Authority), requesting approval by the State Fiscal Accountability Authority (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be underwritten by BB&T Capital Markets, a division of BB&T Securities, LLC, and expected to be resold in a limited offering to institutional and accredited investors.

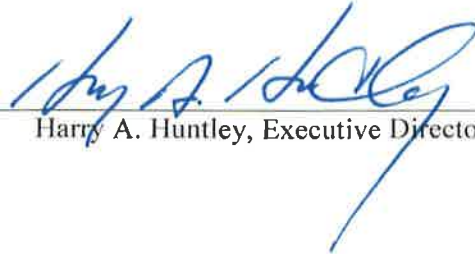
Section 8. The Executive Director shall be and is hereby authorized and directed to execute the Petition in the name and on behalf of the Authority, and to affix the seal of the Authority to the Petition, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the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

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

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Passed and approved: July 20, 2016.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

A handwritten signature in blue ink, appearing to read "Harry A. Huntley", is written over a horizontal line.

Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

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

WITNESSETH

ARTICLE I RECITATION OF FACTS

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

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

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

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$25,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to defray the cost of (i) financing a portion of the costs of designing, acquiring, constructing, and equipping a housing development consisting of (A) an approximately 66-room, assisted living and memory care facility comprising approximately 60,000 square feet, and (B) an approximately 40-unit, independent living facility comprising 45,000 square feet in Horry County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, ("*Project*"), (ii) funding fully a debt service reserve fund related to the Bonds, (iii) financing capitalized interest during the construction period of the Project, and (iv) providing for certain fees and expenses to be incurred in connection with the issuance of the Bonds, and the Authority wishes to induce the Borrower to undertake the Project.

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 60 people within 24 months, and (B) direct employment for 45 people within 12 months, and an additional 20 people within 24 months, for a total of 65 employees, which employees will be from the

County and adjacent areas and (ii) the alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Fiscal Accountability Authority of the State of South Carolina ("*State Fiscal Accountability Authority*") and the governing body of the County, as may be required by law, and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

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

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

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

facts as type of program involved, the principal amount of the Bonds and the number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

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

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

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

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

(a) to acquire the Project;

(b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;

(c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;

(d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and

(e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

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

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

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

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

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

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

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(SEAL)

Dated: July 20, 2016

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 
Harry A. Huntley, Executive Director

CR SENIOR LIVING, LLC

By: _____
Name: _____
Title: Authorized Representative

Dated: July ____, 2016


**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: July __, 2016

CR SENIOR LIVING, LLC

By:  _____
Name: Ryan Lambert _____
Title: Authorized Representative

Dated: July 20, 2016

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

River Park Senior Living

I, DELBERT H. SINGLETON, JR., SECRETARY to the State Fiscal Accountability Authority, DO HEREBY CERTIFY:

That the State Fiscal Accountability Authority (the Authority) is composed of the following:

- Her Excellency, Nikki R. Haley, Governor and Chair of the Authority;
- The Honorable Curtis M. Loftis, Jr., State Treasurer;
- The Honorable Richard Eckstrom, Comptroller General;
- The Honorable Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
- The Honorable W. Brian White, Chairman, House Ways and Means Committee.

That due notice of a meeting of the Authority, called to be held in Columbia, South Carolina, at 10:00 a.m. on Tuesday, September 20, 2016, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary, in the lobbies of the Wade Hampton and Edgar A. Office Buildings, and near the Authority Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 3:55 p.m. on Friday, September 16, 2016.

That all members of the Authority, with exception of Senator Leather, were present at the meeting. Senator Leatherman participated via telephone.

That, at the meeting, a motion to adopt a Resolution, of which the attached is a true, correct and verbatim copy, was made by Mr. Eckstrom, the motion was seconded by Mr. Loftis, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

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That the Chairman thereupon declared the Resolution adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Authority in my custody as its Secretary.

October 18, 2016



A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$25,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (RIVER PARK SENIOR LIVING PROJECT) IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("*Act*"), requested approval by the State Fiscal Accountability Authority of the State of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$25,000,000 (together, the "*Bonds*") through a limited offering, as the Authority may determine to be most advantageous; and

WHEREAS, the Authority represents to the State Fiscal Accountability Authority of the State of South Carolina that the Bonds will be sold in a manner acceptable to the Authority.

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

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

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

Section 3. This Resolution shall take effect immediately.

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

A BOND RESOLUTION

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NOT EXCEEDING \$25,000,000 SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (RIVER PARK SENIOR LIVING PROJECT) TO BE ISSUED IN ONE OR MORE SERIES PURSUANT TO TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AUTHORIZING THE LOAN OF THE PROCEEDS OF THE BONDS TO CR SENIOR LIVING, LLC OR ITS RELATED ENTITIES; AUTHORIZING THE OWNERSHIP AND OPERATION BY CR SENIOR LIVING, LLC OR ITS RELATED ENTITIES OF THE ASSISTED LIVING FACILITIES TO BE FINANCED BY THE PROCEEDS OF THE BONDS; AUTHORIZING THE EXECUTION, DISTRIBUTION AND USE OF A LIMITED OFFERING MEMORANDUM IN CONNECTION WITH THE OFFERING OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ALL INSTRUMENTS, AGREEMENTS, DOCUMENTS, AND CERTIFICATES NECESSARY TO ACCOMPLISH THE FOREGOING; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY RELATING TO ANY OF THE FOREGOING.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

ARTICLE I FINDINGS OF FACT

Incident to the adoption of this Resolution, the Board of Directors ("**Board**") of the South Carolina Jobs-Economic Development Authority ("**Authority**") makes the following findings of facts:

Section 1.1. The Authority, acting through its Board, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended ("**Act**") to utilize any of its program funds to establish loan programs to reduce the costs of capital to qualified business enterprises and for other purposes described in Section 41-43-160 of the Act and, thus, provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina ("**State**"), and act in conjunction with other persons or organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State.

Section 1.2. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act. Section 41-43-110 of the Act further provides that the bonds issued by the Authority are limited obligations of the Authority payable solely from a revenue producing source or from a special source which does not include revenues from any tax or license and that such bonds do not constitute an indebtedness of the State or the Authority within the meaning of any State constitutional provision or statutory limitation.

Section 1.3. CR Senior Living, LLC, and one or more of its affiliated or related entities (collectively "**Borrower**"), applied to the Authority to issue, not exceeding \$25,000,000 of the Authority's economic development revenue bonds ("**Bonds**") in one or more series, taxable or tax-exempt, to defray the cost of (i) financing a portion of the costs of designing, acquiring, and equipping a housing development consisting of (A) an approximately 66-room assisted living and memory care facility comprising approximately 60,000 square feet, and (B) an approximately 40-unit, independent living facility comprising 45,000 square feet in Horry County, South Carolina ("**County**"), all of which

constitutes property eligible to be financed with economic development revenue bonds ("*Project*"); (ii) fully funding a debt service reserve fund related to the Bonds; (iii) financing capitalized interest during the construction period of the Project; and (iv) providing for the payment of certain fees and expenses to be incurred in connection with the issuance of the Bonds.

Section 1.4. Pursuant to the authorizations of the Act, the Authority has heretofore agreed to assist the Borrower through the issuance and delivery of not exceeding the aggregate principal amount of \$25,000,000 of the Authority's Bonds in one or more taxable or tax-exempt series.

Section 1.5. The cost of the acquisition, rehabilitation, furnishing and equipping of the portion of the Project to be financed with the proceeds of the Bonds (including the amount necessary to fund any capitalized interest and certain fees and expenses to be incurred in connection with the issuance of the Bonds) will not exceed \$25,000,000. The Borrower has now requested that the Authority proceed with the issuance of the Bonds pursuant to the Act.

Section 1.6. The Authority authorized a petition ("*Petition*") to the State Fiscal Accountability Authority ("*State Authority*") on July 20, 2016, and the State Authority approved the issuance of the Bonds as required by the Act at the State Authority's meeting on September 20, 2016. The Board adopts this Resolution for the purposes of (a) providing for the issuance, sale, and delivery of the Bonds; (b) authorizing the execution, distribution, and use of a preliminary Limited Offering Memorandum and a final Limited Offering Memorandum (collectively, "*Memorandum*") in connection with the offering of the Bonds; (c) authorizing the initial ownership and operation of the Project by the Borrower; and (d) authorizing the execution and delivery of (i) a Bond Purchase Agreement ("*Bond Purchase Agreement*") among the Authority, the Borrower, and BB&T Capital Markets, a division of BB&T Securities, LLC, as underwriter ("*Underwriter*"), (ii) a Trust Indenture ("*Indenture*") between the Authority and U.S. Bank National Association, as trustee (in such capacity, the "*Trustee*"), which will prescribe the terms and conditions under which the Bonds will be issued and the security therefor, (iii) a Loan Agreement ("*Loan Agreement*") between the Authority and the Borrower, which will provide for a loan of the proceeds of the Bonds by the Authority to the Borrower, the repayment of such loan by the Borrower, the payment by the Borrower of all expenses of operating and maintaining the Project in good repair, keeping the Project properly insured, and the payment of all taxes, assessments, and other charges levied or assessed against or with respect to the Project, (iv) an Arbitrage and Tax Regulatory Agreement ("*Tax Compliance Agreement*") between the Authority and the Borrower entered into to ensure that the interest on any series of tax-exempt Bonds is and remains excluded from the gross income of the owners of the Bonds for federal income taxation purposes, and (v) all other instruments, documents, agreements, and certificates necessary to accomplish the purposes of the foregoing (all instruments, documents, agreements, and certificates the execution and delivery of which by the Authority is herein authorized, whether described in this Section or not, are referred to collectively as the "*Authority Documents*").

Section 1.7. The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in (a) creation of indirect employment of approximately 60 people within 24 months, and the creation of direct employment for approximately 45 people within 12 months and an additional 20 people within 24 months, for a total of 65 employees, which employees will be from the County and adjacent areas and (b) alleviation of unemployment and other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein described bears a reasonable relationship to the principal amount of the Bonds.

Section 1.8. (a) The Borrower is an organization with established credit and is a responsible party; (b) the amount of program funds committed bears a reasonable relationship to the amount of private funds committed to the Project; and (c) the issuance of Bonds in a principal amount of not exceeding \$25,000,000 is required to fund the Project.

Section 1.9. The size and scope of the Project are such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result from the Project being financed.

Section 1.10. The provisions, terms, and conditions of the Authority Documents are reasonable and proper, taking into account such factors as the type of program involved, the amount of the Bonds, and the number and type of jobs involved.

Section 1.11. It is anticipated that the County Council of the County will duly notice and hold a public hearing with respect to the Project and the Bonds and following such public hearing, will consider and adopt a resolution approving the Project and the Bonds.

Section 1.12. The public interest is adequately protected by the terms of the Authority Documents.

Section 1.13. The Bonds are limited obligations of the Authority and do not constitute an indebtedness of the State or the Authority within the meaning of any constitutional provision or statutory limitation (other than Article X, Section 13(9) of the State Constitution permitting indebtedness payable from a source other than revenues derived from a tax or license) and do not give rise to any pecuniary liability of the State or the Authority or a charge against the general credit of the State or the Authority or taxing powers of the State, and these facts shall be plainly stated on the face of each Bond. The Authority does not have taxing power.

ARTICLE II LOAN PROVISIONS; EXECUTION OF THE AUTHORITY DOCUMENTS

Section 2.1. In order to promote and develop the business and economic welfare of the State, encourage and assist in the location of new business enterprises in the State, and in the rehabilitation and assistance of existing business enterprises, and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State, and to otherwise accomplish the purposes of the Act by assisting the Borrower with financing the Project, the making of a loan pursuant to the terms of the Loan Agreement to be utilized by the Borrower for the acquisition of the Project, is hereby authorized, ratified, and approved.

Section 2.2. The execution and delivery on behalf of the Authority of the Bond Purchase Agreement, in such form as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Bond Purchase Agreement shall be executed on behalf of the Authority by the Chairman, Vice Chairman, or Acting Chairman of the Board (collectively, "*Chairman*") or the Executive Director of the Authority ("*Executive Director*").

Section 2.3. The execution and delivery on behalf of the Authority of the Indenture, in such form as the executing officer(s), with advice of counsel, shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Indenture shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.4. The execution and delivery on behalf of the Authority of the Loan Agreement in such form as the executing officer(s), with advice of counsel, shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and directed. The Loan Agreement shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.5. The execution and delivery on behalf of the Authority of the Tax Compliance Agreement in such form as the executing officer(s), with advice of counsel, shall approve (his or their

execution to be conclusive evidence of such approval) are hereby authorized and directed. The Tax Compliance Agreement shall be executed on behalf of the Authority by the Chairman or the Executive Director.

Section 2.6. The execution and delivery on behalf of the Authority of such other instruments, documents, agreements, and certificates as the Chairman or the Executive Director, with advice of counsel, deems reasonably necessary or advisable to accomplish the foregoing and the closing and the sale of the Bonds are hereby authorized and directed. Such instruments, documents, agreements, and certificates (which constitute Authority Documents hereunder) shall be executed on behalf of the Authority by the Chairman or the Executive Director.

ARTICLE III ISSUANCE OF THE BONDS

Section 3.1. The Bonds shall be designated "South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (River Park Senior Living Project)," with such additional designation to include their series or if the Bonds are issued in two or more series, they shall bear such additional or different designations as are necessary to differentiate the two series, and shall be in such amounts for such series, subject to aggregate maximum set forth below, as approved by the Chairman or the Executive Director (his or their execution of the Bonds to be conclusive evidence of such approval). The Chairman and Executive Director are authorized to execute the Bonds and affix the seal of the Authority. Upon the execution and delivery of the Authority Documents, the Bonds in the principal amount of not exceeding \$25,000,000 shall be issued and the proceeds thereof expended in the manner provided by the Authority Documents in order to defray the cost of the acquisition, rehabilitation, furnishing, and equipping of the Project, pay certain costs and expenses and establish certain funds related to the issuance of the Bonds. The Bonds shall be in such series and principal amounts, be dated, mature, bear interest, be subject to redemption, and have such other terms as shall be approved by the Chairman or the Executive Director (his or their execution of the Bonds to be conclusive evidence of such approval), provided that the principal amount thereof shall not exceed \$25,000,000.

Section 3.2. The Bonds shall be in the form substantially as set forth in the exhibits to the Indenture and otherwise therein and shall be executed on behalf of the Authority in the manner provided in the Indenture, and prior to delivery, shall be authenticated by the Trustee as prescribed in the Indenture.

ARTICLE IV SALE OF THE BONDS

Section 4.1. Upon the advice of the Borrower, the sale of the Bonds to the Underwriter in accordance with the terms of the Bond Purchase Agreement for sale or resale to an investor or investors has been determined to be most advantageous by the Board, and the sale is hereby approved, and the Chairman or the Executive Director is fully authorized and empowered to take such further action and to execute and deliver such other instruments, agreements, documents, and certificates as may be necessary and proper to effect the delivery of the Bonds in a manner consistent with the foregoing provisions of this Resolution, and the action of such officers or either of them in executing and delivering such instruments, agreements, documents, and certificates in such form as the executing officer or officers shall approve is hereby authorized. The execution and delivery of the Memorandum, in such form as the executing officer(s) shall approve (his or their execution to be conclusive evidence of such approval) are hereby authorized and its distribution and use in the sale of Bonds, are hereby approved and ratified. Both the Chairman and the Executive Director, or either one of them, are hereby authorized and directed to execute and deliver the Memorandum with any additional or modified information as the Chairman or Executive Director, with advice of counsel, deems necessary or advisable for the purposes thereof, the execution being conclusive evidence of approval.

Director, with advice of counsel, deems necessary or advisable for the purposes thereof, the execution being conclusive evidence of approval.

**ARTICLE V
DISPOSITION OF BOND PROCEEDS**

Section 5.1. When received, the proceeds of the Bonds shall be paid directly to the Trustee and thereafter disposed of by the Trustee in accordance with the terms and provisions of the Authority Documents, and not otherwise.

**ARTICLE VI
MISCELLANEOUS**

Section 6.1. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Authority Documents or the Bonds, against any Director of the Authority, or any officer, or employee, agent or attorney of the Authority, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the Bonds are solely corporate or entity obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any director, officer, employee, agent, or attorney of the Authority, past, present or future, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority and the Trustee or the bondholders or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every director, officer, employee, agent, or attorney is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of directors, officers, employees, agents, or attorney of the Authority under the provisions contained in this Section 6.1 shall survive the termination of the Authority Documents.

Section 6.2. This Resolution shall be construed and interpreted in accordance with the laws of the State.

Section 6.3. This Resolution shall become effective immediately upon its adoption by the Board.

Section 6.4. The provisions of this Resolution are hereby declared to be separable and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, the declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 6.5. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

(Signature page follows)

Passed and approved this 21st day of September, 2016.

**SOUTH CAROLINA
JOBS-ECONOMIC DEVELOPMENT AUTHORITY**



Harry A. Huntley, Executive Director

(SEAL)

*signature page to Bond Resolution
(River Park Senior Living Project)*



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young
Date: January 24, 2017
Re: January 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 firms of Parker Poe Adams Bernstein, LLP, and Howell Linkous & Nettles, LLC, regarding three housing projects the Department of Commerce recommends approval of all three at at the January 31, 2017 meeting of the State Fiscal Accountability Authority. The company is committing to create 90 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
Elements End West	\$9,302,000	2	Greenville

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, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Project for A&E Design

- (a) Summary 5-2017: JBRC Item 1. (H59) Horry Georgetown Technical College Project: 6128, Construction of Advanced Manufacturing Center - Georgetown Included in Annual CPIP: Yes – CPIP Priority 1 of 2 in FY17
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 12/22/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, College Funds	0.00	0.00	0.00	180,000.00	180,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>180,000.00</u>	<u>180,000.00</u>

Funding Source: \$180,000 Other, College Funds, which are the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements.

Request: Establish project and budget for \$180,000 (Other, College Funds) to begin pre-design work to construct and equip a 30,000 square foot commercial prefabricated metal building on its Georgetown campus. The building will be used to house the College's Advanced Manufacturing programs which include CNC/Machine Tool, Welding, Mechatronics, Robotics and HVAC. The College has no instructional space to support expanding these programs and desperately requires the additional space to support growing these programs to meet industry demands. The College intends to increase enrollment from roughly 20 students to more than 125 students in these programs with as many as 6 instructors. Graduates from the programs have starting salaries in advance of local averages and are marketable throughout the state and in a variety of industries. The agency estimates that the completed project will cost approximately \$12,000,000 with additional annual operating costs of \$18,750 in year 1 and \$75,000 in years 2 and 3.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Summary 5-2017: JBRC Item 5. (N04) Department of Corrections
 Project: 9737, Security Perimeter Netting System at Level 2 & 3 Correctional
 Institutions
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward	0.00	0.00	0.00	113,400.00	113,400.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>113,400.00</u>	<u>113,400.00</u>

Funding Source: \$113,400 Appropriated State, FY16 Carryforward funds.

Request: Establish project and budget for \$113,400 (Appropriated State, FY16 Carryforward funds) to furnish and install a Security Perimeter Netting System around the security fence perimeter of all the Level 3 and most of the Level 2 Correctional Institutions (total of 11 institutions), to assist in the efforts to deter contraband from entering the institutions. The netting system will consist of fifty-feet (50') engineered poles with netting which is made of 1" polyester mesh with a breaking strength of 160lbs. and a 3/8" solid rope border with breaking strength of 5,500 lbs. The netting panels are custom built to meet each correctional institution's requirements. The agency estimates that the completed project will cost approximately \$7,560,000 and additional annual operating costs have not yet been determined.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (c) Summary 5-2017: JBRC Item 6. (H09) The Citadel
 Project: 9617, Boat Center Redevelopment
 Included in Annual CPIP: Yes – CPIP Priority 3 of 4 in FY17
 JBRC/SFAA Phase I Approval: August 2016

CHE Recommended Approval: 12/1/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Gifts	45,000.00	0.00	45,000.00	4,955,000.00	5,000,000.00
All Sources	<u>45,000.00</u>	<u>0.00</u>	<u>45,000.00</u>	<u>4,955,000.00</u>	<u>5,000,000.00</u>

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

Request: Increase budget to \$5,000,000 (add \$4,955,000 Other, Gifts) to begin final design and construction work for facilities to support sailing and crew rowing programs at The Citadel. This project was established in August 2016 for Phase I, which is now complete. The 7,759 square foot facility was constructed in 1920. The facility has outlived its useful life expectancy and numerous improvements are required to meet the college’s intended purpose and use. The structure has termite damage and the interior finishes have not been updated since the 1970s. The deteriorated condition of the existing facility has a negative impact on the facility’s use. Furthermore, the existing marina channel is un-navigable during periods of low tide and cannot support activities such as boating and sailing. Renovation of the existing facility was considered but deemed cost prohibitive to meet flood requirements. The relocation of the marina to another location was also considered but did not provide the same access and amenities required. The scope of work includes engineering services for demolition of existing shop and storage structures; construction design and construction of a new boathouse, classroom/club meeting space and new waterfront floating docks. The existing boathouse is a wooden residential structure that requires extensive rehabilitation to continue use as a meeting

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

space. The existing boat storage and maintenance facilities are non-compliant with construction in a flood prone location. This project would construct new facilities for the waterfront to support sailing and rowing as club activities and provide recreational use by all cadets and staff. The facility will be approximately 8,000 square foot (total conditioned and un-conditioned space). The project will be LEED Silver certified with \$218,370 in estimated cost savings over a 30 year life cycle. The facility will be used by 50 students and up to 5 faculty and 5 staff regularly for instruction and club meetings. Occasionally, there will be an estimated 100+ person occupancy in the meeting/banquet space. When brought for Phase I, the total estimated cost of the project was \$3,000,000. Subsequent to the Phase 1 approval, several issues were found in the overall concept that needed further attention. First, the floating docks presented an immediate concern to dredging operations and required relocation. During the effort to relocate them, structural issues were discovered. After a thorough evaluation by the marine construction consultant and multiple courses of action, it was decided to replace the entire dock system after dredging. By doing the replacement some concerns presented by the original configuration such as boat storage, were actually addressed. Costs for required shoreline improvements to meet OCRM were also incorporated into the work description. The decision to provide boat storage in the new dock configuration eliminated the need for the additional 1,000 SF of covered storage. The pavilion (1,000 SF), was also questioned and finally agreed that a generous screened deck on the clubhouse met the requirement for cadet use. These changes resulted in 8,000 SF in new construction for a boat house and all new construction for the dock facilities. The agency estimates that the completed project will cost approximately \$5,000,000 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is August 2017 and for completion of construction is December 2018.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Summary 5-2017: JBRC Item 7. (H27) University of South Carolina - Columbia
 Project: 6113, Emergency Generators for Critical Research
 Included in Annual CPIP: Yes – CPIP Priority 5 of 8 in FY17
 JBRC/SFAA Phase I Approval: September 2015

CHE Recommended Approval: 12/13/16

<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, Institutional Funds	22,500.00	0.00	22,500.00	1,477,500.00	1,500,000.00
All Sources	<u>22,500.00</u>	<u>0.00</u>	<u>22,500.00</u>	<u>1,477,500.00</u>	<u>1,500,000.00</u>

Funding Source: \$1,500,000 Other, Institutional Funds, which are funds available to the University from a variety of sources including tuition and fees, sales and service activities, and other miscellaneous sources.

Request: Increase budget to \$1,500,000 (add \$1,477,500 Other, Institutional Funds) to begin the renovation of the main electrical infrastructure at three critical research facilities to receive emergency generators. The Coker Life Sciences building and the Earth & Water Sciences buildings will be renovated to receive a new shared 1500KW generator. The project will integrate the generators with the buildings' electrical systems and include automatic transfer switches for immediate power transfer. The generators will be sized to supply power to the entire building electrical system to allow uninterrupted operation of research, ventilation, lighting, fire alarms, and teaching and administrative activities. An existing 800KW generator at the Coker Life Sciences building will be relocated to the Swearingen Engineering building. The electrical systems will provide 100% automatic emergency backup power with automatic switching. Life safety aspects of maintaining negative pressurization at hoods within labs will be maintained during power loss. Future loss of expensive and critical research due to power loss will be prevented. The 85,845 square foot Earth & Water Sciences and the 185,998 square foot Coker Life Sciences Buildings are utilized by 16,500 students, faculty and staff. The 218,817 square foot Swearingen Engineering Building is utilized by 2,700 students, faculty and

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

staff. The agency estimates that the completed project will cost approximately \$1,500,000 with additional operating costs of \$109,000 in years 1 thru 3. The agency also reports the projects date for execution of the construction contract is May 2017 and for completion of construction is May 2018.

- (e) Summary 5-2017: JBRC Item 8. (H27) University of South Carolina - Columbia Project: 6115, Close-Hipp Renovation
 Included in Annual CPIP: Yes – CPIP Priority 1 of 8 in FY17
 JBRC/SFAA Phase I Approval: February 2016

CHE Recommended Approval: 12/13/16

<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, Private Funds	0.00	0.00	0.00	2,200,000.00	2,200,000.00
Other, Institutional Capital Project Funds	220,500.00	0.00	220,500.00	13,579,500.00	13,800,000.00
All Sources	<u>220,500.00</u>	<u>0.00</u>	<u>220,500.00</u>	<u>15,779,500.00</u>	<u>16,000,000.00</u>

Funding Source: \$2,200,000 Other, Private Funds, which are funds donated specifically for this project. \$13,800,000 Other, Institutional Capital Project Funds, which are funds generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

Request: Increase budget to \$16,000,000 (add \$15,779,500 Other, Private and Other, Institutional Capital Project Funds) to begin addressing the most serious maintenance needs, improve energy efficiency and enhance life safety to support significant academic and student support space in the Close-Hipp Building. This project will replace critical components of the original mechanical, plumbing and electrical infrastructure that are at the end of their serviceable life and are unable to provide satisfactory and reliable environmental conditions and support. Specifically, mechanical air handling units, domestic plumbing pumps and pipes, and electrical switchgear will be replaced. The project will also focus on life safety by installing an updated fire alarm system, new wet standpipes and a new back-up generator to comply with current building codes. A new sprinkler system will be installed to the extent

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

permitted by the budget. Academic and student support services will occupy the building. Limited interior reconfiguration, primarily funded by private gifts, will be implemented to support the College of Hospitality, Retail and Sports Management and other academic units. Areas in the building where reconfiguration will occur equals approximately 112,500 square feet. The building systems are original to the 41 year old Close Building and the 31 year old Hipp Building. 2000+ students, faculty and staff utilize these buildings. The agency estimates that the completed project will cost approximately \$16,000,000 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is January 2018 and for completion of construction is August 2019.

Preliminary Land Acquisition

- (f) Summary 5-2017: JBRC Item 14. (H27) University of South Carolina - Columbia Project: 6121, SCANA Property Preliminary Land Acquisition
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 12/13/16

Ref: Supporting document pages

<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, Institutional Capital Project Funds	0.00	0.00	0.00	75,000.00	75,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>75,000.00</u>	<u>75,000.00</u>

Funding Source: \$75,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Request: Establish project and budget for \$75,000 (Other, Institutional Capital Project Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The university is considering the acquisition of 15.4 acres of property currently owned by the SCANA Corporation and approximately .75 acres owned by a private company. The property is bounded by Assembly Street and Flora Drive. The SCANA property is comprised of twelve parcels and the private company owns an additional three parcels comprising the approximate .75 acres. The parcels are nearly contiguous with the USC Athletics Village and lay close to University academic and housing facilities. If the properties were to be acquired, they would accommodate university support functions, student recreation space and potentially future research, academic and manufacturing incubator space. One existing building, a 65,000 square foot 110 year old historic mill, would likely be preserved for these various uses. The parcels contain six buildings comprising approximately 80,000 square feet thus requiring multiple building condition assessments (the deteriorated metal and block industrial buildings would likely be demolished). The previous and existing uses of the parcels suggest that both a Phase I and Phase II environmental assessment will be necessary. An appraisal will analyze the market value of the multiple parcels. The agency estimates that the land acquisition will cost approximately \$10,375,000 with additional operating costs of \$326,057.50 in year 1 and \$508,115 in years 2 and 3.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

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

1. AGENCY Code H59 Name Horry Georgetown Technical College
2. PROJECT 6128 Name Construction of Advanced Manufacturing Center - Georgetown

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) 2019	\$ 18,750.00	\$	\$	\$ 18,750.00
2) 2020	\$ 75,000.00	\$	\$	\$ 75,000.00
3) 2021	\$ 75,000.00	\$	\$	\$ 75,000.00

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. Utilities (electrical, water, sewer, gas) _____	\$18,750.00 _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$18,750.00 _____

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: *Ande J. Hawley* VP-CFO 12/15/16
Signature of Authorized Official and Title Date

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

1. AGENCY
Code H27 Name USC Columbia

2. PROJECT
Project # 6113 Name Emergency Generators for Critical Research

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) 2018-19	\$109,000	\$	\$	\$109,000
2) 2019-20	\$109,000	\$	\$	\$109,000
3) 2020-21	\$109,000	\$	\$	\$109,000

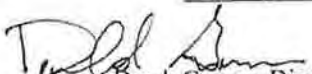
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Personnel</u>	<u>22,750</u>
2. <u>Supplies</u>	<u>76,250</u>
3. <u>Utilities/Fuel</u>	<u>10,000</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$109,000</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. .5

9. Submitted By:  Derek Gruner, Director, Planning and Programming November 30, 2016
Signature of Authorized Official and Title Date

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

1. AGENCY
Code H27 Name University of South Carolina

2. PROJECT
Project # 6121 Name SCANA Property Preliminary Land Acquisition Project

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) FY 2017-18	\$326,057.50	\$	\$	\$326,057.50
2) FY 2018-19	\$508,115	\$	\$	\$ 508,115
3) FY 2019-20	\$508,115	\$	\$	\$ 508,115

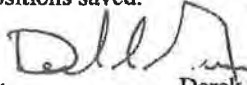
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial</u>	<u>\$35,185</u>
2. <u>Maintenance</u>	<u>\$32,750</u>
3. <u>Landscaping</u>	<u>\$56,062.50</u>
4. <u>Waste Management</u>	<u>\$2,560</u>
5. <u>Utilities</u>	<u>\$110,500</u>
6. <u>Administrative</u>	<u>\$17,000</u>
7. <u>One-time start-up expenses</u>	<u>\$72,000</u>
8. _____	_____
TOTAL	<u>\$326,057.50</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 6

9. Submitted By:  Derek Gruner, Director, Planning and Programming 12/16/16
Signature of Authorized Official and Title Date

DRAWING FOR
SCANA ENERGY SERVICES AND GAS COMPANY
 1500 WEST 10TH STREET
 IN THE CITY OF COLUMBIA, SOUTH CAROLINA
 SCALE: 1" = 20'
 DATE: FEBRUARY 11, 2015
 REVISIONS:
 1. AS SHOWN ON THE 11/20/14-14-15 AS THE 11/20/14-14-15 OF THE
 2. AS SHOWN ON THE 11/20/14-14-15 AS THE 11/20/14-14-15 OF THE
 3. AS SHOWN ON THE 11/20/14-14-15 AS THE 11/20/14-14-15 OF THE
 4. CHANGE SHEET PLACE AND REDUCED TO THE OFFICE



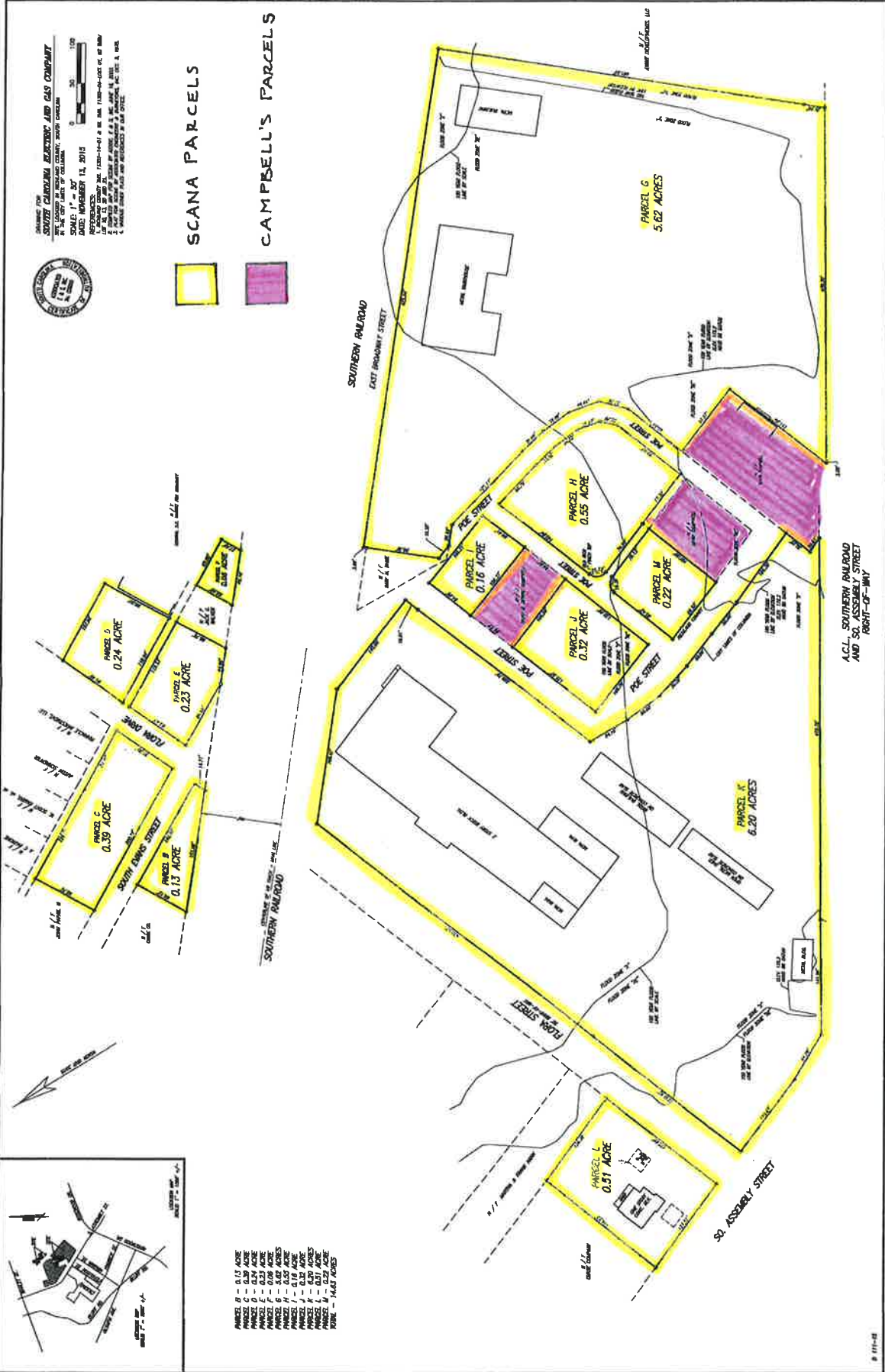
SCANA PARCELS



CAMPBELL'S PARCELS



- PARCEL D - 0.15 ACRE
- PARCEL E - 0.24 ACRE
- PARCEL F - 0.23 ACRE
- PARCEL G - 0.23 ACRE
- PARCEL H - 0.16 ACRE
- PARCEL I - 0.13 ACRE
- PARCEL J - 0.18 ACRE
- PARCEL K - 0.22 ACRE
- PARCEL L - 0.51 ACRE
- PARCEL M - 0.55 ACRE
- PARCEL N - 0.20 ACRE
- PARCEL O - 0.22 ACRE
- PARCEL P - 0.22 ACRE
- PARCEL Q - 0.22 ACRE
- PARCEL R - 0.22 ACRE
- PARCEL S - 0.22 ACRE
- PARCEL T - 0.22 ACRE
- PARCEL U - 0.22 ACRE
- PARCEL V - 0.22 ACRE
- PARCEL W - 0.22 ACRE
- PARCEL X - 0.22 ACRE
- PARCEL Y - 0.22 ACRE
- PARCEL Z - 0.22 ACRE
- TOTAL - 14.63 ACRES



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

Item (a) – Horry Georgetown Technical College – Construction of Advanced Manufacturing Center-Georgetown

The source of funds for pre-design is Other, College Funds, which are the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements.

The source of funds for construction is anticipated to be FY15-16 Capital Reserve, Federal EDA Grant, Georgetown School District, Georgetown County and Other, College Plant Funds.

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

Item (c) – The Citadel – Boat Center Redevelopment

The source of funds for construction is Other, Donor Gifts.

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

Item (d) – University of South Carolina-Columbia – Emergency Generators for Critical Research

The source of funds for construction is Other, Institutional Funds, which are funds available to the University from a variety of sources including tuition and fees, sales and service activities, and other miscellaneous sources.

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

Item (e) – University of South Carolina-Columbia – Close Hipp Renovation

The source of funds for construction is Other, Private Funds, which are funds donated specifically for this project and Other, Institutional Capital Project Funds, which are funds generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

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

Item (f) - University of South Carolina-Columbia – SCANA Property Preliminary Land Acquisition

The source of funds for pre-design is Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

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

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

Permanent Improvement Project Information for January 31, 2017 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Phase I		Included in CIP	Total Projected Project Cost
		Approved Budget	Original Approval	Original Approval	Phase I Amount	Phase I Approval	Phase I Amount		
H59-6128	Horry Georgetown Technical College - Construction of Advanced Manufacturing Center-Georgetown	N/A	N/A	N/A	\$180,000	N/A	Yes	\$12,000,000	
N04-9528	Department of Corrections - Security Perimeter Netting System at Level 2 & 3 Correctional Institutions	N/A	N/A	N/A	\$113,400	N/A	No	\$7,560,000	
H09-9617	The Citadel - Boat Center Redevelopment	\$45,000	8/23/16	8/23/16	\$45,000	8/23/16	Yes	\$5,000,000	
H27-6113	University of South Carolina-Columbia - Emergency Generators for Critical Research	\$22,500	9/4/15	9/4/15	\$22,500	9/4/15	Yes	\$1,500,000	
H27-6115	University of South Carolina-Columbia - Close-Hipp Renovation	\$220,500	2/1/16	2/1/16	\$220,500	2/1/16	Yes	\$16,000,000	
H27-6121	University of South Carolina-Columbia - SCANA Property Preliminary Land Acquisition	N/A	N/A	N/A	\$75,000	N/A	No	\$10,375,000	

AGENCY: Department of Administration, Real Property Services

SUBJECT: College of Charleston Lease Amendment at Harbor Walk

The College of Charleston (College) is requesting approval to amend its current lease with R.E.R. Investments at Harbor Walk located at 360 Concord Street in downtown Charleston to add up to 3,000SF to accommodate the College's expanding Computer Science programs, which are located at Harbor Walk East. The space will serve as a student center and a smart classroom.

The College currently leases 44,104SF at Harbor Walk, 41,000SF of which was approved by the Budget and Control Board at its meeting on September 3, 2013 and 3,104SF by the State Fiscal Accountability Authority on August 25, 2015. As noted in the original agenda item, the lease for the property provides for the option to lease additional space upon the termination of existing leases and renewals, and the College anticipated leasing up to an additional 14,000SF at different points during the term. The landlord has notified the College that additional suites in the Harbor Walk East building will be available in early to mid-2017. The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. Rent for the additional space shall commence on the date which the College takes possession of the space. At the end of the term, the College will work with Real Property Services to resolicit for space.

The current full-service lease rate is \$31.85/SF, which includes all building operating costs. The rate is adjusted each July 1 based on the April CPI-U and capped at a three percent maximum. As such, the total maximum lease cost for this additional space assuming a start date of February 1, 2017 is \$397,688.99 as shown in the chart below:

Term	SF	Rate/SF	Maximum Rent (Rounded)
2/1/17-6/30/17 150 days	3,000	\$31.85	\$39,267.12
7/1/17-6/30/18	3,000	\$32.81	\$98,430.00
7/1/18-6/30/19	3,000	\$33.79	\$101,370.00
7/1/19-6/30/20	3,000	\$34.80	\$104,400.00
7/1/20-12/31/20 184 days	3,000	\$35.84	\$54,201.86
Total			\$397,668.99

The additional space alters the overall maximum lease payment schedule for the entire lease term as follows:

AGENCY: Department of Administration, Real Property Services

SUBJECT: College of Charleston Lease Amendment at Harbor Walk

Term	SF	Rate/SF	Maximum Rent (Rounded)
1/1/2014-12/31/2014	41,000	\$31.50	\$1,291,500.00
1/1/2015-8/15/2015	41,000	\$31.50	\$803,206.85
8/16/2015-12/31/2015	44,104	\$31.50	\$525,260.52
1/1/2016-6/30/2016	44,104	\$31.50	\$692,734.88
7/1/2016-1/31/2017	44,104	\$31.85	\$827,433.33
2/1/2017-6/30/2017	47,104	\$32.81	\$635,129.69
7/1/2017-6/30/2018	47,104	\$33.79	\$1,591,644.16
7/1/2018-6/30/2019	47,104	\$34.80	\$1,639,219.20
7/1/2020-12/31/2020	47,104	\$35.84	\$851,041.52
Total			\$8,857,170.14

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

Location	Tenant	Rent Rate/SF
205 King Street	Vacant	\$ 39.00*
40 Calhoun Street	Vacant	\$ 34.50*
701 East Bay Street	Clemson University	\$ 34.59*
55 Bee Street	MUSC	\$ 35.39**

*Above rates are full-service but subject to base rent and/or operating expense escalations over the term.

**Above rate does not include operating costs.

Additionally, the Colliers 2016 Q3 Research & Forecast Report indicates a current average asking rate of \$35.94/SF in downtown Charleston, and the CBRE Marketview Charleston Office, Q3 2016 Report shows an average rate of \$36.41/SF in the Charleston Business District.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Real Property Services, approve the proposed lease amendment for the College of Charleston to its current lease with R.E.R. Investments at Harbor Walk located at 360 Concord Street in downtown Charleston to add up to 3,000SF to accommodate the College's expanding Computer Science programs, which are located at Harbor Walk East at Harbor Walk.

ATTACHMENTS:

Agenda item worksheet; Letter from the College of Charleston dated November 23, 2016; SC Code of Laws Section 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 31, 2017

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster
Real Property Services

2. Subject: College of Charleston Lease Amendment at Harbor Walk

3. Summary Background Information:

The College of Charleston (College) is requesting approval to amend its current lease with R.E.R. Investments at Harbor Walk located at 360 Concord Street in downtown Charleston to add up to 3,000SF to accommodate the College's expanding Computer Science programs, which are located at Harbor Walk East. The space will serve as a student center and a smart classroom.

The College currently leases 44,104SF at Harbor Walk, 41,000SF of which was approved by the Budget and Control Board at its meeting on September 3, 2013 and 3,104SF by the State Fiscal Accountability Authority on August 25, 2015. As noted in the original agenda item, the lease for the property provides for the option to lease additional space upon the termination of existing leases and renewals, and the College anticipated leasing up to an additional 14,000SF at different points during the term. The landlord has notified the College that additional suites in the Harbor Walk East building will be available in early to mid-2017. The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. Rent for the additional space shall commence on the date which the College takes possession of the space. At the end of the term, the College will work with Real Property Services to resolicit for space.

The current full-service lease rate is \$31.85/SF, which includes all building operating costs. The rate is adjusted each July 1 based on the April CPI-U and capped at a three percent maximum. As such, the total maximum lease cost for this additional space assuming a start date of February 1, 2017 is \$397,688.99 as shown in the chart below:

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7/1/20-12/31/20 184 days	3,000	\$35.84	\$54,201.86
Total			\$397,668.99

The additional space alters the overall maximum lease payment schedule for the entire lease term as follows:

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701 East Bay Street	Clemson University	\$ 34.59*
55 Bee Street	MUSC	\$ 35.39**

*Above rates are full-service but subject to base rent and/or operating expense escalations over the term.

**Above rate does not include operating costs.

Additionally, the Colliers 2016 Q3 Research & Forecast Report indicates a current average asking rate of \$35.94/SF in downtown Charleston, and the CBRE Marketview Charleston Office, Q3 2016 Report shows an average rate of \$36.41/SF in the Charleston Business District.

There are adequate funds for the lease according to a Budget Approval Form submitted by the College. The lease was approved by the Commission on Higher Education on December 14, 2016 and by JBRC on January 25, 2017.

4. What is the Authority asked to do? Approve the proposed lease amendment for the College of Charleston at Harbor Walk.

5. What is recommendation of the Department of Administration? Approve the proposed lease amendment for the College of Charleston at Harbor Walk.

6. List of Supporting Documents:

- Letter from the College of Charleston dated November 23, 2016
- SC Code of Laws Section 1-11-55 and 1-11-56

November 23, 2016

Mr. Tracy Irvin
Program Manager, Office of the Executive Director
SC Department of Administration
1200 Senate Street
Suite 460
Columbia, SC 29201

RE: Harbor Walk/360 Concord Street Lease #00371 Amendment

Dear Mr. Irvin:

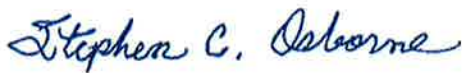
The College's lease for property located at 360 Concord Street provides for the option to lease additional space upon the termination of existing leases and renewals. The landlord has notified the College that up to 3,000 square feet in the Harbor Walk East building will be available in early to mid-2017.

The College requests approval to exercise its option to lease the additional space when it becomes available. The additional space is needed to accommodate the College's expanding Computer Science program, which is located at Harbor Walk East. The space will serve as a "student center" including a work center, an innovation center, and a lounge area.

The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. Rent for the additional space shall commence on the date which the College takes possession of the space.

We respectfully request your assistance in obtaining JBRC and SFAA approval of this lease amendment.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: January 31, 2017

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster
Real Property Services

2. Subject: College of Charleston Lease Amendment at Harbor Walk

3. Summary Background Information:

The College of Charleston (College) is requesting approval to amend its current lease with R.E.R. Investments at Harbor Walk located at 360 Concord Street in downtown Charleston to add up to 3,000SF to accommodate the College's expanding Computer Science programs, which are located at Harbor Walk East. The space will serve as a student center and a smart classroom.

The College currently leases 44,104SF at Harbor Walk, 41,000SF of which was approved by the Budget and Control Board at its meeting on September 3, 2013 and 3,104SF by the State Fiscal Accountability Authority on August 25, 2015. As noted in the original agenda item, the lease for the property provides for the option to lease additional space upon the termination of existing leases and renewals, and the College anticipated leasing up to an additional 14,000SF at different points during the term. The landlord has notified the College that additional suites in the Harbor Walk East building will be available in early to mid-2017. The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. Rent for the additional space shall commence on the date which the College takes possession of the space. At the end of the term, the College will work with Real Property Services to resolicit for space.

The current full-service lease rate is \$31.85/SF, which includes all building operating costs. The rate is adjusted each July 1 based on the April CPI-U and capped at a three percent maximum. As such, the total maximum lease cost for this additional space assuming a start date of February 1, 2017 is \$397,688.99 as shown in the chart below:

Term	SF	Rate/SF	Maximum Rent (Rounded)
2/1/17-6/30/17 150 days	3,000	\$31.85	\$39,267.12
7/1/17-6/30/18	3,000	\$32.81	\$98,430.00
7/1/18-6/30/19	3,000	\$33.79	\$101,370.00
7/1/19-6/30/20	3,000	\$34.80	\$104,400.00
7/1/20-12/31/20 184 days	3,000	\$35.84	\$54,201.86
Total			\$397,668.99

The additional space alters the overall maximum lease payment schedule for the entire lease term as follows:

Term	SF	Rate/SF	Maximum Rent (Rounded)
1/1/2014-12/31/2014	41,000	\$31.50	\$1,291,500.00
1/1/2015-8/15/2015	41,000	\$31.50	\$803,206.85
8/16/2015-12/31/2015	44,104	\$31.50	\$525,260.52
1/1/2016-6/30/2016	44,104	\$31.50	\$692,734.88
7/1/2016-1/31/2017	44,104	\$31.85	\$827,433.33
2/1/2017-6/30/2017	47,104	\$32.81	\$635,129.69
7/1/2017-6/30/2018	47,104	\$33.79	\$1,591,644.16
7/1/2018-6/30/2019	47,104	\$34.80	\$1,639,219.20
7/1/2020-12/31/2020	47,104	\$35.84	\$851,041.52
Total			\$8,857,170.14

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

Location	Tenant	Rent Rate/SF
205 King Street	Vacant	\$ 39.00*
40 Calhoun Street	Vacant	\$ 34.50*
701 East Bay Street	Clemson University	\$ 34.59*
55 Bee Street	MUSC	\$ 35.39**

*Above rates are full-service but subject to base rent and/or operating expense escalations over the term.

**Above rate does not include operating costs.

Additionally, the Colliers 2016 Q3 Research & Forecast Report indicates a current average asking rate of \$35.94/SF in downtown Charleston, and the CBRE Marketview Charleston Office, Q3 2016 Report shows an average rate of \$36.41/SF in the Charleston Business District.

There are adequate funds for the lease according to a Budget Approval Form submitted by the College. The lease was approved by the Commission on Higher Education on December 14, 2016 and by JBRC on January 25, 2017.

4. What is the Authority asked to do? Approve the proposed lease amendment for the College of Charleston at Harbor Walk.

5. What is recommendation of the Department of Administration? Approve the proposed lease amendment for the College of Charleston at Harbor Walk.

6. List of Supporting Documents:

- Letter from the College of Charleston dated November 23, 2016
- SC Code of Laws Section 1-11-55 and 1-11-56

November 23, 2016

Mr. Tracy Irvin
Program Manager, Office of the Executive Director
SC Department of Administration
1200 Senate Street
Suite 460
Columbia, SC 29201

RE: Harbor Walk/360 Concord Street Lease #00371 Amendment

Dear Mr. Irvin:


The College's lease for property located at 360 Concord Street provides for the option to lease additional space upon the termination of existing leases and renewals. The landlord has notified the College that up to 3,000 square feet in the Harbor Walk East building will be available in early to mid-2017.

The College requests approval to exercise its option to lease the additional space when it becomes available. The additional space is needed to accommodate the College's expanding Computer Science program, which is located at Harbor Walk East. The space will serve as a "student center" including a work center, an innovation center, and a lounge area.

The proposed lease amendment will have the same terms and rates as the current lease and run in accordance with the initial seven-year term, which commenced January 1, 2014. Rent for the additional space shall commence on the date which the College takes possession of the space.

We respectfully request your assistance in obtaining JBRC and SFAA approval of this lease amendment.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

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

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY: Division of Procurement Services

SUBJECT: Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to its authority under Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 USC 381 to expand the procurement authority under Section 1122 beyond counter-drug activities to include equipment for homeland security and emergency response activities. The Department of Natural Resources and South Carolina Law Enforcement Division request an amendment to the Counter Drug Program exemption granted by the Board to also allow all state law enforcement programs to procure law enforcement equipment and supplies for homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994.

In order to provide clarity, the Division of Procurement Services recommends that any expansion of the Section 1122 Exemption include definitions of counter-drug, emergency, and homeland security activities and "state law enforcement programs." The Division also recommends a reporting requirement to compile information on the use of the exemption and an opportunity for the authority to evaluate this information and the benefits of the exemption by providing that the exemption shall sunset in five years unless reauthorized by the authority.

AGENCY: Division of Procurement Services

SUBJECT: Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

AUTHORITY ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, approve the Department of Natural Resources' and South Carolina Law Enforcement Division's request for amendment of the Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994; provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

"State law enforcement programs" are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

"Counter drug activities" are those law enforcement activities intended to disrupt the illegal drug market.

"Emergency response activities" are those activities necessitated by and performed in response to emergency declarations of the Governor or President.

"Homeland Security activities" are those activities associated with a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.

Agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

ATTACHMENTS:

Agenda item worksheet; - Sections 11-35-710; Counter Drug Program Exemption; 10 USC 381; Request from the Department of Natural Resources and South Carolina Law Enforcement Division; Summary of procurements since 2011 under the current exemption

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: **January 31, 2016**

Green Agenda

1. Submitted by:

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


John St. C. White
Materials Management Officer

2. Subject:

Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

3. Summary Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to its authority under Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

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In order to provide clarity, the Division of Procurement Services recommends that any expansion of the Section 1122 Exemption include definitions of counter-drug, emergency, and homeland security activities and "state law enforcement programs." The Division also recommends a reporting requirement to compile information on the use of the exemption and an opportunity for the authority to evaluate this information and the benefits of the exemption by providing that the exemption shall sunset in five years unless reauthorized by the authority.

4. What is Authority asked to do?

Under authority of S.C. Code Section 11-35-710, the Department of Natural Resources and South Carolina Law Enforcement Division ask the Authority to approve their request for amendment of the

Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

State law enforcement programs are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

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Homeland Security activities are those activities associated with a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.

Agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

5. What is recommendation of Authority division involved?

Consider the request for amendment to the Section 1122 Exemption by the Department of Natural Resources and South Carolina Law Enforcement Division.

6. Recommendation of other office (as required)?

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

7. Supporting Documents:

- A - Sections 11-35-710
B - Counter Drug Program Exemption
C- 10 USC 381
D - Request from the Department of Natural Resources and South Carolina Law Enforcement Division
E - Summary of procurements since 2011 under the current exemption
-

From: George Dukes IV
Sent: Thursday, November 17, 2016 10:29 AM
To: Angie Cassella <CassellaA@dnr.sc.gov>
Cc: Jennifer R. Coleman <ColemanJ@dnr.sc.gov>; Karen Swink <SwinkK@dnr.sc.gov>
Subject: GSA

Good Morning,

We checked on the items on our pending GSA Req.s and none of the items are offered on State Contract. Attached you will find a listing of our GSA purchases since 2011 with quantities. If an item does not have a note to the right it was not nor is currently on State Contract. Our rule of thumb is to attempt State Contract first and if our needs cannot be met try GSA or the appropriate bid process. So far we have not been faced with a situation where we chose GSA over State Contract due to lower pricing but in that event I believe the 10% rule should be used.

Lt. G.W.Dukes,IV
SCDNR
Law Enforcement/Staff Operations
2760 Wildlife Lane
West Cola, S.C. 29172

Office: 803-755-1149
Cell:803-609-6877

DNR GSA Purchases since 2011

Booster boxes	119
Thermacell Refill (case)	25
Thermacell (ea)	35
Thermacell (case)	11
Costa Safety Glasses	115 No State Contract at time of purchase.
Costa Strap	20 No State Contract at time of purchase.
Mustang Inflatable PFD	240 No State Contract at time of purchase.
Garmin GPS 640	11
Garmin GPS 78	55
Danner Acadia Boots	244 Purchased during lapse in State Contract.
Glow Sticks (case)	19
Bushnell Range Finder	58
Viking Sling	58
Viking Buttstock Adapter	81
Mustang re-arm kit	115 No State Contract at time of purchase.
Spiewak Duty Jacket	55
Leatherman	47
Alpen Binocular	29
Gas Mask Filter (case)	60
Sling attachment	40
Personal Radiation Detector	15
Blue Light	78 Purchased during lapse in State Contract.
Badges	100
5.11 Boots	125
FLIR Thermal Camera	12
Night Vision	54
AV Headset	3
Garmin GPS 7612	1

Raymarine Radar/GPS/Sounder	8
Dive Gear	
Tanks	14
Commo	6
Dry Suit	7
Seals	40
Lift Bags	8
Powerstrech Jumpsuit	6
Stabilizing Binoculars	34
Contender 21 Patrol Boat	3
Aircrew PFD	3
MDT Eq	18
EPRIB	2
VHF Radio	1
Contender 25 Patrol Boat	1
Garmin Depth Finder	5
Viking Wide Sling	250
Float Coats	198
Digital Surv. Camera	1
Nightvision Camera Adapter	1
USB Reader	1
Streamlight Flashlights	30 No State Contract at time of purchase.
Furuno Radar	3

From: Sligh, Steve [mailto:ssligh@sled.sc.gov]
Sent: Wednesday, December 07, 2016 9:50 PM
To: Angie Cassella <CassellaA@dnr.sc.gov>
Subject: FW: 1122 Program

Mrs. Angie,

Here is the information from our Aviation Unit. They are the only entity at our agency that presently utilizes the 1122 Program. It is my understanding from them and our procurement office that the only items that we have acquired are items that are not on state contract and available on the 1122. To answer your question if the program expanded to allow purchasing other items unlike the attached items we would certainly check state contract first. We want to make sure we find the lowest possible price for the items we need and would certainly adhere to the 10% rule with these procurements. I do not anticipate any changes in the 1122 having a great impact of our use of the 1122 program however we are certainly open to any system that saves the state money and allows us to purchase the needed items. If I can be of any further assistance please do not hesitate to call me.

Stevie Sligh

Captain Stevie Sligh
South Carolina Law Enforcement Division
LEO Asset Management/Supply
(803) 896-7148 Office
(803)609-2624 Cell

From: Mattox, David
Sent: Friday, November 18, 2016 10:56 AM
To: Sligh, Steve
Subject: 1122 Program

Stevie,
Please see attached memo and invoices regarding the 1122 Program that you inquired about.

Thanks, David...



J. David Mattox, Lt/Pilot
SC Law Enforcement Division
PO Box 21398
Columbia, SC 29221
803-896-7189 (O)
803-260-0899 (C)
803-896-7429 (F)

SOUTH CAROLINA LAW ENFORCEMENT DIVISION

NIKKI R. HALEY
Governor



MARK A. KEEL
Chief

November 18, 2016

To: Capt. Stevie Sligh

From: Lt. J. David Mattox

Ref: 1122 Program

Pursuant to our conversation, from 2012 thru 2016 we purchased numerous items from the program. The items purchased were paper wipes used in aviation, night vision goggle (NVG) accessories, assorted flight suits, and UH-1 parts for SLED 600. All of the pricing were GSA or straight from the military or factory (with regards to the helicopter parts). It is my understanding that this program was set up by the state and maintained/operated by Greenville Co Sheriff's Dept. See attached invoices.

Let me know if you need any additional information.



An Accredited Law Enforcement Agency

P.O. Box 21398 / Columbia, South Carolina 29221-1398 / (803) 737-9000 / Fax (803) 896-7588



South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

Invoice

DATE	INVOICE #
3/30/2016	2361

BILL TO

South Carolina Law Enforcement Division
 4400 Broad River Road
 Columbia, South Carolina 29210

Attn: Van Safriet, SLED AVIATION

DUE D... 1122 Rep.

4/29/2016

DESCRIPTION	QTY	RATE	AMOUNT
NVG Helmet Mount	2	170.42	340.84
Dupont Aerospace Wipe Clothes (Case)	5	161.62	808.10

OK to PAY

3-30-16

PO# 4600 427563

Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.

Total

1,148.94



South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

Invoice

DATE	INVOICE #
2/10/2015	2323

BILL TO

South Carolina Law Enforcement Division
 4400 Broad River Road
 Columbia, South Carolina 29210


Attn: Van Safriet, SLED AVIATION

DUE D...	1122 Rep.
3/12/2015	Chris Hines

DESCRIPTION

DESCRIPTION	QTY	RATE	AMOUNT
Filter NSN 2915-00-798-7083	2	22.54	45.08
Filter NSN 4330-00-442-2484	1	75.86	75.86
Nut NSN 5310-00-807-1475	100	0.28	28.00
Bolts Pkg of 100 NSN 5305-00-894-1067	1	122.07	122.07
Fuel Oil Kit NSN 2945-00-019-0282	4	74.69	298.76
Dupont Aerospace Wipes (case) NSN 6850-01-487-2859	5	160.15	800.75

P.O. # 46 00 349063

OKAY TO PAY
2-11-15


Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.

Total	1,370.52
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Invoice

South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

DATE 1/28/2013	INVOICE # 2181
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BILL TO
South Carolina Law Enforcement Division 4400 Broad River Road Columbia, South Carolina 29210 Attn: Van Safriet, SLED AVIATION

DUE DATE 2/27/2013	1122 Rep. Chris Hines
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DESCRIPTION	QTY	RATE	AMOUNT
NOMEX FLIGHT SUITS (SIZES 40L, 42R,42L, 44L, 46R,46L)	9.0	148.68	1,338.12
NVG MOUNT VIEWER NSN 5855-01-451-7389	2.0	316.49	632.98
Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.			Total
			1,971.10

D.O. # 4600183237

OKAY TO PAY

1-29-13



Invoice

South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

DATE 7/31/2012	INVOICE # 2131
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BILL TO
South Carolina Law Enforcement Division 4400 Broad River Road Columbia, South Carolina 29210 Attn: Van Safriet, SLED AVIATION

DUE DATE 8/30/2012	1122 Rep. Chris Hines
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DESCRIPTION	QTY	RATE	AMOUNT
Bearing, Roller, Needle NIIN 010329998	2.0	963.26	1,926.52
Flight Suit 42-R	6.0	142.13	852.78
Flight Suit 42-L	3.0	142.13	426.39
Flight Suit 46-R	3.0	142.13	426.39
Flight Suit 46-L	4.0	142.13	568.52
Flight Suit 48-R	6.0	142.13	852.78
Flight Suit 48-L	6.0	142.13	852.78
Headset, Electrical NIIN 01504007	5.0	103.82	519.10
Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.		Total	6,425.26

OK to PM
My 4600183257

Invoice

South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

DATE 6/8/2012	INVOICE # 2096
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BILL TO
South Carolina Law Enforcement Division 4400 Broad River Road Columbia, South Carolina 29210 Attn: Van Safriet, SLED AVIATION

DUE DATE 7/8/2012	1122 Rep. Chris Hines
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DESCRIPTION	QTY	RATE	AMOUNT
Flyers Coverall's	1.0	142.13	142.13
Aircraft Skin	1.0	316.23	316.23
Bipod Assy, Engine Mount	1.0	295.35	295.35
Bearing Roller Cylindrical	2.0	418.73	837.46
Bearing, Ball Duplex	2.0	474.36	948.72
Cone Set, tail Rotor	2.0	5.98	11.96
Bearing, Ball Duplex	2.0	1,088.52	2,177.04
Bearing, Roller, Needle	2.0	217.04	434.08
Ring Assy, Engine Bellmouth	1.0	252.49	252.49
Lowe Door track R/H	1.0	292.63	292.63
M/R Pitch Link Rod Ends	2.0	142.00	284.00
R/H Cargo Door Support	1.0	126.90	126.90
Swash Plate Trunnion Bearing	2.0	705.27	1,410.54
Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.		Total	7,529.53

*OKAY TO PAY
 6-8-12
 [Signature]*

P.O. # 4600102951

Invoice

South Carolina 1122 Program
 4 McGee Street Room 122
 Greenville, SC 29601
 (864)467-2624
 (864)467-2698 Fax

DATE 3/8/2012	INVOICE # 2072
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BILL TO
South Carolina Law Enforcement Division 4400 Broad River Road Columbia, South Carolina 29210 Attn: Van Safriet, SLED AVIATION

DUE DATE 4/7/2012	1122 Rep. Chris Hines
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DESCRIPTION	QTY	RATE	AMOUNT
T/R Yoke	1.0	7,934.23	7,934.23
Dupont Aerospace Wipes Case of 8 Boxes	6.0	175.29	1,051.74
Bolt, Shear	40.0	3.68	147.20
Screw, Machine Box of 100	1.0	6.96	6.96
Please make checks payable to "SC 1122 Program" Payment is due upon receipt. The 1122 Program is administered by the Greenville County Sheriff's Office.			Total 9,140.13

OKAY TO PAY
3-15-12
[Signature]
P.O.# 46 0010 2951

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF January 31, 2017

REGULAR SESSION
ITEM NUMBER 4

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 9:30 a.m. on Thursday, March 9, 2017, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2017

May 2
June 13
August 8
October 17
December 12

AUTHORITY ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Thursday, March 9, 2017, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: