

**STATE EDUCATION ASSISTANCE AUTHORITY**

**Meeting of June 7, 2016 -- 10:00 A. M.**

**Room 252, Edgar A. Brown Building**

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***REGULAR SESSION AGENDA INDEX***

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**Item**

**No.**

**Agency**

**Subject**

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**A. ADOPTION OF PROPOSED AGENDA**

**B. REGULAR SESSION**

1. SC Student Loan Corporation      Student Loan Program

**C. ADJOURNMENT**

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, June 7, 2016 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

## AGENDA INDEX

Item	Agency	Subject
<b>A.</b>	<b>STATE EDUCATION ASSISTANCE AUTHORITY</b>	
<b>B.</b>	<b>STATE FISCAL ACCOUNTABILITY AUTHORITY</b>	
<b>C.</b>	<b>ADOPTION OF PROPOSED AGENDA</b>	
<b>D.</b>	<b>MINUTES OF PREVIOUS MEETING</b>	
<b>E.</b>	<b>BLUE AGENDA</b>	
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2.	Department of Administration Real Property Services	Easement
3.	Department of Administration, Real Property Services	Petition to Request Annexation of Department of Natural Resources' Pacolet River Heritage Preserve into the Town of Pacolet
4.	Department of Administration Real Property Services	Real Property Conveyances
5.	Division of Procurement Services	Procurement Audits and Certifications
6.	Executive Director	Revenue Bonds
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1.	Public Employee Benefit Authority (PEBA)	Approval of PEBA Policy Determination for the South Carolina Retirement System (SCRS)
2.	Public Employee Benefit Authority (PEBA)	Approval of PEBA Policy Determination for the South Carolina Police Officers' Retirement System (PORS)
3.	Public Employee Benefit Authority (PEBA)	Actuarial Valuation of the Retirement System for Judges and Solicitors (JSRS)

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, June 7, 2016 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

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## REGULAR SESSION AGENDA INDEX -- Page 2

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
4.	Public Employee Benefit Authority (PEBA)	Approval of PEBA Policy Determination for the Retirement System for Members of the General Assembly (GARS)
5.	Public Employee Benefit Authority (PEBA)	Approval of PEBA Policy Determination for the National Guard Retirement System (SCNG Plan)
6.	Public Employee Benefit Authority (PEBA)	2016 Actuarial Experience Study of the South Carolina Retirement Systems
7.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
8.	Department of Administration, Executive Budget Office	Real Property Acquisition
9.	Department of Administration Real Property Services	Medical University of South Carolina Lease – 125 Doughty Street
10.	University of South Carolina	Not Exceeding \$26,000,000 Aggregate Principal Amount Athletic Facilities Revenue Refunding Bonds of the University of South Carolina; and Authorizing the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes Pending the Issuance of the Athletic Facilities Revenue Bonds
11.	University of South Carolina	Not Exceeding \$81,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2016A
12.	State Fiscal Accountability Authority	Future Meeting

STATE EDUCATION ASSISTANCE AUTHORITY

MEETING OF June 7, 2016

REGULAR SESSION

ITEM NUMBER 1

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AGENCY: South Carolina Student Loan Corporation

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SUBJECT: Student Loan Program

In 1971, the General Assembly of South Carolina established the State Education Assistance Authority (the "Authority") as a public instrumentality of the State and empowered it to provide financial guidance and assistance to residents of South Carolina through the making or guaranteeing of student loans. The Authority is governed by its members, who are by statute the members of the State Fiscal Accountability Authority. The Authority acts through its contractual agent, the South Carolina Student Loan Corporation (the "Corporation"), a private non-profit corporation.

With the passage of the Health Care and Education Reconciliation Act in 2010, the Corporation lost all authority to originate new federal loans under the Federal Family Education Loan Program (FFELP) and the Authority to guarantee new loans, as this legislation nationalized the origination of all federal student loans under the U.S. Department of Education (USDE). As a result of no new federal loans being guaranteed, the balance of loans guaranteed by the Authority has declined from \$3.8 billion to \$1.8 billion. This has also reduced the annual revenue of the Authority from a high of \$79.8 million to expected revenue this current fiscal year of \$8.3 million.

As a result of the Health Care and Education Reconciliation Act of 2010 and subsequent actions by the federal government which nationalized the federally-guaranteed student loan program, continuing guarantor operations under the guaranty agreement between the South Carolina State Education Assistance Authority and the U.S. Department of Education will result in an economic loss. Therefore, the Authority is asked to delegate to the South Carolina Student Loan Corporation the authority to communicate with the U.S. Department of Education at the appropriate time to terminate the guaranty agreements and cease operating as a "guaranty agency" under the Higher Education Act of 1965 and to present to the State Treasurer all necessary documents required to effect such termination.

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AUTHORITY ACTION REQUESTED:

Delegate to the South Carolina Student Loan Corporation the authority to communicate with the U.S. Department of Education at the appropriate time to terminate the guaranty agreements and cease operating as a "guaranty agency" under the Higher Education Act of 1965 and to present to the State Treasurer all necessary documents required to effect such termination.

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ATTACHMENTS:



AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

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

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$14,750,000 SC JEDA	Westminster Presbyterian Church	Haynsworth Sinkler Boyd	Nexsen Pruet
\$ 30,000,000 SC JEDA	Wofford College	Haynsworth Sinkler Boyd	Nexsen Pruet
\$100,000,000 SC JEDA	Medical Society of South Carolina	Haynsworth Sinkler Boyd	Parker Poe
\$7,000,000 SC JEDA	Anderson Area YMCA, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm
\$135,000,000 SC JEDA	Georgetown Hospital System	Haynsworth Sinkler Boyd	Pope Flynn
\$15,000,000 SC JEDA	Abundant Power/SC Saves	McGuire Woods	Haynsworth Sinkler Boyd
\$11,000,000 SC JEDA	Oceanside Collegiate Academy	Parker Poe	Pope Flynn
\$27,800,000 SC JEDA	Bishop Gadsden Episcopal Retirement Community	Haynsworth Sinkler Boyd	Parker Poe Adams & Bernstein
\$11,900,000 SC JEDA	NCCD Spartanburg Properties	Haynsworth Sinkler Boyd	McNair Law Firm
\$7,500,000 SC JEDA	Greer Middle College Charter High School	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$29,000,000 SC State Housing Finance and Development Authority	Waters at St. James LP	Parker Poe Adams & Bernstein LLP	Tracey Easton, Esq.

**OTHER REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$110,000,000 SC State Housing Finance and Development Authority	SC State Housing Finance and Development Authority	McNair Law Firm
\$81,000,000 Refunding of Higher Education Revenue Bonds 2016A	University of South Carolina	Nexsen Pruet
\$ 26,000,000 Athletic Facilities Revenue Bonds 2016A	University of South Carolina	McNair Law Firm

**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 June 7, 2016 State Fiscal Accountability Authority  
Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$14,750,000 SC JEDA	Westminster Presbyterian Church	Haynsworth Sinkler Boyd	Nexsen Pruet	4/8/2016
\$ 30,000,000 SC JEDA	Wofford College	Haynsworth Sinkler Boyd	Nexsen Pruet	4/8/2016
\$100,000,000 SC JEDA	Medical Society of South Carolina	Haynsworth Sinkler Boyd	Parker Poe	4/18/2019
\$7,000,000 SC JEDA	Anderson Area YMCA, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm	4/18/2016
\$135,000,000 SC JEDA	Georgetown Hospital System	Haynsworth Sinkler Boyd	Pope Flynn	4/20/2016
\$15,000,000 SC JEDA	Abundant Power/SC Saves	McGuire Woods	Haynsworth Sinkler Boyd	4/20/2016
\$11,000,000 SC JEDA	Oceanside Collegiate Academy	Parker Poe	Pope Flynn	4/20/2016
\$27,800,000 SC JEDA	Bishop Gadsden Episcopal Retirement Community	Haynsworth Sinkler Boyd	Parker Poe Adams & Bernstein	4/20/2016
\$11,900,000 SC JEDA	NCCD Spartanburg Properties	Haynsworth Sinkler Boyd	McNair Law Firm	4/20/2016
\$7,500,000 SC JEDA	Greer Middle College Charter High School	Haynsworth Sinkler Boyd	Howell Linkous & Nettles	4/20/2016
\$29,000,000 SC State Housing Finance and Development Authority	Waters at St. James LP	Parker Poe Adams & Bernstein LLP	Tracey Easton, Esq.	5/3/2016

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$110,000,000 SC State Housing Finance and Development Authority	SC State Housing Finance and Development Authority	McNair Law Firm	4/29/2016
\$81,000,000 Refunding of Higher Education Revenue Bonds 2016A	University of South Carolina	Nexsen Pruet	4/28/2016
\$ 26,000,000 Athletic Facilities Revenue Bonds 2016A	University of South Carolina	McNair Law Firm	4/28/2016

STATE FISCAL ACCOUNTABILITY AUTHORITY

BLUE AGENDA

MEETING OF June 7, 2016

ITEM NUMBER 2

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AGENCY: Department of Administration, Real Property Services

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SUBJECT: Easement

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

- (a) County Location: Charleston  
From: State of South Carolina, through the Department of Administration  
To: Charleston Water System  
Consideration: \$1,318  
Description/Purpose: To grant a 4.09 acre easement for the construction, installation, operation and maintenance of a 36" water main beneath the Ashley River to satisfy the hydraulic demands of the water system in the West Ashley, James Island, Johns Island, Hollywood, Ravenel, Folly Beach, Sullivan's Island and Isle of Palms service areas. Additionally, the water main will provide a redundant water source to the Bees Ferry ground storage and booster pumping facilities. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

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AUTHORITY ACTION REQUESTED:

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

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ATTACHMENTS:

Agenda item worksheet and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET**

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**Meeting Scheduled for: June 7, 2016**

**Blue Agenda**

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**1. Submitted by:**

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

(b) Authorized Official Signature:



Ashlie Lancaster, Director

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**2. Subject: EASEMENT**

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**3. Summary Background Information:**

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

(a)	County Location:	Charleston
	From:	State of South Carolina, through the Department of Administration
	To:	Charleston Water System
	Consideration:	\$1,318
	Description/Purpose:	To grant a 4.09 acre easement for the construction, installation, operation and maintenance of a 36" water main beneath the Ashley River to satisfy the hydraulic demands of the water system in the West Ashley, James Island, Johns Island, Hollywood, Ravenel, Folly Beach, Sullivan's Island and Isle of Palms service areas. Additionally, the water main will provide a redundant water source to the Bees Ferry ground storage and booster pumping facilities. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

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

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

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**6. List of Supporting Documents:**

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

## **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**

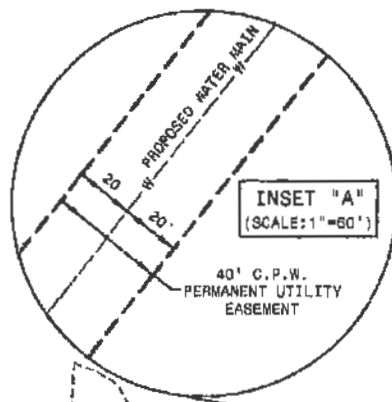
2014 Act No. 121, Section 7.C, substituted "authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority," for "authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board" and substituted "written approval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

STATE PLANE COORDINATES (NAD 83 - 2011)				
POINT	NORTHING	EASTING	LATITUDE	LONGITUDE
B	371329.60	2286734.18	32°51'01.03"	80°03'35.13"
G	372070.19	2293118.65	32°51'07.98"	80°02'43.68"

LINE TABLE		
LINE	BEARING	DISTANCE
A TO B	N82°03'40"E	424.44'
B TO C	N15°35'58"W	5.08'
C TO D	N38°45'56"W	38.29'
D TO E	N80°24'26"E	4457.39'
E TO F	S07°14'04"W	7.53'
F TO G	S22°11'30"E	33.60'
G TO B	S80°24'25"W	4444.06'

**REVISIONS:**  
 1) REVISED 05-12-18 TO CHANGE CURRENT OWNER INFORMATION FOR PARCEL 3.

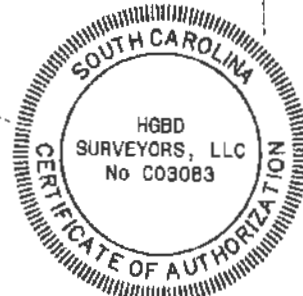
SEE PROPERTY OWNER INFORMATION TABLE  
 (SHEET 2 OF 3)



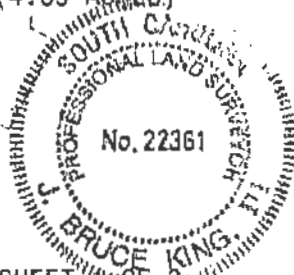
WATKINS ROAD  
 (S.C. HWY. NO. S-1415)  
 SEE INSET "C"  
 (SHEET 2 OF 3)

END PERMIT AT  
 DHEC/OCRM  
 CRITICAL LINE

ATLANTIC COAST LINE R.R. CO. RIGHT-OF-WAY



40' C.P.W.  
 PERMANENT UTILITY  
 EASEMENT  
 (4.09 ACRES)



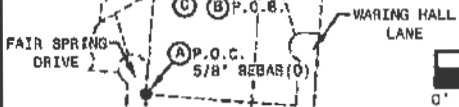
**NOTES:**

- 1) WHERE THE PROPOSED WATER MAIN CROSSES LAND NOT SOLELY UNDER FEDERAL OR STATE JURISDICTION, IT SHALL BE THE RESPONSIBILITY OF CHARLESTON OPW TO ACQUIRE ANY ADDITIONAL EASEMENTS NECESSARY TO CONSTRUCT THIS UTILITY UPON PRIVATE PROPERTY.
- 2) THIS MAP DOES NOT, NOR IS IT INTENDED TO, CONTAIN ALL INFORMATION REQUIRED ON A RECORDABLE INSTRUMENT BY THE SC MINIMUM STANDARDS. THIS DOCUMENT IS TO BE USED SOLELY FOR THE PURPOSE OF OBTAINING A PERMIT FROM THE STATE BUDGET AND CONTROL BOARD TO CONSTRUCT UTILITIES SHOWN HEREON. THE 40' PERMANENT UTILITY EASEMENT SHOWN ON THIS PLAN HAS NOT BEEN RECORDED NOR HAS IN ANY WAY BEEN DEEDED TO THE PERSON(S) RESPONSIBLE FOR REQUESTING THIS PERMIT.

MAP SHOWING A 40' C.P.W. PERMANENT UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA.

BEGIN PERMIT AT  
 DHEC/OCRM  
 CRITICAL LINE

SEE INSET "B"  
 (SHEET 2 OF 3)

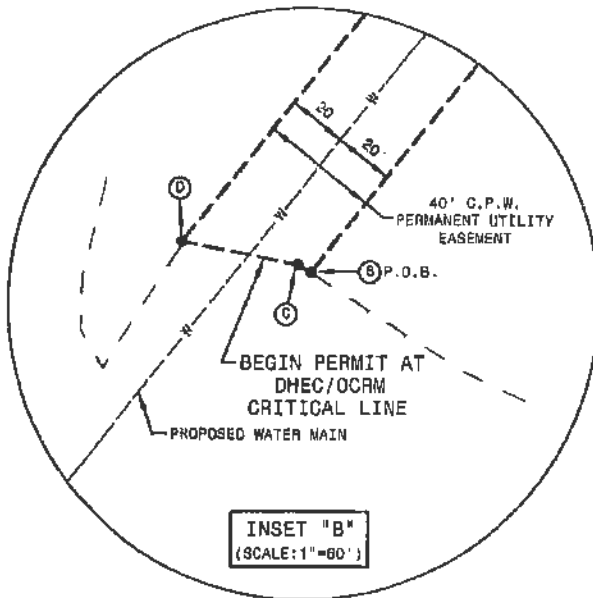


*J. Bruce King III*  
 J. BRUCE KING, III S.C.P.L.S. NO. 22861

	<b>HGBD SURVEYORS, LLC</b>		PROJECT:	DRAWN BY: JRP
	COLUMBIA, SC	MOUNT PLEASANT, SC	<b>CHARLESTON C.P.W.          COMMISSIONERS OF          PUBLIC WORKS</b>	DATE: APRIL 22, 2013
	1219 ASSEMBLY STREET COLUMBIA, SC 29201 VOICE: (803) 799-0444 FAX: (803) 799-1489	474 WANDO PARK BLVD., STE. 201 MOUNT PLEASANT, SC 29464 VOICE: (843) 849-7500 FAX: (843) 849-7502		DWG. NO.: M14020401-A1228
				APPROVED BY: JBK

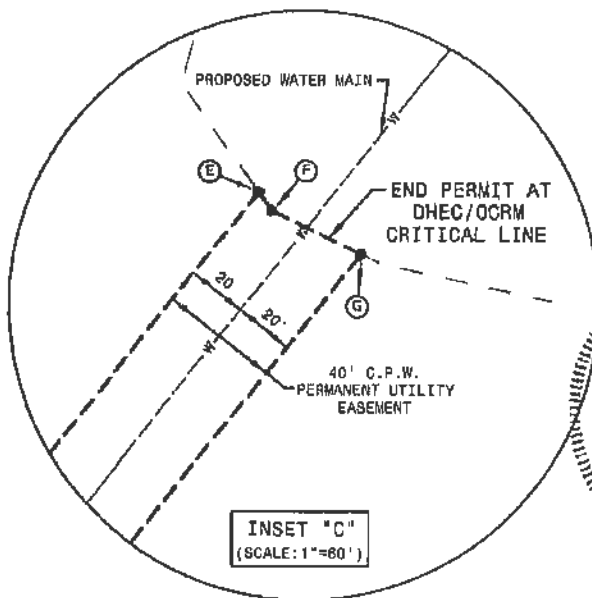
**REVISIONS:**

1) REVISED 05-12-16 TO CHANGE CURRENT OWNER INFORMATION FOR PARCEL 3.



**PROPERTY OWNER INFORMATION TABLE**

- |   |   |
|---|---|
| 1 | MAXCY T. BYRD<br>(T.M.S. 358-00-00-005)   |
| 2 | WILLIAM W. SMALLS<br>(T.M.S. 358-08-00-072)   |
| 3 | BRYAN CHAPMAN YOUNG<br>(T.M.S. 358-08-00-067)   |
| 4 | JOHN H. SQUIRE<br>(T.M.S. 408-09-00-039)  |
| 5 | CHARLES E. TRULUCK, SR., DOUGLAS H. TRULUCK, SR. & M. FLOYD TRULUCK, JR.,<br>AS TRUSTEES OF THE MILTON F. TRULUCK TRUST<br>(T.M.S. 410-00-00-008) |



MAP SHOWING A 40' C.P.W. PERMANENT UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA.

SHEET 2 OF 3

*J. Bruce King, III* 5/11/16  
J. BRUCE KING, III S.C. P.L.S. NO. 22361



**HGBD SURVEYORS, LLC**

COLUMBIA, SC	MOUNT PLEASANT, SC
1219 ASSEMBLY STREET	474 WANDO PARK BLVD., STE. 201
COLUMBIA, SC 29201	MOUNT PLEASANT, SC 29464
VOICE: (803) 799-0444	VOICE: (843) 849-7500
FAX: (803) 799-1499	FAX: (843) 849-7502

**PROJECT:**

CHARLESTON C.P.W.  
COMMISSIONERS OF  
PUBLIC WORKS

**DRAWN BY:** JRP

DATE: APRIL 22, 2013

DWG. NO.: M14020401-A1228

APPROVED BY: JBK



## HGBD SURVEYORS, LLC

COLUMBIA, SC

1219 ASSEMBLY STREET  
COLUMBIA, SC 29201  
VOICE: (803) 799-0444  
FAX: (803) 799-1499

MOUNT PLEASANT, SC

474 WANDO PARK BLVD., STE. 201  
MOUNT PLEASANT, SC 29464  
VOICE: (843) 848-7500  
FAX: (843) 849-7502

### EASEMENT DESCRIPTION, ASHLEY RIVER CROSSING

ALL THAT CERTAIN PIECE, PARCEL OR LOT OF LAND SITUATE, LYING AND BEING IN AND NEAR THE CITY OF CHARLESTON AND THE CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA, BEING DELINEATED AND SHOWN ON A MAP SHOWING A 40' C.P.W. PERMANENT UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, PREPARED BY HGBD SURVEYORS, LLC, DATED APRIL 22, 2013, REVISED MAY 12, 2016, SAID PARCEL HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

COMMENCING AT A 5/8" REBAR LOCATED AT THE SOUTHWESTERN PROPERTY CORNER OF PROPERTY OF MAXCY T. BYRD THENCE PROCEEDING FROM SAID 5/8" REBAR IN A DIRECTION OF N62°03'40"E FOR A DISTANCE OF 424.44' TO A COMPUTED POINT, THIS BEING THE TRUE POINT OF BEGINNING; THENCE TURNING AND PROCEEDING ALONG A DHEC/OCRM CRITICAL LINE FOR THE FOLLOWING COURSES AND DISTANCES: IN A DIRECTION OF N15°35'58"W FOR A DISTANCE OF 5.08' TO A COMPUTED POINT; THENCE IN A DIRECTION OF N36°45'56"W FOR A DISTANCE OF 39.29' TO A COMPUTED POINT; THENCE TURNING AND PROCEEDING IN A DIRECTION OF N80°24'25"E BENEATH THE ASHLEY RIVER AND ADJACENT MARSHLANDS FOR A DISTANCE OF 4,457.39' TO A COMPUTED POINT; THENCE TURNING AND PROCEEDING ALONG A DHEC/OCRM CRITICAL LINE FOR THE FOLLOWING COURSES AND DISTANCES: IN A DIRECTION OF S07°14'04"W FOR A DISTANCE OF 7.63' TO A COMPUTED POINT; THENCE IN A DIRECTION OF S22°11'30"E FOR A DISTANCE OF 33.60' TO A COMPUTED POINT; THENCE TURNING AND PROCEEDING IN A DIRECTION OF S80°24'25"W BENEATH THE ASHLEY RIVER AND ADJACENT MARSHLANDS FOR A DISTANCE OF 4,444.06' TO A COMPUTED POINT, THIS BEING THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 4.09 ACRES.



#### REVISIONS:

1) REVISED 05-12-16 TO CHANGE CURRENT OWNER INFORMATION FOR PARCEL 3.

*J. Bruce King* 5/11/16  
J. BRUCE KING, III S.C.P.L.S. NO. 22361



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AGENCY: Department of Administration, Real Property Services

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SUBJECT: Petition to Request Annexation of Department of Natural Resources' Pacolet River Heritage Preserve into the Town of Pacolet

The Town of Pacolet is requesting annexation of the Pacolet River Heritage Preserve into its corporate limits. The preserve consists of approximately 278 acres in Spartanburg County. The annexation will allow the Town to increase its green space, as well as expand its trail system. This annexation will also increase the area of the Town and make the Town contiguous to more properties the Town could annex in the future. The South Carolina Department of Natural Resources (DNR) supports the Town's plans to annex the property. Benefits to be gained by DNR from the annexation include property monitoring and police assistance. A public hearing was conducted by the Town Council on March 3, 2016, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

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AUTHORITY ACTION REQUESTED:

Approve the petition to request annexation of the Department of Natural Resource's Pacolet River Heritage Preserve into the Town of Pacolet, as requested by the Department of Administration, Real Property Services.

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ATTACHMENTS:

Agenda item worksheet; Letter from Town of Pacolet dated March 21, 2016; Letter from Department of Natural Resources dated March 24, 2016; Letter from Representative Edward R. Tallon, Sr. dated March 23, 2016 ; Letter from Senator Shane Martin dated march 24, 2016; Maps; Code Section 5-3-140

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

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Meeting Scheduled for: June 7, 2016

Blue Agenda

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**1. Submitted by:**

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

  
Ashlie Lancaster, Director

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**2. Subject:** Petition to Request Annexation of Department of Natural Resources' Pacolet River Heritage Preserve into the Town of Pacolet

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**3. Summary Background Information:**

The Town of Pacolet is requesting annexation of the Pacolet River Heritage Preserve into its corporate limits. The preserve consists of approximately 278 acres in Spartanburg County. The annexation will allow the Town to increase its green space, as well as expand its trail system. This annexation will also increase the area of the Town and make the Town contiguous to more properties the Town could annex in the future. The South Carolina Department of Natural Resources (DNR) supports the Town's plans to annex the property. Benefits to be gained by DNR from the annexation include property monitoring and police assistance. A public hearing was conducted by the Town Council on March 3, 2016, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

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**4. What is the Authority asked to do?** Approve the petition to request annexation of the Department of Natural Resource's Pacolet River Heritage Preserve into the Town of Pacolet.

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**5. What is recommendation of Department of Administration's Real Property Services?** Approval of the petition to request annexation of the Department of Natural Resource's Pacolet River Heritage Preserve into the Town of Pacolet.

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**6. List of Supporting Documents:**

- (a) Letter from Town of Pacolet dated March 21, 2016
- (b) Letter from Department of Natural Resources dated March 24, 2016
- (c) Letter from Representative Edward R. Tallon, Sr. dated March 23, 2016
- (d) Letter from Senator Shane Martin dated March 24, 2016
- (e) Maps
- (f) Code Section 5-3-140



Donald Revis  
Willie Crocker, Jr.  
Sarah Isaac  
Betty W. Littlejohn  
Josephine McBeth  
David Williams

**COUNCILMEMBERS**

Michael G. Meissner  
**MAYOR**

Toni E. Kirby  
**TOWN ADMINISTRATOR**

Raymond T. Webb  
**CHIEF OF POLICE**

March 21, 2016

To the State Fiscal Accountability Authority,

The Pacolet River Heritage Preserve is an area rich in history of which the Town of Pacolet would like to be a part. The Town of Pacolet is requesting the annexation of the Pacolet River Heritage Preserve into its city limits for multiple reasons. In addition to increasing our municipality's green space, it will also assist us in expanding the Town's trail system. We would like to work with the DNR and extend the existing trail system from the Preserve into other parts of our town, allowing us to have a network of trails throughout the Town and making the Preserve more accessible to pedestrians. This annexation would further benefit the Preserve's neighbors by giving them the opportunity to annex into the Town of Pacolet should they wish to.

As a part of the Town of Pacolet, the Pacolet River Heritage Preserve would gain property monitoring and police assistance to the DNR. This would assist in deterring any loitering in or damage to such an important cultural area.

We hope that you will allow the Town of Pacolet to annex the Pacolet River Heritage Preserve into our municipality; we would love to see two historical and culturally rich entities working together towards preserving our past for the future.

Much appreciated,

A handwritten signature in cursive script that reads "Michael Meissner".

Michael Meissner  
Mayor, Pacolet SC  
864-621 1411  
mmeissner@townofpacolet.com

180 Montgomery Avenue, Post Office Box 700, Pacolet, South Carolina 29372  
Phone: 864-474-9504 Fax: 864-474-9442

# South Carolina Department of Natural Resources



**DNR**

Alvin A. Taylor  
Director

March 24, 2016

Linda Gordon  
Division of General Services  
SC Department of Administration  
1200 Senate Street, Suite 408  
Columbia, SC 29201

Re: Petition for Annexation Pacolet River Heritage Preserve, TM No. 3-25-00-004.00

Dear Ms. Gordon:

Please accept this letter as the Department of Natural Resources' (SCDNR) support of the Town of Pacolet's petition to annex SCDNR's property Pacolet River Heritage Preserve into the municipality. The Town has requested this annexation in order to increase the area of the Town, increase green space, and make the Town contiguous to more property for future annexation. The Department has informed the Town that there are restrictions on the property due to the property being included in the Heritage Trust, so the Department has no concerns related to the annexation. As requested, we have included a copy of the deed, which contains the property description, as well as the Trust Easement placing the property in the Heritage Trust. The Department fully supports the Town's request to annex the property, as annexation would also allow the Town to better monitor the property and give police assistance to SC DNR, which will help protect this culturally and ecologically rich property.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Alvin A. Taylor  
Director

CC: Senator Shane R. Martin  
Representative Edward R. Tallon, Sr.  
Mayor Michael Meissner



Edward R. Tallon, Sr.  
District 33  
Spartanburg County  
140 Bagwell Farm Road  
Spartanburg, SC 29302

**Committees:**  
Legislative Oversight  
Judiciary  
    *Sub Committee:*  
    Criminal Laws



**House of Representatives**  
State of South Carolina

402-A Blatt Building  
Columbia, SC 29211  
Tel. (803) 212-6893  
Cell. (864) 529-2860

E-mail: eddietallon@schouse.gov

Chief Majority Whip

March 23, 2016

Linda Gordon  
Division of General Services  
SC Department of Administration  
1200 Senate Street, Suite 408  
Columbia, SC 29201

Re: Petition for Annexation Pacolet River Heritage Preserve

Dear Ms. Gordon:

Please accept this letter as my support of the Town of Pacolet's petition to annex the South Carolina Department of Natural Resources' property Pacolet River Heritage Preserve into the municipality. The Town has requested this annexation in order to increase the area of the town, increase green space, and make the Town contiguous to more property for future annexation. The Pacolet River Heritage Preserve is a beautiful property that is part of the Heritage Trust. The preserve protects two Native American soapstone quarries. Early residents of the state came here between 3000 and 1100 B.C. to obtain material from which they made bowls, pipes and other necessities. Citizens come to bird-watch, take photographs, fish or simply enjoy the woods and river. There are trails within the property that will allow for the citizens of the Town to enjoy more green space and enjoy this historically and culturally rich property. I fully support the Town's request to annex the property, as annexation would also allow the town to better monitor the property and give police assistance to DNR.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

  
Edward R. Tallon, Sr.

Cc: Director Alvin Taylor, SCDNR

**Shane Martin**  
South Carolina Senate District 13  
Greenville, Spartanburg and  
Union Counties

Committees:  
Corrections and Penology  
Finance  
General  
Medical Affairs  
Rules



Senate Office Address:  
Suite 501 Gressette Office Building  
Post Office Box 142  
Columbia, South Carolina 29202  
Telephone: (803) 212-6100  
Fax: (803) 212-6299  
Email: shanemartin@scsenate.gov

Home Office Address:  
P.O. Box 575  
Pauline, South Carolina 29374

March 24, 2016

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

Dear Ms. Gordon:

Please accept this letter as my support of the Town of Pacolet's petition to annex the South Carolina Department of Natural Resources' property, Pacolet River Heritage Preserve, into the municipality. The Town has requested this annexation in order to increase the area of the town, increase green space, and make the Town contiguous to property that might later fit well into the preserve. Annexation would also allow the town to better monitor the property and give police assistance to DNR.

The Pacolet River Heritage Preserve is a beautiful property that protects two Native American soapstone quarries and is part of the Heritage Trust. The first residents of South Carolina came to the Pacolet area between 3000 and 1100 B.C. and made their living from the natural resources. Contemporary South Carolinians come to bird-watch, take photographs, fish or simply enjoy the natural beauty of its trails and green space. I fully support the Town's request to annex the property.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shane", is placed over a rectangular area.

Shane Martin, Senator  
District 13

SM:ph

cc: Director Alvin Taylor, SCDNR

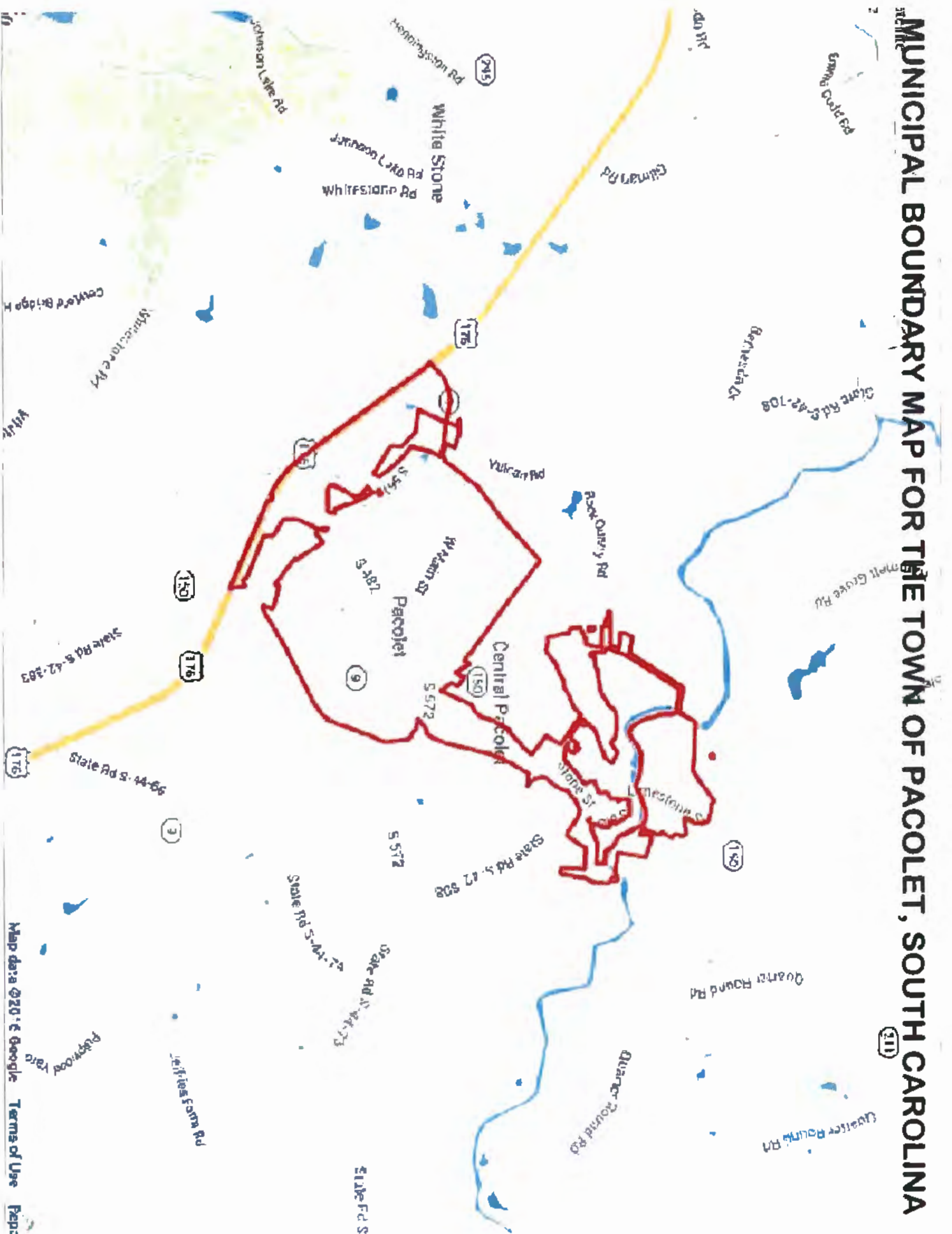






# MUNICIPAL BOUNDARY MAP FOR THE TOWN OF PACOLET, SOUTH CAROLINA

(211)





## **SOUTH CAROLINA CODE OF LAWS**

**SECTION 5-3-140.** Alternate method when entire area proposed to be annexed owned by Federal or State Government.

If the territory proposed to be annexed belongs entirely to the federal government or to the State of South Carolina and is adjacent to a municipality, it may be annexed upon the petition of the federal government or of the State to the city or town council thereof. As used in this section, a petition by the State shall mean a petition executed by the State Fiscal Accountability Authority. Upon agreement of the city or town council to accept the petition and the passage of an ordinance to that effect, the annexation is complete.

**HISTORY:** 1962 Code Section 47-19.2; 1967 (55) 952; 1971 (57) 798; 2000 Act No. 250, Section 3.

### **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.

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**AGENCY:** Department of Administration, Real Property Services

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**SUBJECT:** Real Property Conveyances

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

- (a) **Controlling Agency:** **Department of Administration**  
Acreage: 1.503 ± acres and a 149,474 square foot office building  
Location: 1429 Senate Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of: To be retained by the Department of Administration pursuant to  
Proceeds: Proviso 93.25.
- (b) **Controlling Agency:** **Department of Administration**  
Acreage: 0.5.17± acre and a 10,336 square foot office building  
Location: 1401 Senate Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of: To be retained by the Department of Administration pursuant to  
Proceeds: Proviso 93.25.
- (c) **Controlling Agency:** **Department of Administration**  
Acreage: 2.83± acres and a 96,753 square foot office building  
Location: 2221 Devine Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of: To be retained by the Department of Administration pursuant to  
Proceeds: Proviso 93.25.

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**AUTHORITY ACTION REQUESTED:**

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

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**ATTACHMENTS:**

Agenda item worksheet and attachments

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 7, 2015

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:**

- (a) **Controlling Agency:** Department of Administration  
Acreage: 1.503 ± acres and a 149,474 square foot office building  
Location: 1429 Senate Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property.  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be retained by the Department of Administration pursuant to Proviso 93.25.
- (b) **Controlling Agency:** Department of Administration  
Acreage: 0.5.17± acre and a 10,336 square foot office building  
Location: 1401 Senate Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be retained by the Department of Administration pursuant to Proviso 93.25.
- (c) **Controlling Agency:** Department of Administration  
Acreage: 2.83± acres and a 96,753 square foot office building  
Location: 2221 Devine Street, Columbia  
County: Richland  
Purpose: To dispose of surplus real property  
Price/Transferred To: Not less than appraised value/To be determined  
Disposition of Proceeds: To be retained by the Department of Administration pursuant to Proviso 93.25.

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

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**5. What is recommendation of Department of Administration?** Recommend approval of the property conveyances and transactions as requested.

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**6. List of Supporting Documents:**

1. Letter from Department of Administration dated \_\_\_\_\_
2. Maps
2. SC Code of Laws Section 1-11-65
3. 2015-2016 Appropriations Bill H.3701, Part 1B, Proviso 93.25

# RICHLAND COUNTY AERIAL TAX MAP



**RICHLAND COUNTY AERIAL TAX MAP**



2221 Devine



**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).

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AGENCY: Division of Procurement Services

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SUBJECT: Procurement Audits and Certifications

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The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agency and recommends certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

- a. Medical University of South Carolina (for a period of three years): supplies and services, \$1,000,000\* per commitment; information technology, \$1,000,000\* per commitment; consultant services, \$500,000\* per commitment; construction contract award, \$1,000,000 per commitment; construction contract change order, \$500,000 per change order; architect/engineer contract amendment, \$100,000 per amendment.

The Medical University complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement optional procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant the Medical University of South Carolina the certification limited noted above.

- b. Spartanburg Community College (for a period of three years): supplies and services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$100,000\* per commitment; construction services, \$100,000 per commitment; construction contract change order, \$10,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

The College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects and the internal procurement optional procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant Spartanburg Community College the certification limited noted above.



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AGENCY: Division of Procurement Services

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SUBJECT: Procurement Audits and Certifications

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AUTHORITY ACTION REQUESTED:

Grant procurement certifications, in accord with Section 11-35-1210, for the following agencies within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

- a. Medical University of South Carolina (for a period of three years): supplies and services, \$1,000,000\* per commitment; information technology, \$1,000,000\* per commitment; consultant services, \$500,000\* per commitment; construction contract award, \$1,000,000 per commitment; construction contract change order, \$500,000 per change order; architect/engineer contract amendment, \$100,000 per amendment.

The Medical University complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement optional procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant the Medical University of South Carolina the certification limited noted above.

- b. Spartanburg Community College (for a period of three years): supplies and services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$100,000\* per commitment; construction services, \$100,000 per commitment; construction contract change order, \$10,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

The College complies with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects and the internal procurement optional procedures are adequate to properly handle procurement transactions. The Division recommends the State Fiscal Accountability Authority grant Spartanburg Community College the certification limited noted above.

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ATTACHMENTS:

Agenda item worksheets and attachments

# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: June 7, 2016

Blue Agenda

**1. Submitted by:**

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:

John St. C. White, Materials Management Officer

**2. Subject:** Procurement Certification for the Medical University of South Carolina

**3. Summary Background Information:**

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 500,000 Per Commitment	*\$ 1,000,000 Per Commitment
II. Information Technology	*\$ 500,000 Per Commitment	*\$ 1,000,000 Per Commitment
III. Consultant Services	*\$ 125,000 Per Commitment	*\$ 500,000 Per Commitment
IV. Construction Contract Award	\$ 500,000 Per Commitment	\$ 1,000,000 Per Commitment
V. Construction Contract Change Order	\$ 250,000 Per Change Order	\$ 500,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 100,000 Per Amendment

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

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

Grant procurement certification for the Medical University of South Carolina by approval of the Blue Agenda.

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

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

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

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

**7. List of supporting documents:**

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

# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: June 7, 2016

Blue Agenda

**1. Submitted by:**

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:

John St. C. White, Materials Management Officer

**2. Subject:** Procurement Certification for Spartanburg Community College

**3. Summary Background Information:**

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
II. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Construction Services	\$ 100,000 Per Commitment	\$ 100,000 Per Commitment
V. Construction Contract Change Order	\$ 10,000 Per Change Order	\$ 10,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 5,000 Per Amendment

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

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

Grant procurement certification for Spartanburg Community College by approval of the Blue Agenda.

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

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

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

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

**7. List of supporting documents:**

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

**§ 11-35-1210. Certification**

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

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

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

(b) responsiveness to user needs;

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

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

### **§ 11-35-1230. Auditing & Fiscal Reporting**

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

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

### **§ 11-35-1560. Sole Source Procurement**

(A) A contract may be awarded for a supply, service, information technology, or construction item without competition if, under regulations promulgated by the board, the chief procurement officer, the head of a purchasing agency, or a designee of either officer, above the level of the procurement officer, determines in writing that there is only one source for the required supply, service, information technology, or construction item.

(B) These regulations must include the requirements contained in this paragraph. Written documentation must include the determination and basis for the proposed sole source procurement. A delegation of authority by either the chief procurement officer or the head of a governmental body with respect to sole source determinations must be submitted in writing to the Materials Management Officer. In cases of reasonable doubt, competition must be solicited. Any decision by a governmental body that a procurement be restricted to one potential vendor must be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.

(C) A violation of these regulations by a purchasing agency, upon recommendation of the designated board office with approval of the majority of the State Fiscal Accountability Authority, must result in the temporary suspension, not to exceed one year, of the violating governmental body's ability to procure supplies, services, information technology, or construction items pursuant to this section.

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$7,000,000 Economic Development Revenue and Revenue Refunding Bonds (\$4,160,000 refunding)  
Allocation Needed: -0-  
Name of Project: Anderson Area YMCA, Inc.  
Employment Impact: Maintain employment for 204 people and creation of 5  
Project Description: (i) a current refunding of the \$4,160,000 outstanding principal amount of the South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Anderson Area YUMA, Inc. Project) series 1999, which Series 1999 Bonds were issued on November 19, 1999, for purposes of assisting in financing the acquisition, construction, equipping and installation of a family wellness center located at 201 East Reed Road in Anderson, (the "Family Wellness Center") including a lap pool, locker rooms, gymnasium, indoor track, family wellness center, community meeting room and nursery care and other health and wellness facilities, on land owned by AnMed Health and operated by the Anderson Area YMCA, Inc.; and (ii) renovations of, and the construction and installation of an approximately 11,800 square foot expansion to, the Family Wellness Center, which expansion will accommodate the need for functional fitness training as well as more space for cardiovascular equipment, Crossfit and Yoga, and potentially the enhancement of the front desk area.
- Note:* *private sale*  
Bond Counsel: E. Tyler Smith, Parker Poe Adams & Bernstein

- b. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$27,800,000 Economic Development Refunding Revenue Bonds (\$27,800,000 refunding)  
Allocation Needed: -0-  
Name of Project: Bishop Gadsden Episcopal Retirement Community  
Employment Impact: 380 (maintain – permanent)  
Project Description: The current refunding of the South Carolina Jobs-Economic Development Authority Health Facilities Revenue and Refunding Bonds (the Episcopal Church Home) Series 2002F1 issued on April 6, 2006, in the principal amount of \$20,755,000 and the South Carolina Jobs-Economic Development Authority First Mortgage Health Facilities Refunding Revenue Bonds (The Episcopal Church Home) Series 2007 issued on April 12, 2007, in the principal amount of \$28,150,000, both of which originally issued for the benefit of The Episcopal Home (now, Bishop Gadsden Episcopal Retirement Community) to finance or refinance the cost of the acquisition, construction, furnishing, and equipping

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

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of a portion of the continuing care retirement community owned and operated by the Institution in Charleston County, South Carolina.

*Note:* *negotiated private sale*

Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.

- c. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$135,000,000 Hospital Revenue and Refunding Bonds (\$68,000,000 refunding)  
Allocation Needed: -0-  
Name of Project: Georgetown Hospital System d/b/a/ Tidelands Health  
Employment Impact: maintain 1,800 jobs, provide additional employment for 15 people within 12 months when project is in full operation  
Project Description: (1) constructing and equipping an approximately 42,415 square foot surgical pavilion at the Tidelands Georgetown Memorial Hospital campus located at 606 Black River Road, (2) acquiring and installing equipment at and renovating GMH and the Tidelands Waccamaw community Hospital campus located at 4070 Highway 17 Bypass in Murrells Inlet, (3) refunding the (a) \$30,000,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Bonds (Georgetown Hospital System Project) Series 2010, currently outstanding in the principal amount of \$25,390,000 and (b) \$34,690,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Refunding Bonds (Georgetown Hospital System), Series 2012B, currently outstanding in the principal amount of \$34,555,000.

*Note:* *private or public sale*

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, PA

- d. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$7,500,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Greer Middle College Charter High School  
Employment Impact: maintain 35 jobs, provide additional employment for 125 people through construction  
Project Description: constructing and equipping a two story, approximately 46,000 square foot academic building to house 26 classrooms, administration and guidance to be owned and operated by the borrower to be located within Greenville County

*Note:* *private sale*

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

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- e. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$11,900,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: NCCD – Spartanburg Properties  
Employment Impact: 175 (temporary) – 11 (indirect permanent) 207 (indirect maintain)  
Project Description: acquisition, construction, furnishing, and equipping of an approximately 121-bed student housing facility on the campus of Converse College in Spartanburg  
  
*Note:* *negotiated private sale*  
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, PA
- f. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: \$100,000,000 Lease Revenue Bonds  
Allocation Needed: -0-  
Name of Project: SPE Fayssoux Properties, LLC (Medical Society of South Carolina)  
Employment Impact: 5,600  
Project Description: (i) refinancing the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Mount Pleasant Hospital and a data center and administrative office building located on Palmetto Commerce Parkway all in Charleston County; (ii) financing the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Hospital – Berkeley, Inc. in Berkeley County, and (iii) paying certain fees and expenses incurred in connection with the issuance of the bonds.  
  
*Note:* *negotiated private sale*  
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, PA
- g. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$14,750,000 Residential Care First Mortgage Revenue Refunding Bonds (\$14,750,000 refunding)  
Allocation Needed: -0-  
Name of Project: Westminster Presbyterian Center, LLC  
Employment Impact: maintain 289 jobs  
Project Description: refinance (i) the \$4,930,000 Commercial Promissory note from Westminster Presbyterian Center, Inc. to Provident Community Bank, and (ii) refinance the \$14,460,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Refunding and Improvement Bonds (Westminster Presbyterian Center, Inc., Project) Series 2005, and pay costs of issuance.



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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

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*Note:* *private sale*

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, PA

- h. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$30,000,000 Economic Development Revenue Refunding Bonds (\$30,000,000 refunding)  
Allocation Needed: -0-  
Name of Project: Wofford College  
Employment Impact: maintain 454 jobs  
Project Description: refunding of (i) the \$12,810,000 Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Education Facilities Revenue Bonds (Wofford College), Series 2007A which were used to defray the cost of financing and refinancing the construction of student residences; and (ii) the \$19,000,000 Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Educational Facilities Revenue Bonds (Wofford College), Series 2008 which were used to defray the cost of construction of student residences on the campus.

*Note:* *private sale*

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, PA

- i. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: Not Exceeding \$110,000,000 Mortgage Revenue Bonds (\$30,000,000 refunding)  
Allocation Needed: -0-  
Name of Project: Mortgage Revenue Bonds, 2016B  
Employment Impact: n/a  
Project Description: Mortgage Revenue Bonds, 2016B  
Bond Counsel: Rion D. Foley, McNair Law Firm, P.A.

- j. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: \$14,600,000 Multifamily Housing Revenue Notes  
Allocation Needed: -0-  
Name of Project: The Colony  
Employment Impact: n/a  
Project Description: provide financing for the acquisition and renovation of a 300-unit apartment development located in Columbia  
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

- k. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: Not Exceeding \$29,000,000 Multifamily Housing Governmental Note  
Allocation Needed: -0- (\$29,000,000 in ceiling allocation carryforward will be used)  
Name of Project: Waters at St. James  
Employment Impact: n/a  
Project Description: acquisition, construction and equipping of a 336 unit multifamily affordable housing apartment complex in Berkeley County  
Bond Counsel: Ray E. Jones, Parker Poe Adams & Bernstein

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AUTHORITY ACTION REQUESTED:

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

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ATTACHMENTS:

Resolutions with attachments

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$7,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE AND REVENUE REFUNDING BONDS (ANDERSON AREA YMCA, INC. PROJECT) SERIES 2016, 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 (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-10 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Fiscal Accountability Authority of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue and Revenue Refunding Bonds (Anderson Area YMCA, Inc. Project) Series 2016, in one or more series, in the aggregate principal amount of not exceeding \$7,000,000 (the "**Bonds**") through private sale, which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Fiscal Accountability Authority of South Carolina ("**SFAA**") that the Bonds will be sold to a financial institution (or a financial institution subsidiary) through a private sale acceptable to the Authority;

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

**Section 1.** It is hereby found, determined and declared by the SFAA that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of the SFAA 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 private sale be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

Summary of Financing Proposal for  
Anderson Area YMCA, INC.  
PRELIMINARY – SUBJECT TO CHANGE

May 5, 2016

Bonds proposed to be financed

Proceeds from the \$7,000,000 Series 2016 bonds will be used to refinance the existing Series 1999 Bonds in the amount of \$4,160,000 into a direct purchase structure, provide approximately \$2,700,000 in funding for the renovation and expansion of the Borrower's facility in Anderson, SC, and fund related cost of issuance. **The refunding component is a variable rate to variable rate but is not for savings purposes. It rather allows the new money and refunding to be comprised of a single direct purchase bond rather than a VRDO, eliminating for a seven year holding period LC downgrade risk, remarketing risk and the need for an LC bank, remarketing agent and trustee. Also, maturity is extended to ease cash flow on the debt being refinanced while allowing for the new borrowing for the much needed expansion. Avoids the need for two separate series and modes of bonds, simplifying debt management.** There are no material additional costs to rolling up the refunding within the Series 2016 bonds, and the structure provides a longer term and reduces risk, while simplifying the administrative side.

Average interest rate of bonds refinanced	Variable / VRDO Remarketing Rate (see above)
Average interest rate of 2016 Bonds	(68%*1 month LIBOR (Assumed to be 1.65%) + 1.07%)
Projected average interest rate of bonds	2.20%
True interest cost of bonds	2.29%
Projected net present value savings (net of costs)	Refi component not for savings (see above)
Projected net present value savings as a percentage of the bonds refinanced	Refi component not for savings (see above)
Estimated costs (costs as a percentage of bonds)	
Underwriting	0.00%
Legal fees – bond, disclosure and general counsel	1.56%
Rating agency fees	0.00%
Advisory fees	0.11%
Bond trustee/registrar	0.00%
Accounting and verification	0.00%
Credit enhancement/bond insurance	0.00%
Publication, printing, contingencies and all other expenses (JEDA)	0.13%
Total	1.80%

Prepared by: BB&T Capital Markets  
Date: May 5, 2016



**KEVIN L. BRYANT**  
SOUTH CAROLINA SENATE DISTRICT 3  
ANDERSON COUNTY

Committees:  
General - Chairman  
Finance  
Labor, Commerce & Industry  
Agriculture & Natural Resources  
Corrections and Penology

May 11, 2016

David Avant, Interim Executive Director  
State Fiscal Accountability Authority  
P.O. Box 12444  
Columbia, South Carolina 29211

Re: *South Carolina Jobs – Economic Development Authority Economic Development Revenue  
and Revenue Refunding Bonds (Anderson Area YMCA, Inc. Project)  
Series 2016*

Dear Mr. Avant:

I would like to convey my support for the JEDA bond application of the Anderson Area YMCA. The YMCA provides necessary and useful services to the Anderson community. Given the importance and history of the YMCA in our community I believe that it is of the utmost importance that they be able to finance their operations with the JEDA bond.

It is my understanding that the JEDA bond will serve two purposes. First, it will provide as much as \$2.7 million in new funds to assist the YMCA in expanding to meet dire needs resulting from the growth in membership in the YMCA over the years. YMCA membership has grown from 3,460 members in 2001 to as many as 11,074 members in 2015. Programs that are being hindered due to lack of sufficient and/or appropriate space include the cardiovascular fitness area, Crossfit (the YMCA is the only Crossfit certified YMCA in the State of South Carolina) and yoga. The expansion planned with the new money proceeds from the JEDA bond will enable the YMCA to accommodate the needs of these integral programs.

Second, it is my understanding that the current YMCA bond issue consists of variable rate demand obligations in which the bonds are held in the marketplace secured by a bank letter of credit, subjecting the YMCA to the risk that its interest rate may rise should the bank be downgraded, and forcing the YMCA to hire and pay the fees for a remarketing agent and bond trustee. The proposed Series 2016 bond will be issued in a "direct purchase" mode in which the bond will be bought and held by BB&T Community Holdings and tied to an index, eliminating such downgrade risk and avoiding the need for such additional parties. It will not only accommodate the new money purposes described above but will comprise a single bond issue covering both such new money and the refunding of the YMCA's Series 1999 bonds.

This office is also informed that the proposed Series 2016 bonds will extend the YMCA's JEDA bond final maturity from 2024 to 2036, lowering debt service amounts and easing YMCA cash flow as to the debt being refinanced while still allowing for the new money debt for the expansion.

I would note that while the refinancing component of the bonds is not designed to generate savings, it allows the YMCA to achieve the results outlined above and to affect them through a single, more favorably structured "direct purchase" bond.

Lastly, I would point out that the community support for this bond issue is strongly evidenced by the fact that AnMed Health will be guarantying the repayment of the amounts owing under the Series 2016 bond.

I look forward to the decision of the State Fiscal Accountability Authority and please contact my office if you need any further information.

Sincerely,



Kevin L. Bryant  
SC Senatorial District 3

KLB/cor

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$7,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE AND REVENUE REFUNDING BONDS (ANDERSON AREA YMCA, INC. PROJECT) SERIES 2016, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.**

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PRELIMINARY – SUBJECT TO CHANGE

May 5, 2016

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Total	1.80%

Prepared by: BB&T Capital Markets  
Date: May 5, 2016





**KEVIN L. BRYANT**  
SOUTH CAROLINA SENATE DISTRICT 3  
ANDERSON COUNTY

Committees:  
General - Chairman  
Finance  
Labor, Commerce & Industry  
Agriculture & Natural Resources  
Corrections and Penology

May 11, 2016

David Avant, Interim Executive Director  
State Fiscal Accountability Authority  
P.O. Box 12444  
Columbia, South Carolina 29211

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Series 2016*

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Second, it is my understanding that the current YMCA bond issue consists of variable rate demand obligations in which the bonds are held in the marketplace secured by a bank letter of credit, subjecting the YMCA to the risk that its interest rate may rise should the bank be downgraded, and forcing the YMCA to hire and pay the fees for a remarketing agent and bond trustee. The proposed Series 2016 bond will be issued in a "direct purchase" mode in which the bond will be bought and held by BB&T Community Holdings and tied to an index, eliminating such downgrade risk and avoiding the need for such additional parties. It will not only accommodate the new money purposes described above but will comprise a single bond issue covering both such new money and the refunding of the YMCA's Series 1999 bonds.

This office is also informed that the proposed Series 2016 bonds will extend the YMCA's JEDA bond final maturity from 2024 to 2036, lowering debt service amounts and easing YMCA cash flow as to the debt being refinanced while still allowing for the new money debt for the expansion.

I would note that while the refinancing component of the bonds is not designed to generate savings, it allows the YMCA to achieve the results outlined above and to affect them through a single, more favorably structured "direct purchase" bond.

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I look forward to the decision of the State Fiscal Accountability Authority and please contact my office if you need any further information.

Sincerely,



Kevin L. Bryant  
SC Senatorial District 3

KLB/cor



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/01/16

Final Version Date 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): Anderson Area YMCA, Inc. Amount: \$7,000,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue and Revenue Refunding Bonds

#### Initial/Current Version:

#### ISSUER

NAME: SC JEDA  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

#### ISSUER

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Anderson Area YMCA, Inc. Project  
 Project Address/Location: 201 E. Reed Road, Anderson, SC Amount: \$2,840,000.00  
 Project Type: Expansion & renovation County: Anderson  
 Projected Avg Interest Rate: 2.20% True Interest Cost: 2.29%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	Int. of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svcgs (Y)	Est NPV Svcgs (Cost of Bds)
1999	11/01/24	\$ 4,160,000.00	VR	VR	See Item 5 below	See Item 5 below
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	Total	\$ 4,160,000.00	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A- Swap:Kensington Capital Adv Disclosure Counsel: N/A - Borrower & Swap Counsel: Parker  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: McNair Law Firm ("McNair")  
 Underwriter: N/A Other: Moore & Van Allen  
 Other: BB&T Community Holdings Co. Other: McNair (AnMed Health is Guarantor)

### 5. FINANCING/PROJECT DESCRIPTION

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

Tax-exempt direct purchase bond NTE \$7,000,000 with 7-year holding commitment from Purchaser/transferees NTE \$4,160,000 (plus interest component) to refund outstanding Series 1999 JEDA bonds which financed the YMCA family wellness center Remaining NTE \$2,840,000 to finance renovations/expansion to the YMCA needed due to significant growth. Enables 100% of the bonds to be in a single series eliminating, for the 7-year period, remarketing / LOC renewal risk and need for an LOC/trustee/remarketing agent. Final maturity extended from 2024 to 2036 lowering debt service amounts and easing cash flow as to the debt being refinanced while still allowing for the additional debt related to the expansion Project costs estimated by Borrower AnMed Health will guaranty payment of the Bonds

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

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

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

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

☐ ☐
☐ ☐

Sq. Footage -   
 Cost Estimate -  \$0

A.

	Bond Proceeds	FYE	Spend Down Schedule Note
Est. Expenditures - Through 6 Months	\$ 5,641,531.50	00/00/00	Includes \$4,160,000 Redemption Price.
Est. Expenditures - Through 12 Months	\$ 1,358,468.50	00/00/00	
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:	\$ 7,000,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 7,000,000.00	\$ 2,714,250.00	Project Fund
(2) Issuer/Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 4,160,000.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 125,750.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 7,000,000.00	\$ 7,000,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Swap: Kensington		4/11/2016	\$ 7,500.00	\$	\$ 7,500.00
Bond Counsel	Parker Poe		4/26/2016	\$ 49,000.00	\$	\$ 49,000.00
Disclosure Counsel	YMCA Const - Parker Poe		4/26/2016	\$ 15,000.00	\$	\$ 15,000.00
Issuer's Counsel	McNair		2/29/2016	\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel	n/a		n/a	\$	\$	\$
Bank Counsel	Moore & Van Allen		3/16/2016	\$ 25,000.00	\$	\$ 25,000.00
Guarantor's Counsel	McNair		n/a	\$ 7,500.00	\$	\$ 7,500.00
Swap Counsel	Parker Poe		4/26/2016	\$ 5,500.00	\$	\$ 5,500.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent				\$	\$	\$
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA			\$ 8,750.00	\$	\$ 8,750.00
				\$ 125,750.00	\$	\$ 125,750.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.11%	0.00%
0.70%	0.00%
1.56%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.00%	0.00%
0.13%	0.00%
1.80%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY

## A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$13,200,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REFUNDING REVENUE BONDS (BISHOP GADSDEN EPISCOPAL RETIREMENT COMMUNITY) SERIES 2016 IN ONE OR MORE SERIES (the "*Series 2016 Bonds*") AND NOT EXCEEDING \$14,600,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REFUNDING REVENUE BONDS (BISHOP GADSDEN EPISCOPAL RETIREMENT COMMUNITY) SERIES 2017 IN ONE OR MORE SERIES (the "*Series 2017 Bonds*") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "*Act*").

WHEREAS, heretofore the South Carolina Jobs - Economic Development Authority (the "*Authority*"), did, pursuant to the Act, petition the State Fiscal Accountability Authority, the statutory successor to the State Budget and Control Board of South Carolina, (the "*State Board*") seeking the approval of the State Board for an undertaking by the Authority pursuant to the Act; and

WHEREAS, the proposed undertaking (the "*Undertaking*") consists of the issuance and delivery of the Series 2016 Bonds and the Series 2017 Bonds (collectively, the "*Bonds*") for the benefit of Bishop Gadsden Episcopal Retirement Community f/k/a The Episcopal Church Home, (the "*Institution*"), a South Carolina nonprofit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, and in an aggregate amount not exceeding \$13,200,000 with respect to the Series 2016 Bonds and \$14,600,000 with respect to the Series 2017 Bonds pursuant to the Act to finance (i) the refunding and defeasance of the South Carolina Jobs - Economic Development Authority Health Facilities Revenue and Refunding Bonds (The Episcopal Church Home) Series 2002F1 issued for the benefit of the Institution on April 6, 2006, in the principal amount of \$20,755,000 and with an outstanding aggregate principal balance on the proposed date of the issuance and delivery of the Series 2016 Bonds of \$12,880,000 and the South Carolina Jobs - Economic Development Authority First Mortgage Health Facilities Refunding Revenue Bonds (The Episcopal Church Home) Series 2007 issued for the benefit of the Institution on April 12, 2007, in the principal amount of \$28,150,000 and with an outstanding aggregate principal balance on the proposed date of the issuance and delivery of the Series 2017 Bonds of \$14,325,000 (collectively, the "*Bonds to be Refunded*") (ii) the payment of certain fees and expenses to be incurred in connection with the issuance of the Bonds, all pursuant to resolutions (collectively, the "*Bond Resolutions*") adopted by the Board of Directors of the Authority, and to Bond Indentures (collectively, the "*Bond Indentures*") between the Authority and U.S. Bank National Association, as Bond Trustee (the "*Bond Trustee*"); and

WHEREAS, the Bonds to be Refunded were originally issued to finance or refinance the cost of the acquisition, construction, furnishing, and equipping of a portion of the continuing care retirement community (the "*Community*") owned and operated by the Institution and located at One Bishop Gadsden Way in Charleston County, South Carolina (the "*County*"); and

WHEREAS, it is anticipated that the Bonds will be initially sold to SunTrust Bank (the "*Bank*") which will purchase the Bonds with no intent to resell them to the public; and

WHEREAS, the Authority proposes to enter into Loan Agreements (collectively, the "*Loan Agreements*") with the Institution pursuant to which the Authority will lend the proceeds of the Bonds to the Institution to finance the costs of the Undertaking; and

WHEREAS, pursuant to the Loan Agreements, the Institution will agree to pay to the Authority amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the Authority proposes to enter into the Bond Indentures prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds the loan repayments to be made by the Institution pursuant to the Loan Agreements; and

WHEREAS, the Authority has heretofore determined that:

(a) the Institution is a responsible party engaged in the business of owning and operating the Community, and the Community is located in the County,

(b) the Community constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the in an aggregate principal amount not to exceed \$27,800,000 in two or more series to finance the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) the Institution has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the maintenance of permanent employment (both direct and indirect) for approximately three hundred sixty (380) people from the County and surrounding areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance herein described bears a reasonable relationship to the amount of program funds committed (i.e., the principal amount of the Bonds) taking into account factors such as the amount of dollars invested per employee at comparable facilities,

(d) the amount of program funds committed (i.e., the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Community, and

(e) the size and scope of the Community is such that a definite benefit to the economy of the State, and the County in particular is reasonably expected to result therefrom; and

**WHEREAS**, the Authority has also determined that prior to the issuance of the Bonds it will find that:

(a) the provisions, terms, and conditions of the agreements to be entered into by the Authority in connection with the issuance of the Bonds are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved, and

(b) the public interest is adequately protected by the terms of such documents; and

**WHEREAS**, in order to finance the Undertaking, the Authority proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolutions and to the Bond Indentures, payable by the Authority from the amounts derived from the Loan Agreements and secured by the Bond Indentures pursuant to which the Authority will pledge substantially all of its right, title and interest in and to the Loan Agreements to the Bond Trustee; and

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

1. It has been found and determined by the State Board that the Authority has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$27,800,000 of the Authority's Economic Development Refunding Revenue Bonds in two or more series through a negotiated private sale to the Bank pursuant to the Act, the Bond Resolutions, and the Bond Indentures, to be payable from the revenues to be derived by the Authority from the Loan Agreements, and to be secured by the Bond Indentures, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same are hereby approved.

Summary of Refinancing Proposal for  
**Bishop Gadsden Episcopal Retirement Community**

PRELIMINARY – SUBJECT TO CHANGE

May 3, 2016

Outstanding bonds proposed to be refinanced	<p>South Carolina Jobs - Economic Development Authority Health Facilities Revenue and Refunding Bonds (The Episcopal Church Home) Series 2002F1; \$12,880,000 in outstanding principal; maturing April 1, 2017 (\$965,000), April 1, 2018 (\$1,000,000), April 1, 2019 (\$1,040,000), April 1, 2020 (\$1,075,000), April 1, 2021 (\$1,120,000), April 1, 2022 (\$1,165,000) April 1, 2023 (\$1,205,000), April 1, 2024 (\$1,250,000), April 1, 2025 (\$1,305,000), April 1, 2026 (\$1,355,000), and April 1, 2027 (\$1,450,000).</p> <p>South Carolina Jobs - Economic Development Authority First Mortgage Health Facilities Refunding Revenue Bonds (The Episcopal Church Home) Series 2007; \$14,325,000 in outstanding principal; maturing April 1, 2018 (\$1,765,000), April 1, 2019 (\$1,855,000), April 1, 2020 (\$1,935,000), April 1, 2021 (\$2,035,000), April 1, 2022 (\$2,135,000), April 1, 2023 (\$2,245,000), and April 1, 2024 (\$2,355,000).</p>
Average interest rate of bonds refinance	4.78%
Projected average interest rate of refinancing bonds	2.52%
True interest cost of refinancing bonds	2.76%
Projected net present value savings (net of costs)	\$2,542,581
Projected net present value savings as a percentage of the bonds refinanced	9.45%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	1.50%/13.8%
Placement Agent	\$65,000
Legal fees – bond, disclosure, bank, trustee, and general counsel	\$180,000
Rating agency fees	\$0
Advisory fees	\$0

Bond trustee/registrar	\$2,500
Bank Commitment Fee	\$25,000
Issuer Fee	\$30,000
Title, Survey, Appraisal	\$45,000
Accounting and verification	\$2,500
Credit enhancement/bond insurance	\$0
Publication, printing, contingencies and all other expenses	\$0
Total	\$350,000

Prepared by B. C. Ziegler and Company (Placement Agent)  
Date May 3, 2016





# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/02/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016 & 2017  
 Borrower (if not Issuer): Bishop Gadsden Episcopal Retirement Community Amount: \$27,800,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue Refunding Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC JEDA  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

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

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est Yield of Remaining Bds	Est NPV Svs (\$)	Est NPV Svs (% of Bds)
Series 2007 (JEDA)	2018-2024	\$ 14,325,000.00	4.97%	2.68%	\$ 1,093,567.48	7.64%
Series 2002F1 (JEDA)	2018-2027	\$ 12,880,000.00	4.59%	2.36%	\$ 1,449,013.08	11.25%
Total		\$ 27,205,000.00	4.78%	2.52%	\$ 2,542,580.56	9.45%

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Parker, Poe (Greenville)  
 Underwriter: N/A Other: Haynsworth Sinkler Boyd - Borrower Cou  
 Other: Ziegler Securities (Placement Agent) Other: Parker, Poe (Charlotte) - Bank Counsel

### 5. FINANCING/PROJECT DESCRIPTION

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

Bishop Gadsden Episcopal Retirement Community is a strong and long-standing non-profit retirement community in Charleston, South Carolina. Bishop Gadsden is in the process of negotiating a commitment from SunTrust Bank to refinance all of its Series 2002F1 and 2007 tax-exempt bond debt. The loan is expected to be fully committed for the entire 11 year amortization and the indicative blended interest rate is 2.53%. The loan, to be issued through SC JEDA, results in net present value savings of \$2,542,581.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval:	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

Project Approval - Phase I (Issue Estimate 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?

--	--

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

B.

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	Spread Down Schedule Notes
\$ 27,555,000.00	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 27,555,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 23,360,658.67	\$	Project Fund
(2) Issuer/Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$ 4,033,508.00	\$ 27,205,000.00	Redemption Price Escrow Deposit
(5) Other (Specify) Type -	\$ 160,833.33	\$ 350,000.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 27,555,000.00	\$ 27,555,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$ -	

## 9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Haynsworth Sinkler Boyd			\$ 70,000.00	\$	\$ 70,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Patke, Poe (Greenville)			\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Counsel				\$	\$	\$
Borrower's Counsel	Haynsworth Sinkler Boyd			\$ 40,000.00	\$	\$ 40,000.00
Bank Counsel	FBD			\$ 50,000.00	\$	\$ 50,000.00
Trustee Counsel	FBD			\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	Ziegler			\$ 65,000.00	\$	\$ 65,000.00
Escrow Agent				\$	\$	\$
Accountant	SanTrust			\$ 25,000.00	\$	\$ 25,000.00
Verification Agent				\$ 25,000.00	\$	\$ 25,000.00
Printing				\$ 25,000.00	\$	\$ 25,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC IEDA			\$ 30,000.00	\$	\$ 30,000.00
				\$ 350,000.00	\$	\$ 350,000.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.00%	0.00%
0.25%	0.00%
0.65%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.00%	0.00%
0.61%	0.00%
1.26%	0.00%

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OR UNDERWRITING OF NOT EXCEEDING \$135,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE AND REFUNDING BONDS (GEORGETOWN HOSPITAL SYSTEM) SERIES 2016, 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 (the "*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 (the "*Act*"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Hospital Revenue and Refunding Bonds (Georgetown Hospital System) Series 2016, in the aggregate principal amount of not exceeding \$135,000,000 (the "*Series 2016 Bonds*"), in one or more series, through private sale (or underwriting), which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Fiscal Accountability Authority that the Series 2016 Bonds will be sold by the Authority in one or more series through private sale to a financial institution or through a public sale to an underwriter for public distribution thereafter;

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

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this 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 Series 2016 Bonds in one or more series through private sale to a financial institution or through a public sale to an underwriter for public distribution thereafter be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal and Summary of Refinancing Proposal  
for

Georgetown Hospital System  
d/b/a Tidelands Health

PRELIMINARY – SUBJECT TO CHANGE

5/16/2016

Bonds proposed to be financed	Not exceeding \$57,365,000 Economic Development Revenue Bonds, Series 2016, to be issued in one or more series
Average interest rate of bonds	5.0% average coupon rate – premium bonds
Projected average interest rate of bonds	5.0%
True interest cost of bonds	4.37%
Outstanding bonds proposed to be refinanced	\$30,000,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Bond (Georgetown Hospital System Project) Series 2010 currently outstanding in the principal amount of \$25,390,000 and \$34,690,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Refunding Bonds (Georgetown Hospital System) Series 2012B (the “ Series 2012B Bonds” ), currently outstanding in the principal amount of \$34,555,000
Average interest rate of bonds refinanced	2.68%
Projected average interest rate of refinancing bonds	1.88%
True interest cost of refinancing bonds	
Projected net present value savings (net of costs)	\$2,691,384
Projected net present value savings as a percentage of the bonds refinanced	4.6%

Estimated costs (costs as a percentage of bonds)

Underwriting	\$708,750
Legal fees – bond, disclosure and general counsel	\$308,000
Rating agency fees	\$160,000
Advisory fees	\$152,900
Bond trustee/registrar/escrow agent	\$14,500
Accounting and verification	\$46,750
Credit enhancement/bond insurance	
Publication, printing, contingencies and all other expenses (including JEDA fee)	\$109,100
Total	\$1,500,000

Prepared by Ponder & Co.

Date May 16, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/03/16

Final Version Date: 06/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): Georgetown Hospital System d/b/a Tidelands Health Amount: \$135,000,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue and Refunding Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC JEDA  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Georgetown Hospital System d/b/a Tidelands Health Projects  
 Project Address/Location: Georgetown & Murrells Inlet SC Amount: \$57,365,000.00  
 Project Type: Hospital Facilities County: Georgetown  
 Projected Avg Interest Rate: 5.0% (average coupon rate - premium bonds) True Interest Cost: 4.37%

### 3. FINANCING (REFUNDED PORTION)

Series/Type Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est Yield of Refunding Bds	Est NPV Svcgs. (\$)	Est NPV Svcgs. (% of Bds)
Series 2010 Bonds	02/01/30	\$ 25,390,000.00	1.59%	1.00%	\$ 942,789.00	3.71%
Series 2012B Bonds	2017 - 2030	\$ 34,555,000.00	3.77%	2.75%	\$ 1,748,595.00	5.00%
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$ 59,945,000.00	2.68%	1.88%	\$ 2,691,384.00	4.36%

### 4. FINANCING WORKING GROUP

Financial Advisor: Ponder & Co Disclosure Counsel: \_\_\_\_\_  
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Parker Poe  
 Underwriter: To be selected Borrower's Counsel: Nelson Mullins  
 Other: \_\_\_\_\_ Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

(A) constructing and equipping an approximately 42,415 square foot surgical pavilion at the Tidelands Georgetown Memorial Hospital ("GMH") campus located at 606 Black River Road, Georgetown, South Carolina; (B) acquiring and installing equipment at and renovating GMH and the Tidelands Waccamaw Community Hospital campus located at 4070 Highway 17 Bypass in Murrells Inlet, South Carolina; and (C) refunding \$30,000,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Bond (Georgetown Hospital System Project) Series 2010 and \$34,690,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Refunding Bonds (Georgetown Hospital System) Series 2012B

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 00/00/00	
JBRC Approval: 00/00/00	
SFAA Approval: 06/07/16	

Project Approvals - Please Use Same Dates as Above	Notes:
Issuer/Borrower Approval: 00/00/00	
JBRC Approval: 00/00/00	
SFAA Approval: 00/00/00	

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

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

Yes No  
☐ ☒

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

☐ ☒

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

Sq. Footage - Not Applicable  
 Cost Estimate - 0

C.

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 21,000,000.00	9/30/2017	
\$ 44,000,000.00	9/30/2018	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 65,000,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 135,000,000.00	\$ 65,000,000.00	Project Fund
(2) Issuer-Borrower Contribution	None	\$ 7,899,000.00	Capitalized Interest Fund
(3) Debt Service Fund Transfer	None	None	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	None	\$ 60,601,000.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	None	\$ 1,500,000.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Sources)	\$ 135,000,000.00	\$ 135,000,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$	-

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Ponder & Co		12/11/2015	\$ 152,900.00	\$	\$ 152,900.00
Bond Counsel	Haynsworth Smiles Boyd			\$ 153,000.00	\$	\$ 153,000.00
Disclosure Counsel	Nelson Mullins			\$ 75,000.00	\$	\$ 75,000.00
Issuer's Counsel	Parker Poe			\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Counsel	To be selected			\$ 65,000.00	\$	\$ 65,000.00
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P	S&P			\$ 80,000.00	\$	\$ 80,000.00
Rating Agency - Moody's	Moody's			\$ 80,000.00	\$	\$ 80,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 708,750.00	\$	\$ 708,750.00
Registrar / Paying Agent				\$ 12,000.00	\$	\$ 12,000.00
Escrow Agent				\$ 2,500.00	\$	\$ 2,500.00
Accountant				\$ 45,000.00	\$	\$ 45,000.00
Verification Agent				\$ 1,750.00	\$	\$ 1,750.00
Printing				\$ 4,000.00	\$	\$ 4,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 33,600.00	\$	\$ 33,600.00
Issuer's Fee	SC JEDA			\$ 71,500.00	\$	\$ 71,500.00
				\$ 1,500,000.00	\$	\$ 1,500,000.00

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

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

0.11%	0.00%
0.11%	0.00%
0.23%	0.00%
0.12%	0.00%

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

0.53%	0.00%
0.13%	0.00%
1.11%	0.00%

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OR UNDERWRITING OF NOT EXCEEDING \$7,500,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL PROJECT), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "*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 (the "*Act*"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Greer Middle College Charter High School Project), in one or more series, in the aggregate principal amount of not exceeding \$7,500,000 (the "*Bonds*"), through private sale which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Fiscal Accountability Authority that the Bonds will be sold by the Authority through private sale to a financial institution or through a public sale acceptable to the Authority;

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

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this 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 private sale to a financial institution or for private sale to a financial institution with public distribution thereafter is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.



Summary of Financing Proposal for

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL, SOUTH CAROLINA**

PRELIMINARY – SUBJECT TO CHANGE

May 11, 2016

Bonds proposed to be financed	SC JEDA Economic Development Revenue Bond (Greer Middle College Charter High School Project), Series 2016 - \$7,500,000
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Average interest rate of bonds	5.50%
	5.50%

Projected average interest rate of bonds	
True interest cost of bonds	5.50%

Estimated costs (costs as a percentage of bonds)	2%
--	----

Underwriting	\$15,000
JEDA Fee	\$9,375
Legal fees – bond, disclosure and general counsel	\$52,500
Rating agency fees	\$0
Advisory fees	\$45,000
Bond trustee/registrar	\$3,125
Accounting and verification	\$5,000
Credit enhancement/bond insurance	\$0
Publication, printing, contingencies and all other expenses	\$20,000
Total	\$150,000

Prepared by	Teresa L. Cawley, Southern Municipal Advisors, Inc.
Date	May 11, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/03/16

Final Version Date: 09/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): Greer Middle College Charter High School Amount: \$7,500,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC JEDA  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Greer Middle College Charter High School Project  
 Project Address/Location: 138 W. McElhaney Road, Taylors Amount: \$7,500,000.00  
 Project Type: Educational Facilities County: Greenville  
 Projected Avg Interest Rate: 5.00% True Interest Cost: 0.00%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturity	Principal Refunded	IP of Refunded Bds	Est Yield of Refunding Bds	Est NPV Sgs (\$)	Est NPV Sgs (% of Bds)
N/A	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: Southern Municipal Advisors, Inc. Disclosure Counsel: \_\_\_\_\_  
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Howell Linkous & Nettles, LLC  
 Underwriter: \_\_\_\_\_ Other: \_\_\_\_\_  
 Other: \_\_\_\_\_ Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

(i) construct and equip a two-story, approximately 46,000 square foot academic building to house 26 classrooms, administration and guidance (the "Project") and (ii) pay certain costs of issuance associated with the Series 2016 Bonds in the amount of not exceeding \$7,500,000

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

Project Approvals - Private Use 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?

☐ ☐

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

Sq. Footage -   
 Cost Estimate -  \$0

D.

	Bond Proceeds	FY	Spend Down Schedule Notes
Est. Expenditures - Through 6 Months	\$ 2,500,000.00	00/00/00	
Est. Expenditures - Through 12 Months	\$ 2,500,000.00	00/00/00	
Est. Expenditures - Through 18 Months	\$ 2,500,000.00	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:	\$ 7,500,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 7,500,000.00	\$ 6,823,900.00	Project Fund
(2) Issuer Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$ 526,100.00	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 150,000.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 7,500,000.00	\$ 7,500,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ 45,000.00	\$	\$ 45,000.00
Bond Counsel				\$ 45,000.00	\$	\$ 45,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel				\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel				\$ 5,000.00	\$	\$ 5,000.00
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 10,000.00	\$	\$ 10,000.00
Registrar / Paying Agent				\$ 3,125.00	\$	\$ 3,125.00
Escrow Agent				\$	\$	\$
Accountant				\$ 5,000.00	\$	\$ 5,000.00
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 20,000.00	\$	\$ 20,000.00
Issuer's Fee	SC JEDA			\$ 9,375.00	\$	\$ 9,375.00
				\$ 150,000.00	\$	\$ 150,000.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.60%	0.00%
0.60%	0.00%
0.77%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.13%	0.00%
0.50%	0.00%
2.00%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY

## A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$11,900,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (NCCD - SPARTANBURG PROPERTIES LLC) SERIES 2016 IN ONE OR MORE SERIES (the "**Bonds**") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "**Act**").

WHEREAS, heretofore the South Carolina Jobs - Economic Development Authority (the "**Authority**"), did, pursuant to the Act, petition the State Fiscal Accountability Authority, the statutory successor to the State Budget and Control Board of South Carolina, (the "**State Board**") seeking the approval of the State Board for an undertaking by the Authority pursuant to the Act; and

WHEREAS, the proposed undertaking (the "**Undertaking**") consists of the issuance and delivery of the Bonds for the benefit of NCCD - Spartanburg Properties LLC (the "**Borrower**"), a single member Tennessee limited liability company whose sole member is National Campus and Community Development Corporation, a Texas nonprofit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, and in an aggregate amount not exceeding \$11,900,000 pursuant to the Act to (i) finance the acquisition, construction, furnishing, and equipping of an approximately 121-bed student housing facility (the "**Project**") to be located on the campus of Converse College (the "**College**") in the City of Spartanburg, South Carolina (the "**City**") and in Spartanburg County, South Carolina (the "**County**") and to be owned and operated by the Borrower, (ii) fund the costs of the initial marketing of the Project, (iii) provide start up working capital for the Project, (iv) fund interest on the Bonds during the construction of the Project, (v) fund a Debt Service Reserve Fund for the Bonds, and (vi) fund the costs of issuing the Bonds, all pursuant to a resolution (the "**Bond Resolution**") adopted by the Board of Directors of the Authority, and to a Trust Indenture (the "**Indenture**") between the Authority and a trustee to be requested by the Borrower and approved by the Authority, as Trustee (the "**Trustee**"); and

WHEREAS, it is anticipated that the Bonds will be sold either to Capital Bank, N.A. (the "**Bank**") pursuant to a negotiated private sale and that the Bank will purchase the Bonds with no intent to resell them to the public or to Raymond James & Associates, Inc. (the "**Underwriter**") for resale to the public either as investment grade rated obligations without credit enhancement or insurance support or as unrated obligations in large minimum denominations to financial institutions that regularly purchase municipal securities, whichever arrangement the Authority shall determine to be most advantageous; and

WHEREAS, the Authority proposes to enter into a Loan Agreement (the "**Loan Agreement**") with the Borrower pursuant to which the Authority will lend the proceeds of the Bonds to the Borrower to finance the costs of the Undertaking; and

WHEREAS, pursuant to the Loan Agreement, the Borrower will agree to pay to the Authority amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the Authority proposes to enter into the Indenture prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds the loan repayments to be made by the Borrower pursuant to the Loan Agreement; and

WHEREAS, the Authority has heretofore determined that:

(a) the Borrower is a responsible party engaged in the business of owning and operating student housing and related facilities in support of the functions of the College, and the Project is located in the City and the County,

(b) the Project constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$11,900,000 to finance

the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) the Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation and/or maintenance of temporary construction employment (both direct and indirect) for not less than one hundred seventy-five (175) people from the City, the County, and surrounding areas and permanent employment (both direct and indirect) for approximately eleven (11) people from the City, the County, and surrounding areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance herein described bears a reasonable relationship to the amount of program funds committed (i.e., the principal amount of the Bonds) taking into account factors such as the amount of dollars invested per employee at comparable facilities,

(d) the amount of program funds committed (i.e., the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Project, and

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

**WHEREAS**, the Authority has also determined that prior to the issuance of the Bonds it will find that:

(a) the provisions, terms, and conditions of the agreements to be entered into by the Authority in connection with the issuance of the Bonds are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved, and

(b) the public interest is adequately protected by the terms of such documents; and

**WHEREAS**, in order to finance the Undertaking, the Authority proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolution and to the Indenture, payable by the Authority from the amounts derived from the Loan Agreement and secured by the Indenture pursuant to which the Authority will pledge substantially all of its right, title and interest in and to the Loan Agreement to the Trustee; and

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

1. It has been found and determined by the State Board that the Authority has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$11,900,000 of the Authority's Economic Development Revenue Bonds through a negotiated private sale pursuant to the Act, the Bond Resolution, and the Indenture, to be payable from the revenues to be derived by the Authority from the Loan Agreement, and to be secured by the Indenture, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same are hereby approved.

Summary of Financing Proposal for

**NCCD – Spartanburg Properties LLC**  
(Private Placement – Capital Bank, N.A.)

PRELIMINARY – SUBJECT TO CHANGE

May 3, 2016

Bonds Not exceeding \$10,500,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (NCCD – Spartanburg Properties LLC – Converse College Project) Series 2016.

Average interest rate of bonds	3.30%
Projected average interest rate of bonds	3.30%
True interest cost of bonds	3.36%

Estimated costs (costs as a percentage of bonds)

Underwriting (Placement Agent)	0.531%
Legal fees – bond, disclosure and general counsel	1.071%
Rating agency fees	0.000%
Advisory fees	
Bond trustee/registrar	0.024%
Accounting and verification	0.000%
Credit enhancement/bond insurance	0.000%
Publication, printing, contingencies and all other expenses	1.238%
Total	2.864%

Prepared by Raymond James & Associates, Inc.

Date May 3, 2016

Summary of Financing Proposal for

**NCCD – Spartanburg Properties LLC**  
(Underwritten by Raymond James & Associates, Inc.)

PRELIMINARY – SUBJECT TO CHANGE

May 3, 2016

**Bonds** Not exceeding \$11,600,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (NCCD – Spartanburg Properties LLC – Converse College Project) Series 2016.

Average interest rate of bonds	4.985%
Projected average interest rate of bonds	4.985%
True interest cost of bonds	4.475%

Estimated costs (costs as a percentage of bonds)

Underwriting	1.043%
Legal fees – bond, disclosure and general counsel	1.207%
Rating agency fees	0.259%
Advisory fees	0.000%
Bond trustee/registrar	0.043%
Accounting and verification	0.000%
Credit enhancement/bond insurance	0.000%
Publication, printing, contingencies and all other expenses	0.716%
Total	3.267%

Prepared by Raymond James & Associates, Inc.

Date May 3, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 06/07/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): NCCD - Spartanburg Properties LLC Amount: \$11,900,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue Bonds

#### Initial/Current Version:

##### ISSUER

NAME: SC JEDA  
 BY: Harry A. Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

##### ISSUER

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: NCCD - Spartanburg Properties LLC  
 Project Address/Location: 580 East Main Street, Spartanburg Amount: \$10,105,000.00  
 Project Type: Student Housing Facility County: Spartanburg  
 Projected Avg Interest Rate: 4.29% True Interest Cost: 4.02%

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturity	Potential Refunded	IB or Refunded Bds	Est. Yield of Refunding Bds	Un NPV Sves. (\$)	Est. NPV Sves. (% of Bds)
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$	0.00%	0.00%	\$	0.00%

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: McNair Firm  
 Underwriter: N/A Other: Waller Lansden - Borrower Counsel  
 Other: Bank - Capital Bank Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

National Campus and Community Development Corporation (NCCD) - a 501(c)(3) of the Internal Revenue Code - is an Austin, Texas-based borrower formed with the sole intention of owning and operating the proposed approximately 121-bed student housing facility to be located on the campus of Converse College in Spartanburg, South Carolina. The land on which project will be located will be leased to the borrower by the college pursuant to a 40-year ground lease. Upon the expiration of the 40-year-term or the payment in full of the proposed Bonds, the land and all improvements located thereon will revert to the College. Cost estimates are based on discussions with the parties in the working group as well as the general contractor and the architect.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

Project Approval - Board of State Finance 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?

☐ ☒

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

Sq. Footage - 40,500  
 Cost Estimate - \$9,439,459

E.



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

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

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$ 9,439,459.00	Project Fund
Type -	\$ 10,105,000.00	\$ 214,325.00	Capitalized Interest Fund
(2) Issuer/Borrower Contribution	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$		Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 300,715.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 150,501.00	Contingency
Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 10,105,000.00	\$ 10,105,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Haynsworth Sinkler Boyd			\$ 60,000.00	\$	\$ 60,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	McNair Firm			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel				\$	\$	\$
Bank Counsel	Waller Lansden Dortch			\$ 25,000.00	\$	\$ 25,000.00
Guarantor's Counsel	TBD			\$ 15,000.00	\$	\$ 15,000.00
Swap Counsel	TBD			\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	Wilmington Trust			\$ 2,500.00	\$	\$ 2,500.00
Escrow Agent				\$	\$	\$
Accountant	Capital Bank			\$ 50,000.00	\$	\$ 50,000.00
Verification Agent	Old Republic			\$ 15,000.00	\$	\$ 15,000.00
Printing	National Campus			\$ 50,000.00	\$	\$ 50,000.00
Publishing	Raymond James			\$	\$	\$
Advertising	Raymond James			\$ 55,715.00	\$	\$ 55,715.00
Contingency				\$	\$	\$
Issuer's Fee	SC IEDA			\$ 15,000.00	\$	\$ 15,000.00
				\$ 300,715.00	\$	\$ 300,715.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.00%	0.00%
0.50%	0.00%
0.95%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.00%	0.00%
1.58%	0.00%
2.53%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY

A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$100,000,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY LEASE REVENUE BONDS (SPE FAYSSOUX PROPERTIES, LLC) SERIES 2016 IN ONE OR MORE SERIES (the "**Bonds**") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "**Act**").

WHEREAS, heretofore the South Carolina Jobs - Economic Development Authority (the "**Authority**"), did, pursuant to the Act, petition the State Fiscal Accountability Authority, the statutory successor to the State Budget and Control Board of South Carolina, (the "**State Board**") seeking the approval of the State Board for an undertaking by the Authority pursuant to the Act; and

WHEREAS, the proposed undertaking (the "**Undertaking**") consists of the issuance and delivery of the Bonds, which may consist of tax-exempt and taxable bonds, for the benefit of SPE Fayssoux Properties, LLC (the "**Borrower**"), a single member limited liability company whose sole member is Medical Society of South Carolina, a South Carolina nonprofit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, and in an aggregate amount not exceeding \$100,000,000 pursuant to the Act to (i) refinance the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Mount Pleasant Hospital and a data center and administrative office building located on Palmetto Commerce Parkway all in Charleston County; (ii) finance the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Hospital - Berkeley, Inc. in Berkeley County (collectively, the "**Project**"), and (iii) pay certain fees and expenses incurred in connection with the issuance of the Bonds, all pursuant to a resolution (the "**Bond Resolution**") adopted by the Board of Directors of the Authority, and to a Trust Indenture (the "**Indenture**") between the Authority and U.S. Bank National Association or another trustee requested by the Borrower and approved by the Authority, as Trustee (the "**Trustee**"); and

WHEREAS, it is anticipated that the Bonds will be sold to Wells Fargo Bank, National Association and BB&T Capital Markets, a division of BB&T Securities, LLC (together, the "**Underwriter**") through a negotiated private sale for resale to the public as investment grade obligations; and

WHEREAS, the Authority proposes to enter into a Loan Agreement (the "**Loan Agreement**") with the Borrower pursuant to which the Authority will lend the proceeds of the Bonds to the Borrower to finance the costs of the Undertaking; and

WHEREAS, pursuant to the Loan Agreement, the Borrower will agree to pay to the Authority amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the Authority proposes to enter into the Indenture prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds the loan repayments to be made by the Borrower pursuant to the Loan Agreement; and

WHEREAS, the Authority has heretofore determined that:

(a) Medical Society of South Carolina, which is the sole member of the Borrower, is a responsible party that was a founding member of and supports CareAlliance Health Services d/b/a Roper St. Francis Healthcare (the "**System**") which is in the business of operating hospital and other health care facilities in South Carolina;

(b) the Project constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$100,000,000 to finance the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(c) the Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the maintenance of 5,600 jobs in Charleston County and Berkeley County and surrounding area, and the number of jobs maintained as a result from the assistance herein described bears a reasonable relationship to the amount of program funds committed (i.e., the principal amount of the Bonds) taking into account factors such as the amount of dollars invested per employee at comparable facilities;

(d) the amount of program funds committed (i.e., the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Project; and

(e) the size and scope of the Project is such that a definite benefit to the economy of the State, and the Charleston County and Berkeley County in particular, is reasonably expected to result therefrom; and

**WHEREAS**, the Authority has also determined that prior to the issuance of the Bonds it will find that:

(a) the provisions, terms, and conditions of the agreements to be entered into by the Authority in connection with the issuance of the Bonds are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved, and

(b) the public interest is adequately protected by the terms of such documents; and

**WHEREAS**, in order to finance the Undertaking, the Authority proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolution and to the Indenture, payable by the Authority from the amounts derived from the Loan Agreement and secured by the Indenture pursuant to which the Authority will pledge substantially all of its right, title and interest in and to the Loan Agreement to the Trustee; and

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

1. It has been found and determined by the State Board that the Authority has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.

2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$100,000,000 of the Authority's tax-exempt and taxable Lease Revenue Bonds, in one or more series, through a negotiated private sale public for resale to the public by the Underwriter pursuant to the Act, the Bond Resolution, and the Indenture, to be payable from the revenues to be derived by the Authority from the Loan Agreement, and to be secured by the Indenture, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same are hereby approved.

Summary of Financing Proposal for

SPE Fayssoux Properties, LLC

PRELIMINARY – SUBJECT TO CHANGE

May 3, 2016

Bonds proposed to be financed	\$88,000,000 South Carolina Jobs-Economic Development Authority Lease Revenue Bonds (SPE Fayssoux Properties, LLC) Series 2016
-------------------------------	--

Projected average interest rate of bonds	4.99%
--	-------

Projected true interest cost of bonds	4.25%
---------------------------------------	-------

Estimated costs (costs as a percentage of bonds)

Underwriting	\$680,000 (.77%)
Legal fees – bond, underwriter's and issuer's counsel	\$210,000 (.24%)
Rating agency fees	\$75,000 (.09%)
Advisory fees	\$75,000 (.09%)
Bond trustee/registrar	\$2,500 (.003%)
Accounting and verification	0
Credit enhancement/bond insurance	0
Publication, printing, contingencies and all other expenses	\$65,000 (.07%)
Total	\$1,107,500 (1.26%)

Prepared by: Jeremy L. Cook

Date: May 3, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/02/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): SPE Fayssoux Properties, LLC (Medical Society of South Amount: \$100,000,000.00  
 Bond Caption: (\* Conduit Issue \*) Lease Revenue Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC JEDA  
 BY: Harry A. Hunley  
 ITS: Executive Director  
 DATE: 5/2/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: SPE Fayssoux Properties, LLC (Medical Society of South Carolina)  
 Project Address/Location: Mt. Pleasant, N. Charleston & Goose Creek Amount: Not Exceeding \$100,000,000  
 Project Type: Medical Office and Corporate Office County: Charleston and Berkeley  
 Projected Avg Interest Rate: 4.99% True Interest Cost: 4.25%

### 3. FINANCING (REFUNDED PORTION)

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

### 4. FINANCING WORKING GROUP

Financial Advisor: Efficient Capital Disclosure Counsel: NA  
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Parker Poe Adams & Bernstein  
 Underwriter: Wells Fargo and BB&T Capital Ma Other: Snow Butler  
 Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

(i) Refinancing the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Mount Pleasant Hospital and a data center and administrative office building located on Palmetto Commerce Parkway in North Charleston; (ii) financing the costs of acquiring, constructing and equipping a medical office building on the campus of Roper St. Francis Hospital-Berkeley in Goose Creek; and (iii) paying certain fees and expenses incurred in connection with the issuance of the Bonds. The costs of the project are based on actual construction costs of the data center, administrative office building and Mt. Pleasant medical office building and budgeted construction costs of the Goose Creek medical office building.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

Project Approvals - Phase II (State Estimates 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)
- 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

☐ ☒

☒ ☐

Sq. Footage - The Project will be  
 Cost Estimate - leased to RSFH

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	Speed Down Schedule Note
\$ 63,000,000.00	12/31/2016	
\$ 8,300,000.00	6/30/2017	
\$ 8,300,000.00	12/31/2017	
\$ 8,400,000.00	6/30/2018	
\$	00/00/00	
\$	00/00/00	
\$ 88,000,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$ 86,892,500.00	Project Fund
Type -	\$ 88,000,000.00	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contribution	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,107,500.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Other
Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 88,000,000.00	\$ 88,000,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$	

## 9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

COI Entry	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Efficient Capital		9/21/2015	\$ 75,000.00	\$	\$ 75,000.00
Bond Counsel	Haynsworth Sinkler Boyd		9/9/2015	\$ 110,000.00	\$	\$ 110,000.00
Disclosure Counsel	NA				\$	\$
Issuer's Counsel	Parker Poe		2/1/2016	\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Counsel	Butler Snow		2/1/2016	\$ 85,000.00	\$	\$ 85,000.00
Bank Counsel				\$	\$	\$
Guarantor's Counsel				\$	\$	\$
Swap Counsel				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 75,000.00	\$	\$ 75,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 680,000.00	\$	\$ 680,000.00
Registrar / Paying Agent				\$ 2,500.00	\$	\$ 2,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA			\$ 60,000.00	\$	\$ 60,000.00
				\$ 1,107,500.00	\$	\$ 1,107,500.00

Est. / Actual COI Fees (% of Transaction)

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

0.08%	0.00%
0.11%	0.00%
0.21%	0.00%
0.08%	0.00%

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

0.68%	0.00%
0.07%	0.00%
1.11%	0.00%

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$14,750,000 AGGREGATE PRINCIPAL AMOUNT RESIDENTIAL CARE FIRST MORTGAGE REVENUE REFUNDING BONDS (WESTMINSTER PRESBYTERIAN CENTER, INC. PROJECT), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "**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 (the "**Act**"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Residential Care First Mortgage Revenue Refunding Bonds (Westminster Presbyterian Center, Inc. Project), in one or more series, in the aggregate principal amount of not exceeding \$14,750,000 (the "**Bonds**"), through private sale which the Authority has determined to be most advantageous; and

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

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

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this 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 private sale be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

Summary of Refinancing Proposal for  
Westminster Presbyterian Center, Inc.

PRELIMINARY – SUBJECT TO CHANGE

May 14, 2016

Outstanding bonds proposed to be refinanced	Westminster Towers is refinancing two prior borrowings, one their Series 2005 fixed rate tax exempt bonds (\$11,390,000 outstanding maturing from 2016 to 2030 with coupons of 5.00% to 5.375%) and the other borrowing a taxable loan (\$3,701,275 outstanding at 3.64% maturing in 2024).	
Average interest rate of bonds refinanced	5.11%	
Projected average interest rate of refinancing bonds		3.05%
True interest cost of refinancing bonds		
Projected net present value savings (net of costs)	\$1,953,885	
Projected net present value savings as a percentage of the bonds refinanced		12.95%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)		1.97%, 14.8%
Placement Agent	\$50,000	
Legal fees – bond, disclosure and general counsel	\$117,500	
Issuer Fee	\$5,000	
Title, Survey, Appraisal	\$65,000	
Bond trustee/registrar	\$2,500	
Bank Commitment Fee	\$25,000	
Credit enhancement/bond insurance		
Publication, printing, contingencies and all other expenses	\$25,000	
Total	\$290,000	

Prepared by: Ziegler, Placement Agent

Date: May 14, 2016

G.





# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/03/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): Westminster Presbyterian Center, LLC Amount: \$14,750,000.00  
 Bond Caption: (\* Conduit Issue \*) Residential Care First Mortgage Revenue Refunding Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC JEDA  
 BY: Harry Huntley  
 ITS: Executive Director  
 DATE: 5/3/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

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

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svs. (\$)	Est NPV Svs. (% of Bds)
Series 2005(JEDA)	2016-2030	\$ 11,390,000.00	5.33%	3.05%	\$ 1,943,353.00	17.06%
Taxable Bank Loan	2024	\$ 3,701,275.00	3.69%	3.05%	\$ 10,532.00	0.29%
* The \$15,091,275 prin ref					\$	
exceeds bond proceeds as					\$	
other sources are being used					\$	
Total		\$ 15,091,275.00	4.51%	3.05%	\$ 1,953,885.00	8.68%

### 4. FINANCING WORKING GROUP

Financial Advisor: \_\_\_\_\_ Disclosure Counsel: \_\_\_\_\_  
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Nexsen Pruet  
 Underwriter: \_\_\_\_\_ Other: Spencer Law Firm (Borrower Counsel)  
 Other: Ziegler (Placement Agent) Other: Moore & Van Allen (Bank Counsel)

### 5. FINANCING/PROJECT DESCRIPTION

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

Westminster Presbyterian Center, Inc. (dba Westminster Towers) is a strong and long-standing non-profit retirement community in Rock Hill, South Carolina. Westminster Towers has secured a commitment from BBVA Compass to refinance all of its existing debt at 3.05% for 15 years. The loan, to be issued through SC JEDA, results in net present value savings of \$1,953,885, or 12.9% of the prior bonds/debt.

### 6. FINANCING/PROJECT APPROVAL DATES

Project Approval - (Place in Circle)	Notes:
Issuer/Borrower Approval: <u>04/20/16</u>	
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>06/07/16</u>	

Project Approval - (Place in Circle)	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)
- 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
a.		X
b.		X
c.		
Sq. Footage -		N/A
Cost Estimate -		N/A

G.

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
\$ 14,750,000.00	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 14,750,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$	Project Fund
Type -	\$ 14,750,000.00	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contribution	\$ 4,446.44	\$	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$	\$ 15,613,707.94	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$ 915,896.00	\$ 290,001.29	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$	Other
Type -	\$ 233,366.79	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GP -	\$	\$	Other
(a) FP -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 15,903,709.23	\$ 15,903,709.23	Total Project Budget (Uses)
Surplus/Deficit	\$ -		

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Haynsworth Sinkler Boyd			\$ 50,000.00	\$	\$ 50,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Nexsen Pruet			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel				\$	\$	\$
Bank Counsel	(Borrower)			\$ 20,000.00	\$	\$ 20,000.00
Guarantor's Counsel	Moore & Van Allen			\$ 35,000.00	\$	\$ 35,000.00
Swap Counsel	TBD			\$ 5,000.00	\$	\$ 5,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar/Paying Agent	Ziegler			\$ 50,000.00	\$	\$ 50,000.00
Escrow Agent				\$	\$	\$
Accountant	BRVA Compass			\$ 25,000.00	\$	\$ 25,000.00
Verification Agent				\$ 40,000.00	\$	\$ 40,000.00
Printing				\$ 25,000.00	\$	\$ 25,000.00
Publishing				\$ 2,500.00	\$	\$ 2,500.00
Advertising				\$ 25,001.29	\$	\$ 25,001.29
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA			\$ 5,000.00	\$	\$ 5,000.00
				\$ 290,001.29	\$	\$ 290,001.29

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.00%	0.00%
0.34%	0.00%
0.80%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.00%	0.00%
1.17%	0.00%
1.97%	0.00%

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE FOR PUBLIC DISTRIBUTION THEREAFTER OF NOT EXCEEDING \$30,000,000 PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE REFUNDING BONDS (WOFFORD COLLEGE) SERIES 2016, 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 (the "*Issuer*") 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 (the "*Act*"), requested approval by the State Fiscal Accountability Authority ( the "*Authority*") of the issuance by the Issuer pursuant to the Act of its Economic Development Revenue Refunding Bonds (Wofford College) Series 2016, in the principal amount of not exceeding \$30,000,000 (the "*Bonds*"), which may be issued in one or more series through public sale which the Issuer has determined to be most advantageous; and

**WHEREAS**, the Issuer represents to the Authority that the Bonds will be sold by the Issuer through private sale to Wells Fargo, National Association as underwriter for public distribution thereafter acceptable to the Issuer;

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

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

**Section 2.** In consequence of the foregoing, the proposal of the Issuer to issue the Bonds through private sale (underwriting) to a financial institution for public distribution thereafter be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

Summary of Refinancing Proposal for  
Wofford College

PRELIMINARY – SUBJECT TO CHANGE

May 12, 2016

Outstanding bonds proposed to be refinanced	Series 2007A: 2018-2036 maturities; \$10,365,000 Series 2008: 2018-2038 maturities; \$15,935,000
Average interest rate of bonds refinanced	Series 2007A: 4.54% Series 2008: 4.82%
Projected average interest rate of refinancing bonds	4.53%
True interest cost of refinancing bonds	3.199%
Projected net present value savings (net of costs)	\$3,360,290
Projected net present value savings as a percentage of the bonds refinanced	12.78%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
Underwriting	\$97,020 (0.35%, 2.89%)
Legal fees – bond, disclosure and general counsel	\$91,000 (0.33%, 2.71%)
Rating agency fees	\$40,000 (0.14%, 1.19%)
Advisory fees	\$50,000 (0.18%, 1.49%)
Bond trustee/registrar	\$6,250 (0.02%, 0.19%)
Accounting and verification	\$1,950 (0.01%, 0.06%)
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	\$12,500 (0.04%, 0.37%)
Total	\$298,720 (1.07%, 8.89%)

Prepared by: Public Financial Management, Inc.  
Date: May 12, 2016

H.



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 05/02/16

Final Version Date: 00-00-00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Jobs-Economic Development Authority Series: 2016  
 Borrower (if not Issuer): Wofford College Amount: \$30,000,000.00  
 Bond Caption: (\* Conduit Issue \*) Economic Development Revenue Refunding Bonds

#### Initial/Current Version:

ISSUER  
 NAME: South Carolina Jobs-Economic  
 BY: Public Financial Management  
 ITS: Financial Advisor  
 DATE: 5/2/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

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

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svs. (\$)	Est NPV Svs. (% of Bds)
Series 2007A	2018-2036	\$ 10,365,000.00	5.00%	3.29%	\$ 1,104,565.86	10.66%
Series 2008	2018-2038	\$ 15,935,000.00	5.25%	3.37%	\$ 1,940,099.27	12.18%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
Total		\$ 26,300,000.00	5.13%	3.33%	\$ 3,044,665.13	11.42%

### 4. FINANCING WORKING GROUP

Financial Advisor: Public Financial Management, Inc. Disclosure Counsel: N/A  
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Ncxsen Pruet  
 Underwriter: Wells Fargo Securities Other: US Bank Corporate Trust Services  
 Other: Parker, Poe, Adams & Bernstein LL Other: McGuireWoods

### 5. FINANCING/PROJECT DESCRIPTION

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

Refinancing of the Series 2007A and Series 2008 bonds for savings

### 6. FINANCING/PROJECT APPROVAL DATES

Project Approval Dates		Notes:
Issuer/Borrower Approval:	05/10/16	Wofford Board
JBRC Approval:	N/A	
SFAA Approval:	06/07/16	

Project Approval Dates		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

☐ ☒

☐ ☒

Sq. Footage - \_\_\_\_\_  
 Cost Estimate - \$0

H.

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

Bond Proceeds	FY:	Spend Down Schedule Notes
\$ 30,000,000.00	00/00/00	Majority of proceeds to be disbursed at closing.
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 30,000,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$	Project Fund
Type -	\$ 27,756,161.40	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contribution	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$	\$ 27,429,516.03	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 322,152.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 4,693.37	Additional Proceeds
Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GP -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 27,756,161.40	\$ 27,756,161.40	Total Project Budget (Uses)
Surplus/Deficit	\$		

## 9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Management			\$ 50,000.00	\$	\$ 50,000.00
Bond Counsel	Haynsworth Smider Boyd			\$ 66,000.00	\$	\$ 66,000.00
Disclosure Counsel	N/A				\$	\$
Issuer's Counsel	Nexsen Pruet			\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Counsel	Beairstein			\$ 40,000.00	\$	\$ 40,000.00
Bank Counsel	Wyche			\$ 10,000.00	\$	\$ 10,000.00
Guarantor's Counsel				\$	\$	\$
Swap Counsel				\$	\$	\$
Rating Agency - S&P	S&P			\$ 40,000.00	\$	\$ 40,000.00
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Wells Fargo			\$ 54,960.00	\$	\$ 54,960.00
Registrar / Paying Agent	US Bank			\$ 4,750.00	\$	\$ 4,750.00
Escrow Agent	US Bank			\$ 1,500.00	\$	\$ 1,500.00
Accountant	Cherry Bekaert			\$	\$	\$
Verification Agent	TBD			\$ 1,950.00	\$	\$ 1,950.00
Printing	ImageMaster			\$ 2,500.00	\$	\$ 2,500.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 12,000.00	\$	\$ 12,000.00
Issuer's Fee	St. JEDA			\$ 23,492.00	\$	\$ 23,492.00
				\$ 322,152.00	\$	\$ 322,152.00

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

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

0.17%	0.00%
0.22%	0.00%
0.44%	0.00%
0.13%	0.00%

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

0.18%	0.00%
0.15%	0.00%
1.07%	0.00%



**THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA**

**A RESOLUTION**

**APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2016 B (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY**

**WHEREAS**, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

**WHEREAS**, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the "General Resolution"); and

**WHEREAS**, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2016 B Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$110,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the Series 2016 B Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

**WHEREAS**, it is anticipated that the Series 2016 B Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

**WHEREAS**, such sale shall be made pursuant to a purchase contract between the Authority and the Underwriters (the "Purchase Contract"); and

**WHEREAS**, the SFAA has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2016 B Bonds, subject to the conditions set forth herein.

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

**Section 1.** Subject to the conditions set forth herein, approval is hereby granted by the SFAA to the issuance and sale by the Authority of not exceeding \$110,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2016 B or such other numbering convention as may be necessary.

I.

The Series 2016 B Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

**Section 2.** The approval is granted provided that the Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the Series 2016 B Bonds to be issued;
- (b) the maturity schedule of the Series 2016 B Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the Series 2016 B Bonds

**Section 3.** The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the Series 2016 B Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2016 B Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2016 B Bonds;
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract; and
- (f) The State Treasurer shall approve, upon determination that the funds anticipated to be available for the payment of the Authority's bonds, including the Series 2016 B bonds, will be sufficient to provide for the payment of principal and interest thereon.

**Section 4.** Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the Series 2016 B Bonds and/or to refund any such bonds of the Authority.



Summary of Financing Proposal for  
South Carolina Housing Finance and Development Authority  
Mortgage Revenue Bonds, Series 2016 B-1 (Non-AMT)

PRELIMINARY – SUBJECT TO CHANGE

April 26, 2016

Bonds proposed to be financed	New Money Tax Exempt Bonds
Total Bond Issuance Size	\$40,000,000
Bond Maturities	1/1/2017 – 7/1/2043
Average interest rate of bonds	3.57%
Projected average interest rate of bonds	3.57%
True interest cost of bonds (1)	3.33%
True interest cost of bonds (2)	2.96%
Estimated costs (costs as a percentage of bonds)	
Underwriting	\$329,750 (0.83%)
Legal fees – bond, disclosure and general counsel	\$ 60,000 (0.15%)
Rating agency fees	\$25,983 (0.065%)
Advisory fees	\$40,996 (0.10%)
Bond trustee/registrar	\$7,515 (0.019%)
Accounting and verification	\$0 (0.000%)
Credit enhancement/bond insurance	\$0 (0.000%)
Publication, printing, contingencies and all other expenses	\$12,117 (0.030%)
Total	\$476,361 (1.19%)

Footnotes:

- 1) The first TIC calculation assumes no mandatory bond redemption, which is not typical for housing bonds.
- 2) Housing bonds differ from general obligation bonds in that they are subject to mandatory redemption at any time from repayments and prepayments of principal received on the underlying mortgage loans. In addition, the proposed bond structures include “Planned Amortization Class” bonds priced to include original issue premium. The so called “PAC” bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. To adequately measure the yield on housing bonds, it is therefore important to apply a reasonably expected prepayment rate on the underlying mortgage loans. The estimates of yield and net present value provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.

Prepared by: Kathy Li  
George K. Baum & Company

Date: April 26, 2016

Summary of Refinancing Proposal for  
South Carolina Housing Finance and Development Authority  
Mortgage Revenue Bonds, Series 2016 B-2 (AMT)

PRELIMINARY – SUBJECT TO CHANGE

April 26, 2016

Outstanding bonds proposed to be refinanced	Refunding Tax Exempt Bonds
Total Bond Issuance Size	\$29,275,000
Bond Maturities	1/1/2017 – 7/1/2043
Average interest rate of bonds refinanced	4.73%
Projected average interest rate of refinancing bonds	3.47%
True interest cost of refinancing bonds (1)	3.02%
True interest cost of refinancing bonds (2)	2.22%
Projected net present value savings (net of costs) (3)	\$5,347,242
Projected net present value savings as a percentage of the bonds refinanced (3)	18.26%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
Underwriting	\$196,338 (0.67%)
Legal fees – bond, disclosure and general counsel	\$43,912 (0.15%)
Rating agency fees	\$19,017 (0.065%)
Advisory fees	\$30,003 (0.10%)
Bond trustee/registrar	\$5,500 (0.02%)
Accounting and verification	\$0
Credit enhancement/bond insurance	\$0
Publication, printing, contingencies and all other expenses	\$8,869 (0.03%)
Total	\$303,639 (1.04%)

Footnotes:

- 1) The first TIC calculation assumes no mandatory bond redemption, which is not typical for housing bonds.
- 2) Housing bonds differ from general obligation bonds in that they are subject to mandatory redemption at any time from repayments and prepayments of principal received on the underlying mortgage loans. In addition, the proposed bond structures include “Planned Amortization Class” bonds priced to include original issue premium. The so called “PAC” bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. To adequately measure the yield on housing bonds, it is therefore important to apply a reasonably expected prepayment rate on the underlying mortgage loans. The estimates of yield provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.
- 3) The projected net present value savings and net present value savings as a percentage of the bonds refinanced assume 200% PSA prepayment rate on the pledged mortgage loans and 3% discount rate.

Prepared by: Kathy Li  
George K. Baum & Company

Date: April 26, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 04/26/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: South Carolina State Housing Finance & Development Authority Series: 2016 B-1 and 2016 B-2  
 Borrower (if not Issuer): \_\_\_\_\_ Amount: \$110,000,000.00  
 Bond Caption: Mortgage Revenue Bonds

#### Initial/Current Version:

ISSUER  
 NAME: SC Housing Finance & Dev. A.  
 BY: Richard Hutto  
 ITS: Dep. Director - Administration  
 DATE: 4/26/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Single Family Mortgage Revenue Bonds  
 Project Address/Location: Available Statewide Amount: \$40,000,000.00  
 Project Type: \_\_\_\_\_ County: \_\_\_\_\_  
 Projected Avg Interest Rate: 3.57% True Interest Cost: 2.96%\*

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Bds)
2006 C-1 / 200C-2	7/2016 - 7/203	\$ 29,275,000.00	4.73%	2.22%	\$ 5,347,242.00	18.27%
Total		\$ 29,275,000.00	4.73%	2.22%	\$ 5,347,242.00	18.27%

### 4. FINANCING WORKING GROUP

Financial Advisor: George K. Baum & Company Disclosure Counsel: Howell Linkous & Nettles  
 Bond Counsel: McNair Law Firm Issuer's Counsel: Internal Counsel  
 Underwriter: Citigroup Other: BNY Mellon  
 Other: BAML Other: Nexsen Pruet

### 5. FINANCING/PROJECT DESCRIPTION

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

2016 B-1 provides new proceeds for affordable housing loans to qualifying low and moderate income first-time single family home buyers. 2016 B-2 refunds outstanding 2006 series C bonds. NPV savings are calculated assuming 200% PSA and 3% discount rate [\* Housing bonds are subject to mandatory redemption at any time from repayments and prepayments of principal received on underlying mortgage loans. Also, "Planned Amortization Class" bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. The yield estimates shown are based on an assumed 200% PSA prepayment rate on the mortgage loans to be acquired.]

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval:		Notes:
Issuer/Borrower Approval:	00/00/00	Preliminary
JBRC Approval:	00/00/00	Not Applicable
SFAA Approval:	06/07/16	Proposed

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

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

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

Yes No  
☐ ☒

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

☐ ☒

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

Sq. Footage -  Not Applicable  
 Cost Estimate  \$0

I,

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	Special Drawn Schedule Notes
\$ 69,275,000.00	1/1/2017	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 69,275,000.00		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$ 40,000,000.00	Project Fund
Type -	\$ 71,886,700.00	\$ 470,000.00	Capitalized Interest Fund
(2) Issuer/Borrower Contribution	\$ 780,000.00	\$ 2,078,250.00	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$	\$ 29,275,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 780,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 400,000.00	Servicing Release Premium
Type - 2006 C Rev Fund	\$ 336,550.00	\$	Other
Residual Project Sources		\$	Other
(6) Other:		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source)	\$ 73,003,250.00	\$ 73,003,250.00	Total Project Budget (Uses)
Surplus/Deficit		\$ -	

## 9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Company		4/1/2016	\$ 71,000.00	\$	\$ 71,000.00
Bond Counsel	McNair Law Firm			\$ 69,275.00	\$	\$ 69,275.00
Disclosure Counsel	Howell Linkous			\$ 34,637.50	\$	\$ 34,637.50
Issuer's Counsel	Internal Counsel			\$	\$	\$
Underwriter's Counsel	Parker Poe Adams			\$ 17,318.75	\$	\$ 17,318.75
Bank Counsel				\$	\$	\$
Guarantor's Counsel				\$	\$	\$
Swap Counsel				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 45,000.00	\$	\$ 45,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 508,768.40	\$	\$ 508,768.40
Registrar / Paying Agent				\$ 13,014.65	\$	\$ 13,014.65
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Other				\$ 15,985.70	\$	\$ 15,985.70
				\$ 780,000.00	\$	\$ 780,000.00

Est. / Actual COI Fees (% of Transaction)

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.06%	0.00%
0.06%	0.00%
0.11%	0.00%
0.04%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.46%	0.00%
0.03%	0.00%
0.71%	0.00%

## **A RESOLUTION**

### **GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE NOTES (THE COLONY APARTMENTS)**

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

WHEREAS, the Authority has presented to the SFAA its Petition dated April 29, 2016 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Notes (as defined in the Petition).

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

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

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Notes (The Colony Apartments), in one or more series, in the aggregate principal amount not to exceed \$14,600,000.

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

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

(b) Prior to the issuance of the Notes 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 Notes to be issued;
- (ii) the maturity schedule of the Notes 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 and notes;
- (v) the method to be employed in selling the Notes.

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

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

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

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

Summary of Financing Proposal for

THE COLONY APARTMENTS

South Carolina State Housing Finance and Development Authority

PRELIMINARY – SUBJECT TO CHANGE

28 April 2016

Bonds proposed to be issued	Not exceeding \$14,600,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Colony Apartments) Series 2016, maturing on June 1, 2051	
Projected average interest rate of bonds	4.36 % Series A	2.76 % Series B
True interest cost of bonds	4.36 % Series A	2.76 % Series B
Estimated costs (costs as a percentage of bonds)		
Cost of Financing	1.43%	
Legal fees – bond, disclosure and general counsel	1 %	
Fiscal Agent	0.1 %	(including counsel)
Accounting and verification	0.1 %	
Publication, printing, contingencies and all other expenses	1.19%	(including State Housing Authority fee)
LIHTC Fees	0.63%	
TOTAL	4.46%	

Prepared by Samuel W. Howell, IV

Date May 2, 2016





# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 06/07/16

Final Version Date: 09/06/16

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: N/A Issuer: S.C. State Housing Finance and Development Authority Series: 2016  
 Borrower (if not Issuer): CHC Colony Apartments LLC Amount: \$14,600,000.00  
 Bond Caption: (\* Conduit Issue \*) Multifamily Housing Revenue Bonds - The Colony Apartments; Series 2016

#### Initial/Current Version:

ISSUER  
 NAME South Carolina State Housing  
 BY Howell, Linkous, & Nettles LLC  
 ITS Bond Counsel  
 DATE 6/7/2016

#### Final:

ISSUER  
 NAME  
 BY  
 ITS  
 DATE

### 2. FINANCING (NEW PORTION)

Project #: N/A Project Name: The Colony Apartments  
 Project Address/Location: 3545 W. Beltline Blvd. Amount: \$14,600,000.00  
 Project Type: Multifamily Housing Facility County: Richland  
 Projected Avg Interest Rate: 4.36% / 2.76% True Interest Cost:

### 3. FINANCING (REFUNDED PORTION)

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

### 4. FINANCING WORKING GROUP

Financial Advisor: None Disclosure Counsel: None  
 Bond Counsel: Howell Linkous & Nettles, LLC (C) Issuer's Counsel: Tracey Easton/SCSHFDA  
 Underwriter: PNC Bank Tax Credit Syndicator: PNC Bank  
 Underwriter's Counsel: Ballard Spahr Tax Credit Counsel: Bateman Seidel

### 5. FINANCING/PROJECT DESCRIPTION

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

The Project consists of the renovation of a 300-unit apartment development in the City of Columbia, South Carolina to be known as The Colony Apartments. The Bonds will be issued in two series in the total amount of \$14,600,000. The Series A Bonds will be long-term bonds under Freddie Mac's tax-exempt loan program to provide permanent financing for the Project. The Series B Bonds will be a bridge loan from an institutional lender to qualify for federal Low Income Housing Tax Credits (LIHTC) and will be paid in full upon completion of construction of the Project.

### 6. FINANCING/PROJECT APPROVAL DATES

Approval Date	Notes:
Issuer/Borrower Approval: 00/00/00	
JBRC Approval: 00/00/00	N/A
SFAA Approval: 06/07/16	

Approval Date	Notes:
Issuer/Borrower Approval: 00/00/00	N/A
JBRC Approval: 00/00/00	N/A
SFAA Approval: 00/00/00	N/A

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

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

Yes No  
☐ ☒

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

☐ ☒

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

Sq. Footage -  
 Cost Estimate - %

J.



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
\$ 7,146,477.00	12/31/2016	Acquisition and Construction
\$ 3,684,985.00	12/31/2016	Construction
\$ 2,961,945.00	12/31/2016	Construction
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 13,793,407.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 13,793,407.00	\$ 20,669,033.00	Project Fund
(2) Issuer/Borrower Contribution		\$ 763,498.00	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$ 8,560,830.00	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$ 552,000.00	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$ 10,392,778.00	\$ 651,390.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$ 2,470,485.00	Developer Fee
(6) Other		\$ 1,940,000.00	Land Purchase Costs
(a) GF -	\$		Less Market Value of Land
(a) FF -	\$	\$ 5,893,307.00	Payoff Bonds
(c) OF -	\$	\$ 911,302.00	Reserves/Escrows
Total Project Budget (Source)	\$ 33,299,015.00	\$	Other
		\$	Other
		\$ 33,299,015.00	Total Project Budget (Uses)
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	None			\$	\$	\$
Bond Counsel	Hovell Linbous & Nettles			\$ 70,000.00	\$	\$ 70,000.00
Disclosure Counsel	None			\$	\$	\$
Issuer's Counsel	SCSHFDA			\$	\$	\$
Underwriter's Counsel	None			\$	\$	\$
Underwriter's Expenses	None			\$	\$	\$
Trustee's Counsel	None			\$	\$	\$
LIHTC Fees	SCSHFDA			\$ 92,573.00	\$	\$ 92,573.00
Rating Agency - S&P	None			\$	\$	\$
Rating Agency - Moody's	None			\$	\$	\$
Rating Agency - Fitch	None			\$	\$	\$
Underwriter's Compensation	None			\$	\$	\$
Registrar / Paying Agent	TBD			\$ 15,000.00	\$	\$ 15,000.00
Escrow Agent				\$	\$	\$
Accountant	DOZ			\$ 15,000.00	\$	\$ 15,000.00
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Lender Counsel	Bateman Seidel			\$ 16,000.00	\$	\$ 16,000.00
Lender Counsel	Ballard Spahr			\$ 65,000.00	\$	\$ 65,000.00
Financing	PNC Bank/Freddie			\$ 203,867.00	\$	\$ 203,867.00
Issuer Fee	SCSHFDA			\$ 173,950.00	\$	\$ 173,950.00
				\$ 651,390.00	\$	\$ 651,390.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.00%	0.00%
0.48%	0.00%
1.11%	0.00%
0.00%	0.00%

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.00%	0.00%
3.35%	0.00%
4.46%	0.00%

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING GOVERNMENTAL NOTE (WATERS AT ST. JAMES) SERIES 2016**

**WHEREAS**, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), that the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one of more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either Federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or to other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

**WHEREAS**, Waters at St. James, LP, a for-profit entity (the "Sponsor"), has requested the Authority to assist it in an undertaking to provide certain residential property, as defined in the Act, consisting of 336 units of residential property located in the City of Goose Creek, Berkeley County, South Carolina (the "Project"); and

**WHEREAS**, in order to provide money to purchase and rehabilitate the Project, the Authority proposed to issue its note to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Governmental Note (Waters at St. James) Series 2016 in the principal amount of not to exceed \$29,000,000 (the "Note"); and

**WHEREAS**, the Authority has presented to the SFAA its Petition dated as of May 18, 2016 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Note.

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

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

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Governmental Note (Waters at St. James) Series 2016 in the principal amount of not to exceed \$29,000,000.

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

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

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

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

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

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

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

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

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

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

The proposed Undertaking will be used by Waters at St. James, L.P., a South Carolina limited partnership ("Borrower"), to (i) finance a portion of the costs of acquiring, constructing, and equipping a 336-unit apartment development known as Waters at St. James to be located in the City of Goose Creek, Berkeley County, South Carolina ("Project"), (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Note (defined below).

To finance the Undertaking, the Housing Authority will issue not exceeding \$29,000,000 of its Multifamily Housing Governmental Note (Waters at St. James), in one or more taxable or tax-exempt series ("Note") pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended ("Act"). The Note will be payable solely from the amounts to be paid to the Authority by the Borrower pursuant to a mortgage purchase agreement, financing agreement, or loan agreement between the Housing Authority and the Borrower. The Note is not an indebtedness of the State of South Carolina ("State").

The Note will be issued pursuant to the Act, a Resolution adopted by the Housing Authority on May 18, 2016, and a final bond resolution to be adopted by the Housing Authority. The Note will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any state constitutional provision or statutory limitation but are payable solely from a special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

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

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

Summary of Financing Proposal for  
Not exceeding \$29,000,000  
South Carolina State Housing Finance and Development Authority  
Multifamily Housing Governmental Note  
(Waters at St. James)  
Series 2016

**PRELIMINARY – SUBJECT TO CHANGE**

May 3, 2016

Bonds proposed to be financed up to \$29,000,000  
South Carolina State Housing Finance  
and Development Authority  
Multifamily Housing Governmental Note, Series 2016

Average interest rate of bonds

Projected average interest rate of note	4.50%
True interest cost of note	4.50%

Estimated costs (costs as a percentage of note)

Underwriting	N/A
Legal fees – bond, disclosure and general counsel	.430%
Lender and Issuer fees	3.17%
Rating agency fees	N/A
Advisory fees	.5%
Bond trustee/registrar	.05%
Accounting and verification	N/A
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	.01%
Total	4.16%

Prepared by     Parker Poe Adams & Bernstein LLP

Date             May 3, 2016

K,



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 06/07/16

Final Version Date: 06/01/20

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: State Housing Finance and Development Authority Series: 2016  
 Borrower (if not Issuer): Waters at St. James LP Amount: \$27,000,000.00  
 Bond Caption: (\* Conduit Issue \*) Multifamily Housing Revenue Bonds - Waters at St. James; Series 2016

#### Initial/Current Version:

ISSUER  
 NAME: South Carolina State Housing  
 BY: Parker Poe Adams & Bernstein  
 ITS: Bond Counsel  
 DATE: 5/2/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Waters at St. James  
 Project Address/Location: Goose Creek, SC Amount: \$27,000,000.00  
 Project Type: Multifamily Housing County: Berkeley  
 Projected Avg Interest Rate: 4.50% True Interest Cost: 4.50%

### 3. FINANCING (REFUNDED PORTION)

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

### 4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A  
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey C. Easton, Esq  
 Underwriter: N/A Other: Parker Poe Adams & Bernstein LLP  
 Other: Stifel | Merchant Capital Division Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to fund through a construction mortgage loan, a portion of the purchase and construction of a 336 unit multifamily development to offer affordable housing to residents in the City of Goose Creek, South Carolina. The basis for the financing costs presented in this worksheet is from information included in the application to SCSHFDA prepared by the Borrower.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval		Notes:
Issuer/Borrower Approval:	05/18/16	
JBRC Approval:	N/A	
SFAA Approval:	06/07/16	

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

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

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

Yes No  
☐ ☐

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

☐ ☐

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

K.

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
\$ 16,375,000.00	00/00/00	Estimated. Actual expenditures will depend on construction
\$ 15,480,000.00	00/00/00	Estimated. Actual expenditures will depend on construction
\$ 7,945,000.00	00/00/00	Estimated. Actual expenditures will depend on construction
\$ 1,600,000.00	00/00/00	Estimated. Actual expenditures will depend on construction
\$	00/00/00	
\$	00/00/00	
\$ 41,400,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type)		\$ 35,098,940.00	Project Fund
Type -	\$ 27,000,000.00	\$	Capitalized Interest Fund
(2) Issuer Borrower Contribution	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Transfer	\$	\$	Redemption Price Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,115,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 210,000.00	Misc. Real Estate & LIHTC Costs
Type - LIHTC Equity	\$ 12,600,000.00	\$ 615,000.00	Capitalized Interest
Residual Project Sources		\$ 1,440,000.00	Reserves
(6) Other		\$ 4,920,328.00	Development Fee
(a) GF -	\$	\$ 732.00	Contingency
(a) FF -	\$	\$	Other
(c) GF - Deferred Dev. Fee	\$ 1,800,000.00	\$	Other
Total Project Budget (Sources)	\$ 41,400,000.00	\$ 41,400,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Parker Poe			\$ 60,000.00	\$	\$ 60,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	General Counsel			\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Bank Counsel	TBD			\$ 6,000.00	\$	\$ 6,000.00
Guarantor's Counsel	Greenberg Traugott LLP			\$ 25,000.00	\$	\$ 25,000.00
Swap Counsel	Ballard Spahr LLP			\$ 25,000.00	\$	\$ 25,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	Wilmington Trust			\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	Stifel			\$ 135,000.00	\$	\$ 135,000.00
Accountant	JP Morgan Chase			\$ 270,000.00	\$	\$ 270,000.00
Verification Agent	Walker Dunlop			\$ 270,000.00	\$	\$ 270,000.00
Printing	Freddie Mac			\$ 81,000.00	\$	\$ 81,000.00
Publishing	Freddie Mac			\$ 27,000.00	\$	\$ 27,000.00
Advertising	SCSHFDA			\$ 6,000.00	\$	\$ 6,000.00
Contingency				\$	\$	\$
Issuer's Fee	SCSHFDA			\$ 202,500.00	\$	\$ 202,500.00
				\$ 1,115,000.00	\$	\$ 1,115,000.00

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

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

0.00%	0.00%
0.22%	0.00%
0.43%	0.00%
0.00%	0.00%

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

0.00%	0.00%
3.70%	0.00%
4.13%	0.00%



STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 1

---

AGENCY: Public Employee Benefit Authority (PEBA)

---

SUBJECT: Approval of PEBA Policy Determination for the South Carolina Retirement System (SCRS)

---

In the 2016-2017 State budget, the General Assembly is expected to provide for an increase in SCRS contribution rates in the amount of 0.5% for both employee and employer contribution rates, effective July 1, 2016.

For the fiscal year ended June 30, 2015, the investment return on the assets of the retirement systems significantly underperformed the assumed rate of investment return of 7.5%, producing a return of approximately 1.6%. Based upon recent reporting and statements from the South Carolina Retirement System Investment Commission, the systems' investment return for the current fiscal year will again significantly underperform the assumed rate of return, and the Commission expects that returns will continue to fall below the assumed rate of return in the near term. Because the investment underperformance for the year ended June 30, 2015, is unlikely to be offset by near-term investment gains, the underperformance will likely have to be made up for with increases in employee and employer contribution rates to maintain the funding of the systems on an actuarially sound basis. PEBA's actuaries have calculated that, based upon the July 1, 2015 actuarial valuation of SCRS, an increase in both employee and employer contribution rates of 0.5% for SCRS, effective July 1, 2016, would offset the investment underperformance for the systems during the fiscal year ended June 30, 2015.

In order to offset the investment underperformance for the fiscal year ended June 30, 2015, the Governor's 2016-2017 executive budget and the versions of the general appropriations bill, H. 5001, passed by the House of Representatives on March 23, 2016, and passed by the Senate on May 4, 2016, provide for an increase in SCRS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016.

At its meeting on May 19, 2016, the PEBA Board of Directors adopted an increase in SCRS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016, as provided for by the 2016-2017 general appropriations bill.



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AGENCY: Public Employee Benefit Authority (PEBA)

---

SUBJECT: Approval of PEBA Policy Determination for the South Carolina Retirement System (SCRS)

---

AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Law

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the South Carolina Retirement System ("SCRS") for the fiscal year beginning July 1, 2016, as provided for by the 2016-2017 general appropriations bill:

1. Increase SCRS employee contribution rate from 8.16% to 8.66% and the SCRS employer contribution rate from 11.06% to 11.56%.

---

ATTACHMENTS:

Agenda item worksheet; SCRS Actuarial Valuation as of July 1, 2015

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:

Regular Session

June 7, 2016

---

### 1. Submitted by:

(a) Agency: Public Employee Benefit Authority ("PEBA")

(b) Authorized Official Signature:

Peggy G. Boykin, CPA, Executive Director

---

2. **Subject:** Approval of PEBA Policy Determination for the South Carolina Retirement System ("SCRS")

---

### 3. Summary Background Information:

In the 2016-2017 State budget, the General Assembly is expected to provide for an increase in SCRS contribution rates in the amount of 0.5% for both employee and employer contribution rates, effective July 1, 2016.

For the fiscal year ended June 30, 2015, the investment return on the assets of the retirement systems significantly underperformed the assumed rate of investment return of 7.5%, producing a return of approximately 1.6%. Based upon recent reporting and statements from the South Carolina Retirement System Investment Commission, the systems' investment return for the current fiscal year will again significantly underperform the assumed rate of return, and the Commission expects that returns will continue to fall below the assumed rate of return in the near term. Because the investment underperformance for the year ended June 30, 2015, is unlikely to be offset by near-term investment gains, the underperformance will likely have to be made up for with increases in employee and employer contribution rates to maintain the funding of the systems on an actuarially sound basis. PEBA's actuaries have calculated that, based upon the July 1, 2015 actuarial valuation of SCRS, an increase in both employee and employer contribution rates of 0.5% for SCRS, effective July 1, 2016, would offset the investment underperformance for the systems during the fiscal year ended June 30, 2015.

In order to offset the investment underperformance for the fiscal year ended June 30, 2015, the Governor's 2016-2017 executive budget and the versions of the general appropriations bill, H. 5001, passed by the House of Representatives on March 23, 2016, and passed by the Senate on May 4, 2016, provide for an increase in SCRS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016.

At its meeting on May 19, 2016, the PEBA Board of Directors adopted an increase in SCRS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016, as provided for by the 2016-2017 general appropriations bill.

---

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

---

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the South Carolina Retirement System ("SCRS") for the fiscal year beginning July 1, 2016, as provided for by the 2016-2017 general appropriations bill:

1. Increase SCRS employee contribution rate from 8.16% to 8.66% and the SCRS employer contribution rate from 11.06% to 11.56%.

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**5. What is recommendation of the Authority division involved?** N/A.

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

	<b>Authorized</b>
<b>Office Name</b> _____	<b>Signature</b> _____

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**7. Supporting Documents:**

**List those attached:**

- SCRS Actuarial Valuation as of July 1, 2015

**List those not attached but available:**

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 2

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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: Approval of PEBA Policy Determination for the South Carolina Police Officers' Retirement System (PORS)

---

In the 2016-2017 State budget, the General Assembly is expected to provide for an increase in PORS contribution rates in the amount of 0.5% for both employee and employer contribution rates, effective July 1, 2016.

For the fiscal year ended June 30, 2015, the investment return on the assets of the retirement systems significantly underperformed the assumed rate of investment return of 7.5%, producing a return of approximately 1.6%. Based upon recent reporting and statements from the South Carolina Retirement System Investment Commission, the systems' investment return for the current fiscal year will again significantly underperform the assumed rate of return, and the Commission expects that returns will continue to fall below the assumed rate of return in the near term. Because the investment underperformance for the year ended June 30, 2015, is unlikely to be offset by near-term investment gains, the underperformance will likely have to be made up for with increases in employee and employer contribution rates to maintain the funding of the systems on an actuarially sound basis. PEBA's actuaries have calculated that, based upon the July 1, 2015 actuarial valuation of PORS, an increase in both employee and employer contribution rates of 0.5% for PORS, effective July 1, 2016, would offset the investment underperformance for the systems during the fiscal year ended June 30, 2015.

In order to offset the investment underperformance for the fiscal year ended June 30, 2015, the Governor's 2016-2017 executive budget and the versions of the general appropriations bill, H. 5001, passed by the House of Representatives on March 23, 2016, and passed by the Senate on May 4, 2016, provide for an increase in PORS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016.

At its meeting on May 19, 2016, the PEBA Board of Directors adopted an increase in PORS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016, as provided for by the 2016-2017 general appropriations bill.

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AGENCY: Public Employee Benefit Authority (PEBA)

---

SUBJECT: Approval of PEBA Policy Determination for the South Carolina Police Officers' Retirement System (PORS)

---

AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the South Carolina Police Officers' Retirement System ("PORS") for the fiscal year beginning July 1, 2016, as provided for by the 2016-2017 general appropriations bill:

1. Increase PORS employee contribution rate from 8.74% to 9.24% and the PORS employer contribution rate from 13.74% to 14.24%.

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ATTACHMENTS:

Agenda item worksheet; PORS Actuarial Valuation as of July 1, 2015

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:

Regular Session

June 7, 2016

---

**1. Submitted by:**

(a) Agency: Public Employee Benefit Authority ("PEBA")

**(b) Authorized Official Signature:**

\_\_\_\_\_  
Peggy G. Boykin, CPA, Executive Director

---

**2. Subject:** Approval of PEBA Policy Determination for the South Carolina Police Officers' Retirement System ("PORS")

---

**3. Summary Background Information:**

In the 2016-2017 State budget, the General Assembly is expected to provide for an increase in PORS contribution rates in the amount of 0.5% for both employee and employer contribution rates, effective July 1, 2016.

For the fiscal year ended June 30, 2015, the investment return on the assets of the retirement systems significantly underperformed the assumed rate of investment return of 7.5%, producing a return of approximately 1.6%. Based upon recent reporting and statements from the South Carolina Retirement System Investment Commission, the systems' investment return for the current fiscal year will again significantly underperform the assumed rate of return, and the Commission expects that returns will continue to fall below the assumed rate of return in the near term. Because the investment underperformance for the year ended June 30, 2015, is unlikely to be offset by near-term investment gains, the underperformance will likely have to be made up for with increases in employee and employer contribution rates to maintain the funding of the systems on an actuarially sound basis. PEBA's actuaries have calculated that, based upon the July 1, 2015 actuarial valuation of PORS, an increase in both employee and employer contribution rates of 0.5% for PORS, effective July 1, 2016, would offset the investment underperformance for the systems during the fiscal year ended June 30, 2015.

In order to offset the investment underperformance for the fiscal year ended June 30, 2015, the Governor's 2016-2017 executive budget and the versions of the general appropriations bill, H. 5001, passed by the House of Representatives on March 23, 2016, and passed by the Senate on May 4, 2016, provide for an increase in PORS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016.

At its meeting on May 19, 2016, the PEBA Board of Directors adopted an increase in PORS employee and employer contribution rates in the amount of 0.5% effective July 1, 2016, as provided for by the 2016-2017 general appropriations bill.

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

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Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustments in employer and employee contributions adopted by the PEBA Board for the South Carolina Police Officers' Retirement System ("PORS") for the fiscal year beginning July 1, 2016, as provided for by the 2016-2017 general appropriations bill:

1. Increase PORS employee contribution rate from 8.74% to 9.24% and the PORS employer contribution rate from 13.74% to 14.24%.

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**5. What is recommendation of the Authority division involved?** N/A.

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

	Authorized
Office Name	Signature
_____	_____

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**7. Supporting Documents:**

**List those attached:**

- PORS Actuarial Valuation as of July 1, 2015

**List those not attached but available:**

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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: Actuarial Valuation of the Retirement System for Judges and Solicitors (JSRS)

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the Retirement System for Judges and Solicitors ("JSRS"), the employee contribution rate is fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to the plan based upon the actuarial valuation of the plan. See Section 9-8-140 of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for JSRS as of July 1, 2015. Because the valuation found that the currently scheduled employer contribution rate of 47.97% was sufficient to satisfy the plan's funding policy, including maintaining an amortization period not exceeding thirty years for the plan, the PEBA Board was not required to make an adjustment in the employer contribution rate for JSRS for July 1, 2017.

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AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Because there was no adjustment in the employer contribution rate for JSRS for July 1, 2017, from the previously approved rate, there is no action required by the State Fiscal Accountability Authority regarding that rate, and the actuarial valuation for JSRS as of July 1, 2015, is attached solely for the Authority's information.

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ATTACHMENTS:

Agenda item worksheet; Minutes from the December 16, 2015 PEBA Board Meeting; JSRS Actuarial Valuation as of July 1, 2015





# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:  
**June 7, 2016**

**Regular Session**

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**1. Submitted by:**

(a) Agency: Public Employee Benefit Authority ("PEBA")

**(b) Authorized Official Signature:**

\_\_\_\_\_  
Peggy G. Boykin, CPA, Executive Director

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**2. Subject:** Actuarial Valuation of the Retirement System for Judges and Solicitors ("JSRS")

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**3. Summary Background Information:**

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the Retirement System for Judges and Solicitors ("JSRS"), the employee contribution rate is fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to the plan based upon the actuarial valuation of the plan. See Section 9-8-140 of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for JSRS as of July 1, 2015. Because the valuation found that the currently scheduled employer contribution rate of 47.97% was sufficient to satisfy the plan's funding policy, including maintaining an amortization period not exceeding thirty years for the plan, the PEBA Board was not required to make an adjustment in the employer contribution rate for JSRS for July 1, 2017.

---

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Because there was no adjustment in the employer contribution rate for JSRS for July 1, 2017, from the previously approved rate, there is no action required by the State Fiscal Accountability Authority regarding that rate, and the actuarial valuation for JSRS as of July 1, 2015, is attached solely for the Authority's information.

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**5. What is recommendation of the Authority division involved? N/A.**

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

<b>Office Name</b>	<b>Authorized</b>
_____	<b>Signature</b> _____

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## **7. Supporting Documents:**

### **List those attached:**

- Minutes from the December 16, 2015 PEBA Board Meeting.
- JSRS Actuarial Valuation as of July 1, 2015.

### **List those not attached but available:**

## **Meeting Minutes | Board of Directors**

Wednesday, December 16, 2015 | 1 p.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Approved January 21, 2016

**Board Members Present:** Chairman Art Bjontegard, Mr. Frank Fusco, Ms. Stacy Kubu, Mr. Steve Matthews, Vice Chairman Joe "Rocky" Pearce, and Mr. David Tigges

**Board Members Present via Telephone:** Mr. Steve Heisler, Sheriff Leon Lott, Mr. Steve Osborne, Mr. Audie Penn, and Mr. John Sowards

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Ashley Brindle, Tom Cone, Sarah Corbett, Doug Hislop, Ariail Kirk, Heather Muller, Tammy Nichols, Jacalin Shealy, Travis Turner, Stephen Van Camp, Lori Anna Varnadoe, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell, Sam Griswold, and Wayne Pruitt from the State Retirees Association of South Carolina; Beth Lemmonds from Southern Strategies Group, Michael Craig from Novo Nordisk, Inc.; Hank Wall and Wade Mullins from Bruner Powell Wall & Mullins Law Firm; and Thompson Kinney from Milliken Law Firm.

### **I. Call to Order**

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### **II. Adoption of Proposed Agenda**

Chairman Bjontegard stated that the agenda should be amended by removing item four related to the ethics presentation. It was noted that the presenter had an unavoidable conflict, and the presentation will be rescheduled for a later time. Mr. Steve Matthews made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the amended proposed Board meeting agenda.

### **III. Approval of Meeting Minutes- November 18, 2015**

Mr. Matthews made a motion, which was seconded by Mr. David Tigges, and approved unanimously, to adopt the November 18, 2015, meeting minutes as presented.

### **IV. Funston Status Report**

Ms. Sarah Corbett, Chief Operating Officer, provided a high level overview regarding the status of the Funston Advisory Services, LLC (Funston) recommendations. It was noted that Funston identified 113 recommendations for improvement on January 16, 2015, and as of November 30,

2015, PEBA has completed 59 percent of the recommendations in its purview. Ms. Corbett stated that each recommendation was placed in a category that directly ties to the Board's Strategic Action Plan. Ms. Corbett reported that all of the Board level/governance items have been completed.

**V. 2016 PEBA Board and Committee Meeting Dates**

Chairman Bjontegard stated that there are two different 2016 meeting schedules for the Board to review. Schedule A has the Committee and Board meeting dates on the same time frame as the current schedule. Ms. Peggy Boykin, Executive Director, pointed out that with schedule B, the Retirement Policy Committee, and the Finance, Administration, Audit and Compliance (FAAC) Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and the Board meeting will be on the third Thursday of the month. Ms. Boykin also noted that the January and February Retirement Policy Committee meeting dates are dependent upon the actuary's schedule for completing the experience study, and will be determined as soon as possible.

Mr. Matthews made a motion, which was seconded by Ms. Stacy Kubu, and approved unanimously, to adopt the revised 2016 PEBA Board and Committee meeting dates schedule where the Retirement Policy Committee and the FAAC Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and PEBA Board will be on the third Thursday of each month.

**VI. Committee Reports**

**A. Health Care Policy Committee**

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and discussed various State Health Plan (SHP) design changes, possibly moving from grandfathered to non-grandfathered status. Mr. Pearce stated that the Committee would like to design a SHP that is beneficial to members, and focuses on a healthy environment to mitigate long-term plan expenses.

The Committee also received a report from Ms. Sara Martin and Dr. Shawn Stinson with Blue Cross Blue Shield of South Carolina, regarding the meaningful uses of biometric data for the health plan.

**B. Retirement Policy Committee**

Mr. John Sowards reported that the Retirement Policy Committee met on December 2, 2015. Mr. Danny White from Gabriel Roeder Smith & Company (GRS), presented the 2015 Actuarial Valuations, and confirmed that the investment return for fiscal year 2015 was approximately 1.60 percent. Mr. White reported on the projected contribution rates and the unfunded actuarial accrued liability (UAAL) for both the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and the method for amortizing the UAAL. It was noted that the amortization period must not exceed 30 years. Mr. White advised that employer and employee contribution rates for SCRS must increase by three basis points for fiscal year 2018 to maintain a 30-year funding period.

Mr. Sowards stated that the Retirement Committee made a motion to accept the 2015 Actuarial Valuations as information, and adopt the contribution rates set forth therein.

Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. Following further discussion, the motion passed unanimously.

Mr. Sowards reported that Mr. Geoffrey Berg, Acting Chief Investment Officer, and Mr. Mike Hitchcock, Chief Executive Officer, with the South Carolina Retirement System Investment Commission (RSIC), reviewed the asset allocation and investment returns for RSIC. Mr. Hitchcock advised that every asset class and percentage allocation is being challenged to determine the best combination of assets that will provide the maximum opportunity to earn the assumed rate of return of 7.5 percent. Mr. Sowards stated that discussions with RSIC revolved around volatility and risk; standard deviation of returns; minimum cash allocation; the internal investment review process; and benchmarking of investment returns.

Mr. Sowards advised that at the November 18, 2015, Committee meeting, Mr. Mike Orso, with Summit Strategies Group (Summit), presented the Optional Retirement Program (ORP) Fund Line-up. Mr. Sowards advised that on April 1, 2016, each ORP vendor will offer a revised investment menu including zero revenue share investment options. Mr. Sowards reported that each menu is broadly diversified with sufficient asset class coverage, and that the menus meet the ORP Investment Policy Statement (IPS) compliance criteria. Mr. Sowards stated that under the new zero revenue fee structure, each plan becomes more transparent, more equitable, and less expensive due to the vendor basis point charge decreasing.

Mr. Sowards reported that the Committee made a motion to accept the recommendation to approve the ORP investment menu changes and mapping strategy, and to recommend the changes to the Board for final approval. Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. The motion passed unanimously.

**C. Finance, Administration, Audit and Compliance (FAAC) Committee**

Mr. Matthews stated that the FAAC Committee met on December 2, 2015, and Mr. John Page, Director of Internal Audit, introduced Ms. Shawunda Baker, who recently joined the Internal Audit team. Mr. Page presented the Internal Audit Report No. 2015-2 related to investments; the Audit Plan Status Report; and the Internal Audit Quality Assurance Status Report.

Mr. Matthews reported that the Committee also received a strategic plan update.

**VII. Old Business**

**A. Director's Report**

Ms. Boykin, provided the Director's Report, and stated that the 2016 House Ways and Means Healthcare Budget Subcommittee hearing is scheduled for February 3, 2016.

**B. Roundtable Discussion**

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion.

Chairman Bjontegard reported that the Board Strategic Planning Retreat will be held in Wampee, South Carolina, on April 18-19, 2016, and strongly encouraged everyone to attend in person.

**VIII. Executive Session Pursuant to S.C. Code of Laws § 30-4-70(a)(2)**

At 1:48 p.m., Mr. Frank Fusco made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session for the specific purpose of receiving legal advice concerning procurement and the Freedom of information Act, and to discuss the Legislative Audit Council response pursuant to S.C. Code Ann. § 30-4-70(a)(2). The Committee thereupon receded into executive session.

The Committee reconvened in open session at 2:55 p.m. It was noted that no action was taken by the Committee while in executive session.

**IX. Adjournment**

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Tigges, and approved unanimously, the Board meeting adjourned at 2:57 p.m.

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 4

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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: Approval of PEBA Policy Determination for the Retirement System for Members of the General Assembly (GARS)

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the Retirement System for Members of the General Assembly ("GARS"), the employee contribution rate is fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to the plan based upon the actuarial valuation of the plan. See Section 9-9-130 of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for GARS as of July 1, 2015, and adopted the employer contribution of \$4.777 million for the fiscal year beginning July 1, 2017, as recommended therein. This employer contribution is shown as a lump-sum payment because, as a single-employer system with a highly predictable salary base, the contribution is made as a lump-sum rather than as a percentage of covered payroll, like SCRS or PORS. If this GARS employer contribution were reflected as a percentage of covered GARS payroll, the employer contribution would be approximately 204.32% of covered payroll.

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AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustment in employer contributions adopted by the PEBA Board for the Retirement System for Members of the General Assembly ("GARS") for the fiscal year beginning July 1, 2017, based upon the actuarial valuation of the system as of July 1, 2015:

1. Increase GARS employer contribution from \$4.539 million to \$4.777 million.

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ATTACHMENTS:

Agenda item worksheet; Minutes from the December 16, 2015 PEBA Board Meeting; GARS Actuarial Valuation as of July 1, 2015





## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:

Regular Session

June 7, 2016

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### 1. Submitted by:

(a) Agency: Public Employee Benefit Authority ("PEBA")

### (b) Authorized Official Signature:

\_\_\_\_\_  
Peggy G. Boykin, CPA, Executive Director

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2. **Subject:** Approval of PEBA Policy Determination for the Retirement System for Members of the General Assembly ("GARS")

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### 3. Summary Background Information:

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the Retirement System for Members of the General Assembly ("GARS"), the employee contribution rate is fixed by statute, and the PEBA Board is required to annually certify the amount of contributions required from the State as an employer contribution to the plan based upon the actuarial valuation of the plan. See Section 9-9-130 of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for GARS as of July 1, 2015, and adopted the employer contribution of \$4.777 million for the fiscal year beginning July 1, 2017, as recommended therein. This employer contribution is shown as a lump-sum payment because, as a single-employer system with a highly predicable salary base, the contribution is made as a lump-sum rather than as a percentage of covered payroll, like SCRS or PORS. If this GARS employer contribution were reflected as a percentage of covered GARS payroll, the employer contribution would be approximately 204.32% of covered payroll.

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustment in employer contributions adopted by the PEBA Board for the Retirement System for Members of the General Assembly ("GARS") for the fiscal year beginning July 1, 2017, based upon the actuarial valuation of the system as of July 1, 2015:

1. Increase GARS employer contribution from \$4.539 million to \$4.777 million.
-

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**5. What is recommendation of the Authority division involved?** N/A.

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

**Office Name** \_\_\_\_\_ **Authorized Signature** \_\_\_\_\_

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**7. Supporting Documents:**

**List those attached:**

- Minutes from the December 16, 2015 PEBA Board Meeting.
- GARS Actuarial Valuation as of July 1, 2015.

**List those not attached but available:**

## **Meeting Minutes | Board of Directors**

Wednesday, December 16, 2015 | 1 p.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Approved January 21, 2016

**Board Members Present:** Chairman Art Bjontegard, Mr. Frank Fusco, Ms. Stacy Kubu, Mr. Steve Matthews, Vice Chairman Joe “Rocky” Pearce, and Mr. David Tigges

**Board Members Present via Telephone:** Mr. Steve Heisler, Sheriff Leon Lott, Mr. Steve Osborne, Mr. Audie Penn, and Mr. John Sowards

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Ashley Brindle, Tom Cone, Sarah Corbett, Doug Hislop, Ariail Kirk, Heather Muller, Tammy Nichols, Jacalin Shealy, Travis Turner, Stephen Van Camp, Lori Anna Varnadoe, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell, Sam Griswold, and Wayne Pruitt from the State Retirees Association of South Carolina; Beth Lemmonds from Southern Strategies Group, Michael Craig from Novo Nordisk, Inc.; Hank Wall and Wade Mullins from Bruner Powell Wall & Mullins Law Firm; and Thompson Kinney from Milliken Law Firm.

### **I. Call to Order**

Chairman Art Bjontegard called the PEBA Board of Director’s (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### **II. Adoption of Proposed Agenda**

Chairman Bjontegard stated that the agenda should be amended by removing item four related to the ethics presentation. It was noted that the presenter had an unavoidable conflict, and the presentation will be rescheduled for a later time. Mr. Steve Matthews made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the amended proposed Board meeting agenda.

### **III. Approval of Meeting Minutes- November 18, 2015**

Mr. Matthews made a motion, which was seconded by Mr. David Tigges, and approved unanimously, to adopt the November 18, 2015, meeting minutes as presented.

### **IV. Funston Status Report**

Ms. Sarah Corbett, Chief Operating Officer, provided a high level overview regarding the status of the Funston Advisory Services, LLC (Funston) recommendations. It was noted that Funston identified 113 recommendations for improvement on January 16, 2015, and as of November 30,

2015, PEBA has completed 59 percent of the recommendations in its purview. Ms. Corbett stated that each recommendation was placed in a category that directly ties to the Board's Strategic Action Plan. Ms. Corbett reported that all of the Board level/governance items have been completed.

**V. 2016 PEBA Board and Committee Meeting Dates**

Chairman Bjontegard stated that there are two different 2016 meeting schedules for the Board to review. Schedule A has the Committee and Board meeting dates on the same time frame as the current schedule. Ms. Peggy Boykin, Executive Director, pointed out that with schedule B, the Retirement Policy Committee, and the Finance, Administration, Audit and Compliance (FAAC) Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and the Board meeting will be on the third Thursday of the month. Ms. Boykin also noted that the January and February Retirement Policy Committee meeting dates are dependent upon the actuary's schedule for completing the experience study, and will be determined as soon as possible.

Mr. Matthews made a motion, which was seconded by Ms. Stacy Kubu, and approved unanimously, to adopt the revised 2016 PEBA Board and Committee meeting dates schedule where the Retirement Policy Committee and the FAAC Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and PEBA Board will be on the third Thursday of each month.

**VI. Committee Reports**

**A. Health Care Policy Committee**

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and discussed various State Health Plan (SHP) design changes, possibly moving from grandfathered to non-grandfathered status. Mr. Pearce stated that the Committee would like to design a SHP that is beneficial to members, and focuses on a healthy environment to mitigate long-term plan expenses.

The Committee also received a report from Ms. Sara Martin and Dr. Shawn Stinson with Blue Cross Blue Shield of South Carolina, regarding the meaningful uses of biometric data for the health plan.

**B. Retirement Policy Committee**

Mr. John Sowards reported that the Retirement Policy Committee met on December 2, 2015. Mr. Danny White from Gabriel Roeder Smith & Company (GRS), presented the 2015 Actuarial Valuations, and confirmed that the investment return for fiscal year 2015 was approximately 1.60 percent. Mr. White reported on the projected contribution rates and the unfunded actuarial accrued liability (UAAL) for both the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and the method for amortizing the UAAL. It was noted that the amortization period must not exceed 30 years. Mr. White advised that employer and employee contribution rates for SCRS must increase by three basis points for fiscal year 2018 to maintain a 30-year funding period.

Mr. Sowards stated that the Retirement Committee made a motion to accept the 2015 Actuarial Valuations as information, and adopt the contribution rates set forth therein.

Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. Following further discussion, the motion passed unanimously.

Mr. Sowards reported that Mr. Geoffrey Berg, Acting Chief Investment Officer, and Mr. Mike Hitchcock, Chief Executive Officer, with the South Carolina Retirement System Investment Commission (RSIC), reviewed the asset allocation and investment returns for RSIC. Mr. Hitchcock advised that every asset class and percentage allocation is being challenged to determine the best combination of assets that will provide the maximum opportunity to earn the assumed rate of return of 7.5 percent. Mr. Sowards stated that discussions with RSIC revolved around volatility and risk; standard deviation of returns; minimum cash allocation; the internal investment review process; and benchmarking of investment returns.

Mr. Sowards advised that at the November 18, 2015, Committee meeting, Mr. Mike Orso, with Summit Strategies Group (Summit), presented the Optional Retirement Program (ORP) Fund Line-up. Mr. Sowards advised that on April 1, 2016, each ORP vendor will offer a revised investment menu including zero revenue share investment options. Mr. Sowards reported that each menu is broadly diversified with sufficient asset class coverage, and that the menus meet the ORP Investment Policy Statement (IPS) compliance criteria. Mr. Sowards stated that under the new zero revenue fee structure, each plan becomes more transparent, more equitable, and less expensive due to the vendor basis point charge decreasing.

Mr. Sowards reported that the Committee made a motion to accept the recommendation to approve the ORP investment menu changes and mapping strategy, and to recommend the changes to the Board for final approval. Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. The motion passed unanimously.

**C. Finance, Administration, Audit and Compliance (FAAC) Committee**

Mr. Matthews stated that the FAAC Committee met on December 2, 2015, and Mr. John Page, Director of Internal Audit, introduced Ms. Shawunda Baker, who recently joined the Internal Audit team. Mr. Page presented the Internal Audit Report No. 2015-2 related to investments; the Audit Plan Status Report; and the Internal Audit Quality Assurance Status Report.

Mr. Matthews reported that the Committee also received a strategic plan update.

**VII. Old Business**

**A. Director's Report**

Ms. Boykin, provided the Director's Report, and stated that the 2016 House Ways and Means Healthcare Budget Subcommittee hearing is scheduled for February 3, 2016.

**B. Roundtable Discussion**

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion.

Chairman Bjontegard reported that the Board Strategic Planning Retreat will be held in Wampee, South Carolina, on April 18-19, 2016, and strongly encouraged everyone to attend in person.

**VIII. Executive Session Pursuant to S.C. Code of Laws § 30-4-70(a)(2)**

At 1:48 p.m., Mr. Frank Fusco made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session for the specific purpose of receiving legal advice concerning procurement and the Freedom of information Act, and to discuss the Legislative Audit Council response pursuant to S.C. Code Ann. § 30-4-70(a)(2). The Committee thereupon receded into executive session.

The Committee reconvened in open session at 2:55 p.m. It was noted that no action was taken by the Committee while in executive session.

**IX. Adjournment**

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Tigges, and approved unanimously, the Board meeting adjourned at 2:57 p.m.

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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: Approval of PEBA Policy Determination for the National Guard Retirement System (SCNG Plan)

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the National Guard Retirement System ("SCNG Plan"), which does not require employee contributions, the PEBA Board is required to certify the amount of the appropriation required from the State to maintain the plan on a sound actuarial basis as determined by the annual actuarial valuation of the plan. See Section 9-10-60(D) of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for the SCNG Plan as of July 1, 2015, and adopted the employer contribution of \$4.509 million for the fiscal year beginning July 1, 2016, as recommended therein. This employer contribution is shown as a lump-sum payment, rather than as a percentage of covered payroll, because the benefits payable under the SCNG Plan are not connected to payroll, but instead consist of a set stipend based upon years of service alone. PEBA does not collect payroll information on National Guard members, and would not be able to reflect the State employer contribution to the SCNG plan as a percentage of covered payroll.

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AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustment in employer contributions adopted by the PEBA Board for the National Guard Retirement System ("SCNG Plan") for the fiscal year beginning July 1, 2016, based upon the actuarial valuation of the system as of July 1, 2015:

1. Adjust the SCNG Plan employer contribution from \$4.570 million to \$4.509 million.

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ATTACHMENTS:

Agenda item worksheet; Minutes from the December 16, 2015 PEBA Board Meeting; SCNG Plan Actuarial Valuation as of July 1, 2015.





# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:

Regular Session

June 7, 2016

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**1. Submitted by:**

(a) Agency: Public Employee Benefit Authority ("PEBA")

(b) Authorized Official Signature:

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Peggy G. Boykin, CPA, Executive Director

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**2. Subject:** Approval of PEBA Policy Determination for the National Guard Retirement System ("SCNG Plan")

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**3. Summary Background Information:**

Pursuant to the Retirement Code, as amended by Act 278 of 2012, the PEBA Board of Directors is authorized to adopt the necessary employer, and, in certain cases, employee, contribution rates for the five defined benefit plans administered by PEBA based upon the annual valuations of those plans performed by the plans' actuary.

For the National Guard Retirement System ("SCNG Plan"), which does not require employee contributions, the PEBA Board is required to certify the amount of the appropriation required from the State to maintain the plan on a sound actuarial basis as determined by the annual actuarial valuation of the plan. See Section 9-10-60(D) of the Code of Laws.

At the regular meeting of the PEBA Board of Directors on December 16, 2015, the PEBA Board accepted as information the valuation prepared by the Board's actuary, Gabriel Roeder Smith ("GRS"), for the SCNG Plan as of July 1, 2015, and adopted the employer contribution of \$4.509 million for the fiscal year beginning July 1, 2016, as recommended therein. This employer contribution is shown as a lump-sum payment, rather than as a percentage of covered payroll, because the benefits payable under the SCNG Plan are not connected to payroll, but instead consist of a set stipend based upon years of service alone. PEBA does not collect payroll information on National Guard members, and would not be able to reflect the State employer contribution to the SCNG plan as a percentage of covered payroll.

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. Adjustments in employer and employee contribution rates are policy determinations subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the following adjustment in employer contributions adopted by the PEBA Board for the National Guard Retirement System ("SCNG Plan") for the fiscal year beginning July 1, 2016, based upon the actuarial valuation of the system as of July 1, 2015:

1. Adjust the SCNG Plan employer contribution from \$4.570 million to \$4.509 million.

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**5. What is recommendation of the Authority division involved? N/A.**

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

	Authorized
Office Name _____	Signature _____

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**7. Supporting Documents:**

**List those attached:**

- Minutes from the December 16, 2015 PEBA Board Meeting.
- SCNG Plan Actuarial Valuation as of July 1, 2015.

**List those not attached but available:**

## **Meeting Minutes | Board of Directors**

Wednesday, December 16, 2015 | 1 p.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Approved January 21, 2016

**Board Members Present:** Chairman Art Bjontegard, Mr. Frank Fusco, Ms. Stacy Kubu, Mr. Steve Matthews, Vice Chairman Joe “Rocky” Pearce, and Mr. David Tigges

**Board Members Present via Telephone:** Mr. Steve Heisler, Sheriff Leon Lott, Mr. Steve Osborne, Mr. Audie Penn, and Mr. John Sowards

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Ashley Brindle, Tom Cone, Sarah Corbett, Doug Hislop, Ariail Kirk, Heather Muller, Tammy Nichols, Jacalin Shealy, Travis Turner, Stephen Van Camp, Lori Anna Varnadoe, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell, Sam Griswold, and Wayne Pruitt from the State Retirees Association of South Carolina; Beth Lemmonds from Southern Strategies Group, Michael Craig from Novo Nordisk, Inc.; Hank Wall and Wade Mullins from Bruner Powell Wall & Mullins Law Firm; and Thompson Kinney from Milliken Law Firm.

### **I. Call to Order**

Chairman Art Bjontegard called the PEBA Board of Director’s (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### **II. Adoption of Proposed Agenda**

Chairman Bjontegard stated that the agenda should be amended by removing item four related to the ethics presentation. It was noted that the presenter had an unavoidable conflict, and the presentation will be rescheduled for a later time. Mr. Steve Matthews made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the amended proposed Board meeting agenda.

### **III. Approval of Meeting Minutes- November 18, 2015**

Mr. Matthews made a motion, which was seconded by Mr. David Tigges, and approved unanimously, to adopt the November 18, 2015, meeting minutes as presented.

### **IV. Funston Status Report**

Ms. Sarah Corbett, Chief Operating Officer, provided a high level overview regarding the status of the Funston Advisory Services, LLC (Funston) recommendations. It was noted that Funston identified 113 recommendations for improvement on January 16, 2015, and as of November 30,

2015, PEBA has completed 59 percent of the recommendations in its purview. Ms. Corbett stated that each recommendation was placed in a category that directly ties to the Board's Strategic Action Plan. Ms. Corbett reported that all of the Board level/governance items have been completed.

**V. 2016 PEBA Board and Committee Meeting Dates**

Chairman Bjontegard stated that there are two different 2016 meeting schedules for the Board to review. Schedule A has the Committee and Board meeting dates on the same time frame as the current schedule. Ms. Peggy Boykin, Executive Director, pointed out that with schedule B, the Retirement Policy Committee, and the Finance, Administration, Audit and Compliance (FAAC) Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and the Board meeting will be on the third Thursday of the month. Ms. Boykin also noted that the January and February Retirement Policy Committee meeting dates are dependent upon the actuary's schedule for completing the experience study, and will be determined as soon as possible.

Mr. Matthews made a motion, which was seconded by Ms. Stacy Kubu, and approved unanimously, to adopt the revised 2016 PEBA Board and Committee meeting dates schedule where the Retirement Policy Committee and the FAAC Committee will meet on the third Wednesday of each month, and the Health Care Policy Committee and PEBA Board will be on the third Thursday of each month.

**VI. Committee Reports**

**A. Health Care Policy Committee**

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and discussed various State Health Plan (SHP) design changes, possibly moving from grandfathered to non-grandfathered status. Mr. Pearce stated that the Committee would like to design a SHP that is beneficial to members, and focuses on a healthy environment to mitigate long-term plan expenses.

The Committee also received a report from Ms. Sara Martin and Dr. Shawn Stinson with Blue Cross Blue Shield of South Carolina, regarding the meaningful uses of biometric data for the health plan.

**B. Retirement Policy Committee**

Mr. John Sowards reported that the Retirement Policy Committee met on December 2, 2015. Mr. Danny White from Gabriel Roeder Smith & Company (GRS), presented the 2015 Actuarial Valuations, and confirmed that the investment return for fiscal year 2015 was approximately 1.60 percent. Mr. White reported on the projected contribution rates and the unfunded actuarial accrued liability (UAAL) for both the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and the method for amortizing the UAAL. It was noted that the amortization period must not exceed 30 years. Mr. White advised that employer and employee contribution rates for SCRS must increase by three basis points for fiscal year 2018 to maintain a 30-year funding period.

Mr. Sowards stated that the Retirement Committee made a motion to accept the 2015 Actuarial Valuations as information, and adopt the contribution rates set forth therein.

Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. Following further discussion, the motion passed unanimously.

Mr. Sowards reported that Mr. Geoffrey Berg, Acting Chief Investment Officer, and Mr. Mike Hitchcock, Chief Executive Officer, with the South Carolina Retirement System Investment Commission (RSIC), reviewed the asset allocation and investment returns for RSIC. Mr. Hitchcock advised that every asset class and percentage allocation is being challenged to determine the best combination of assets that will provide the maximum opportunity to earn the assumed rate of return of 7.5 percent. Mr. Sowards stated that discussions with RSIC revolved around volatility and risk; standard deviation of returns; minimum cash allocation; the internal investment review process; and benchmarking of investment returns.

Mr. Sowards advised that at the November 18, 2015, Committee meeting, Mr. Mike Orso, with Summit Strategies Group (Summit), presented the Optional Retirement Program (ORP) Fund Line-up. Mr. Sowards advised that on April 1, 2016, each ORP vendor will offer a revised investment menu including zero revenue share investment options. Mr. Sowards reported that each menu is broadly diversified with sufficient asset class coverage, and that the menus meet the ORP Investment Policy Statement (IPS) compliance criteria. Mr. Sowards stated that under the new zero revenue fee structure, each plan becomes more transparent, more equitable, and less expensive due to the vendor basis point charge decreasing.

Mr. Sowards reported that the Committee made a motion to accept the recommendation to approve the ORP investment menu changes and mapping strategy, and to recommend the changes to the Board for final approval. Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. The motion passed unanimously.

**C. Finance, Administration, Audit and Compliance (FAAC) Committee**

Mr. Matthews stated that the FAAC Committee met on December 2, 2015, and Mr. John Page, Director of Internal Audit, introduced Ms. Shawunda Baker, who recently joined the Internal Audit team. Mr. Page presented the Internal Audit Report No. 2015-2 related to investments; the Audit Plan Status Report; and the Internal Audit Quality Assurance Status Report.

Mr. Matthews reported that the Committee also received a strategic plan update.

**VII. Old Business**

**A. Director's Report**

Ms. Boykin, provided the Director's Report, and stated that the 2016 House Ways and Means Healthcare Budget Subcommittee hearing is scheduled for February 3, 2016.

**B. Roundtable Discussion**

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion.

Chairman Bjontegard reported that the Board Strategic Planning Retreat will be held in Wampee, South Carolina, on April 18-19, 2016, and strongly encouraged everyone to attend in person.

**VIII. Executive Session Pursuant to S.C. Code of Laws § 30-4-70(a)(2)**

At 1:48 p.m., Mr. Frank Fusco made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session for the specific purpose of receiving legal advice concerning procurement and the Freedom of Information Act, and to discuss the Legislative Audit Council response pursuant to S.C. Code Ann. § 30-4-70(a)(2). The Committee thereupon receded into executive session.

The Committee reconvened in open session at 2:55 p.m. It was noted that no action was taken by the Committee while in executive session.

**IX. Adjournment**

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Tigges, and approved unanimously, the Board meeting adjourned at 2:57 p.m.

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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: 2016 Actuarial Experience Study of the South Carolina Retirement Systems

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At least once every five years, PEBA's actuary is required to perform an experience study of the South Carolina Retirement Systems. The results of this study are then used to set actuarial assumptions and methodologies for future valuations of the systems performed by the actuary.

On February 12, 2016, PEBA's actuaries at Gabriel Roeder Smith ("GRS") delivered the 2016 Actuarial Experience Study for the period ended June 30, 2015, for the South Carolina Retirement Systems. In the experience study, GRS recommends the adoption of a set of economic assumptions, demographic assumptions, and actuarial methods and policies for use in future valuations of the South Carolina Retirement Systems. With the exception of the assumed rate of return on the systems' investments, these recommended actuarial assumptions and methodologies may be adopted by the PEBA Board, subject to approval by the State Fiscal Accountability Authority (SFAA). Under current law, the assumed rate of return on the systems' investments is set by the General Assembly pursuant to Section 9-16-335 of the Code of Laws. Because the actuaries develop the actuarial assumptions and methods recommended in the experience study as a consistent, comprehensive set of assumptions to be adopted as a cohesive whole, PEBA first forwarded the experience study to the General Assembly so that it could review and, if appropriate, take action on the actuaries' recommended adjustment to the assumed rate of return prior to any action by PEBA on the other assumptions.

As part of that review by the General Assembly, there is pending legislation that would change how the assumed rate of investment return is established, although no legislation has been enacted to date. While the assumed rate of return legislation has been pending at the General Assembly, PEBA has been asked by SFAA to take action on the other actuarial assumptions and methods recommended by the experience study and submit those actions to SFAA for review.

At its meeting on May 19, 2016, the PEBA Board adopted the actuarial assumptions and methodologies recommended by GRS in the 2016 Actuarial Experience Study of the South Carolina Retirement Systems, with the exception of the recommended assumed rate of return for the systems' investments, to be effective for the actuarial valuations of the systems as of July 1, 2016. In addition to the adoption of these recommended assumptions and methods, the PEBA Board also noted that it may be required to take additional action in the future regarding the assumed rate of return on the systems' investments or other methods of valuing the systems' assets, depending upon how the General Assembly's review of the assumed rate of return is resolved.



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AGENCY: Public Employee Benefit Authority (PEBA)

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SUBJECT: 2016 Actuarial Experience Study of the South Carolina Retirement Systems

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AUTHORITY ACTION REQUESTED:

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. The adoption of actuarial assumptions governing the retirement systems is a policy determination subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the adoption of the actuarial assumptions and methodologies recommended by GRS in the attached 2016 Actuarial Experience Study of the South Carolina Retirement Systems, with the exception of the recommended assumed rate of return for the systems' investments, to be effective for the actuarial valuations of the systems as of July 1, 2016.

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ATTACHMENTS:

Agenda item worksheet; 2016 Actuarial Experience Study for the Period ending June 30, 2015

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for:

Regular Session

June 7, 2016

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### 1. Submitted by:

(a) Agency: Public Employee Benefit Authority ("PEBA")

(b) Authorized Official Signature:

Peggy G. Boykin, CPA, Executive Director

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### 2. Subject: 2016 Actuarial Experience Study of the South Carolina Retirement Systems

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### 3. Summary Background Information:

At least once every five years, PEBA's actuary is required to perform an experience study of the South Carolina Retirement Systems. The results of this study are then used to set actuarial assumptions and methodologies for future valuations of the systems performed by the actuary.

On February 12, 2016, PEBA's actuaries at Gabriel Roeder Smith ("GRS") delivered the 2016 Actuarial Experience Study for the period ended June 30, 2015, for the South Carolina Retirement Systems. In the experience study, GRS recommends the adoption of a set of economic assumptions, demographic assumptions, and actuarial methods and policies for use in future valuations of the South Carolina Retirement Systems. With the exception of the assumed rate of return on the systems' investments, these recommended actuarial assumptions and methodologies may be adopted by the PEBA Board, subject to approval by the State Fiscal Accountability Authority (SFAA). Under current law, the assumed rate of return on the systems' investments is set by the General Assembly pursuant to Section 9-16-335 of the Code of Laws. Because the actuaries develop the actuarial assumptions and methods recommended in the experience study as a consistent, comprehensive set of assumptions to be adopted as a cohesive whole, PEBA first forwarded the experience study to the General Assembly so that it could review and, if appropriate, take action on the actuaries' recommended adjustment to the assumed rate of return prior to any action by PEBA on the other assumptions.

As part of that review by the General Assembly, there is pending legislation that would change how the assumed rate of investment return is established, although no legislation has been enacted to date. While the assumed rate of return legislation has been pending at the General Assembly, PEBA has been asked by SFAA to take action on the other actuarial assumptions and methods recommended by the experience study and submit those actions to SFAA for review.

At its meeting on May 19, 2016, the PEBA Board adopted the actuarial assumptions and methodologies recommended by GRS in the 2016 Actuarial Experience Study of the South Carolina Retirement Systems, with the exception of the recommended assumed rate of return for the systems' investments, to be effective for the actuarial valuations of the systems as of July 1, 2016. In addition to the adoption of these recommended assumptions and methods, the PEBA Board also noted that it may be required to take additional action in the future regarding the assumed rate of return on the systems' investments or other methods of valuing the systems' assets, depending upon how the General Assembly's review of the assumed rate of return is resolved.

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

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board

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are subject to approval by the State Fiscal Accountability Authority, as evidenced by a majority vote of the Authority. The adoption of actuarial assumptions governing the retirement systems is a policy determination subject to approval by the Authority. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the State Fiscal Accountability Authority is asked to approve the adoption of the actuarial assumptions and methodologies recommended by GRS in the attached 2016 Actuarial Experience Study of the South Carolina Retirement Systems, with the exception of the recommended assumed rate of return for the systems' investments, to be effective for the actuarial valuations of the systems as of July 1, 2016.

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**5. What is recommendation of the Authority division involved?** N/A.

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

<b>Office Name</b>	<b>Authorized</b>
_____	<b>Signature</b> _____

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**7. Supporting Documents:**

**List those attached:**

- 2016 Actuarial Experience Study for the Period ending June 30, 2015

**List those not attached but available:**

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 7

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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

**Establish Project for A&E Design**

- (a) Summary 6-2016: JBRC Item 1. Medical University of South Carolina  
Project: 9834, Psych Institute Chiller #1 Replacement

CHE Approval: 4/21/16

JBRC Approval: 06/01/16

<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 Deferred Maintenance	0.00	0.00	0.00	23,250.00	23,250.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>23,250.00</u>	<u>23,250.00</u>

Funding Source: \$23,250 Other, Institutional Deferred Maintenance funds, which are operational funds earmarked by the University on an annual basis to address deferred maintenance needs.

Request: Establish project and budget for \$23,250 (Other, Institutional Deferred Maintenance funds) to begin design work to replace chiller #1 at the Psychiatric Institute Building at the Medical University of South Carolina. The existing 250-ton chiller is original to the 62,300-square-foot building and is approximately 39-years-old. It is beyond its useful life and is also undersized. It will be replaced with a new 350-ton unit. In addition, the existing pumps and cooling tower will also be upgraded to match the new chiller's capacity. The agency estimates that the completed project will cost approximately \$1,550,000.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Summary 6-2016: JBRC Item 2. Greenville Technical College  
Project: 6124, Greenville - Building 602 Demolition

CHE Approval: 05/05/16

JBRC Approval: 06/01/16

<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, Local College Plan Fund	0.00	0.00	0.00	39,900.00	39,900.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>39,900.00</u>	<u>39,900.00</u>

Funding Source: \$39,900 Other, Local College Plant Fund, which are funds received by the College primarily from County appropriations that are accumulated over time and used to fund capital projects.

Request: Establish project and budget for \$39,900 (Other, Local College Plan Funds) to begin design work to begin demolition of Building 602 at Greenville Technical College. Phase 1 will also include cost estimates for asbestos abatement, structural demolition, mall façade restoration concept, and design to re-route HVAC chilled water lines supplying tenant spaces on the Building 602 side of McAlister Square. The 130,000-square-foot building was constructed in 1973 and acquired by the College in 1999. It no longer meets building requirements of the City of Greenville, State of SC, or energy efficiency standards. Structural deterioration of the roof is leading to water penetration resulting in mold growth inside the building. The agency reports renovation and restoration costs are excessive based on time to achieve return on investment. Permission to demolish the building has been obtained from the State Engineer's Office. The agency estimates that the completed project will cost approximately \$1,330,000.

#### **Establish Construction Budget**

- (c) Summary 6-2016: JBRC Item 5. College of Charleston  
Project: 9662, Avery Envelope Renovation and Mechanical System Replacement

CHE Approval: 05/05/16

JBRC Approval: 06/01/16

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Project Institutional Funds	18,889.00	0.00	18,889.00	1,533,088.00	1,551,977.00
All Sources	<u>18,889.00</u>	<u>0.00</u>	<u>18,889.00</u>	<u>1,533,088.00</u>	<u>1,551,977.00</u>

Funding Source: \$1,551,977 Other, Capital Project Institutional Funds, which are those revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related bonds issued under Section 59-130-410 through 59-130-510 of the S.C. Code of Laws. The fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The College has had this fee in place since it became a public institution in 1970. The AY2014-15 per semester fee is \$781.

Request: Increase budget to \$1,551,977 (add \$1,533,088 Other, Capital Project Institutional Funds) to begin work to provide for envelope repair and mechanical system replacement for the Avery Research Center for African American History and Culture at the College of Charleston. This project was established in March 2016 for pre-design work, which is now complete. The Avery Research Center is 17,054-gross-square-feet and is approximately 148-years-old. The roof is approximately 17-years-old and is no longer under warranty. The mechanical system being replaced is approximately 16-years-old and no longer controls the temperature and humidity required to properly preserve the important archival and exhibition materials housed within the facility. The repair includes the replacement of the roof; masonry walls repair; removal, repair, resetting, or replacement of windows; and replacement of all exterior sealants. The computer room-style HVAC units, DDC controllers, sensors, central air handlers, and fan coil units will be replaced throughout the building. The agency reports the total projected cost of this project is \$1,551,977 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is January 2017 and for completion of construction is August 2017.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Summary 6-2016: JBRC Item 6. Medical University of South Carolina  
Project: 9831, Parking Garage #1 Structural, Waterproofing and Masonry Repairs

CHE Approval: 03/17/16

JBRC Approval: 06/01/16

<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, Parking Revenue	26,250.00	0.00	26,250.00	1,723,750.00	1,750,000.00
All Sources	26,250.00	0.00	26,250.00	1,723,750.00	1,750,000.00

Funding Source: \$1,750,000 Other, Parking Revenue, which are those funds generated from operation of the University's parking system.

Request: Increase budget to \$1,750,000 (add \$1,723,750 Other, Parking Revenue funds) to begin design and construction to address structural and deferred maintenance issues on floors one through five of the Jonathan Lucas Street Parking Garage at the Medical University of South Carolina to prevent further deterioration of the support structure. This project was established in February 2016 for pre-design work, which is now complete. The 191,670-gross-square-foot garage is approximately 43-years-old and includes 365 parking spaces which are mostly used by hospital patients. The work will repair or replace waterproofing systems, reinforce and repair masonry wall systems, upgrade vehicular impact systems to meet current code, and repair and paint the structure support steel. The agency reports the total projected cost of this project is \$1,750,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is October 2016 and for completion of construction is September 2017.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Summary 6-2016: JBRC Item 7. Department of Mental Health  
Project: 9736, Harris Hospital HVAC and Fire Sprinkler Renovations

CHE Approval: N/A

JBRC Approval: 06/01/16

<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, Capital Improvements, Repair and Maintenance Fund	120,000.00	0.00	120,000.00	10,180,000.00	10,300,000.00
All Sources	<u>120,000.00</u>	<u>0.00</u>	<u>120,000.00</u>	<u>10,180,000.00</u>	<u>10,300,000.00</u>

Funding Source: \$10,300,000 Other, Capital Improvements, Repair, and Maintenance Fund, which are funds authorized pursuant to Proviso 35.10 of FY 2015-16 which may include legal settlements, Medicaid fee for service revenue, and other one-time funding sources.

Request: Increase budget to \$10,300,000 (add \$10,180,000 Other, Capital Improvements, Repair and Maintenance Funds) to begin design and construction for HVAC and fire sprinkler renovations at the Patrick B. Harris Psychiatric Hospital in Anderson, SC. This project was established in December 2014 for pre-design work, which is now complete. The work will replace the 31-year-old HVAC distribution system, which is original to the building, including ductwork, underground chilled water piping, controls, and the energy plant's cooling towers. The existing fire sprinkler system is also original to the building and has experienced failures at piping joints, valves, and fittings. The facility is a 175,300-gross-square-foot acute inpatient hospital with 200 licensed beds. The agency reports the total projected cost of this project is \$10,300,000 with annual operating savings of \$20,000 in year one and \$44,820 in years two and three. The agency also reports the projected date for execution of the construction contract is January 2017 and for completion of construction is December 2018. (See attachment 1 for additional annual operating cost savings.)



AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (f) Summary 6-2016: JBRC Item 8. Department of Mental Health  
Project: 9746, Santee Wateree Mental Health Center Construction

CHE Approval: N/A

JBRC Approval: 06/01/16

<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, Capital Improvements, Repair, and Maintenance Fund	150,000.00	0.00	150,000.00	9,934,000.00	10,084,000.00
Other, Logan Foundation	0.00	0.00	0.00	700,000.00	700,000.00
All Sources	<u>150,000.00</u>	<u>0.00</u>	<u>150,000.00</u>	<u>10,634,000.00</u>	<u>10,784,000.00</u>

Funding Source: \$10,084,000 Other, Capital Improvements, Repair, and Maintenance Fund, which are funds authorized pursuant to Proviso 35.10 of FY 2015-16 which may include legal settlements, Medicaid fee for service revenue, and other one-time funding sources; \$700,000 Other, Logan Foundation, which is a monetary gift from the Myrtis Logan Foundation.

Request: Increase budget to \$10,784,000 (add \$9,934,000 Other, Capital Improvements, Repair and Maintenance, and \$700,000 Other, Logan Foundation Funds) to begin design work and construction of a new mental health center in Sumter County. This project was established in September 2015 for pre-design work, which is now complete. Currently, the existing programs are located in a 13,318-square-foot owned facility and two leased spaces. The owned facility is no longer sufficient to meet the agency's needs and requires a variety of deferred maintenance repairs. Placing the various programs in one consolidated facility will aid in the efficiency of service delivery. The new 35,000-square-foot facility will include space for Adult Outpatient Services; Assertive Community Treatment; Elder Services; Crisis Services; Child, Adolescent, and Family Services; Administration, Training, and Facility Support; and 155 parking spaces. In addition, it will include a stand-alone multi-use center which is being funded by the Myrtis Logan Foundation. The new facility will meet LEED Silver Certification. The agency reports the total projected cost of this project is \$10,784,000 with additional annual operating savings of \$55,075 in year one and \$110,150 in years two and three due largely to the termination of the existing leases and the reduction in maintenance costs attributed to the older facility. The facility was planned at 40,000-square-foot when brought for pre-design. The agency also reports the projected date for execution of the construction contract is November 2016 and for completion

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

of construction is December 2017. (See attachment 2 for additional annual operating cost savings.)

### **Increase Budget**

- (g) Summary 6-2016: JBRC Item 16. Central Carolina Technical College  
Project: 6098, CCTC Industrial Building Renovation

CHE Approval: 04/26/16

JBRC Approval: 06/01/16

<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>
Appropriated State	750,000.00	0.00	750,000.00	0.00	750,000.00
Other, Local Sales Tax	0.00	0.00	0.00	1,000,000.00	1,000,000.00
All Sources	<u>750,000.00</u>	<u>0.00</u>	<u>750,000.00</u>	<u>1,000,000.00</u>	<u>1,750,000.00</u>

Funding Source: \$750,000 Appropriated State; \$1,000,000 Other, Local Sales Tax, which are revenues generated from the 2014 local sales tax referendum.

Request: Increase budget to \$1,750,000 (add \$1,000,000 Other, Local Sales Tax funds) to provide additional funding to renovate the Industrial and Engineering Technology building on the campus of Central Carolina Technical College in Sumter County. The project construction budget was established in November 2014 by Department of Administration staff as the project was legislatively-authorized through non-recurring revenue funds. The project includes the installation of a sprinkler/fire protection system for the entire facility, an upgrade of lighting to improve energy efficiency and quality of program space, an addition of natural gas and exhaust in some lab areas, and additional restroom facilities. The renovation will allow the College to increase enrollment in the automotive, HVAC, and welding programs, as well as workforce development short term program. The College has received \$1,000,000 from the Sumter County 2014 sales tax referendum to continue the renovation project. The agency reports the total projected cost of this project is \$1,750,000 and additional annual operating savings of \$3,000 in utilities costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2016 and for completion of construction is June 2017. (See attachment 3 for additional annual operating cost savings.)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (h) Summary 6-2016: JBRC Item 17. Northeastern Technical College  
 Project: 6114, Industrial Training Center Renovations and Expansion (Bennettsville & Pageland)

CHE Approval: 03/03/16

JBRC Approval: 06/01/16

<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>
Capital Reserve Fund, FY2015-16	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00
Other, Local	0.00	0.00	0.00	400,000.00	400,000.00
All Sources	<u>1,500,000.00</u>	<u>0.00</u>	<u>1,500,000.00</u>	<u>400,000.00</u>	<u>1,900,000.00</u>

Funding Source: \$1,500,000 Capital Reserve Fund of FY 2015-16; \$400,000 Other, Local, which is a \$150,000 donation from the City of Bennettsville and a \$250,000 donation from the Town of Pageland.

Request: Increase budget to \$1,900,000 (add \$400,000 Other, Local funds) to provide additional funding to renovate and construct industrial training facilities at the Northeastern Technical College campus in Bennettsville and Pageland. The project construction budget was established in December 2015 by Department of Administration staff as the project was legislatively-authorized through capital reserve funds. The project includes the renovation of the existing 9,228-square-foot facility in Bennettsville and the construction of a new 10,000-square-foot facility in Pageland to meet the industrial training needs of local industries and to supply the workforce needed to maintain existing jobs as well as future workforce expansion needs due to recent announcements in the area. The College has received \$150,000 from the City of Bennettsville and \$250,000 from the Town of Pageland to continue the project. The agency reports the total projected cost of the project is \$1,900,000 and additional annual operating costs of \$33,500. The agency also reports the date for execution of the construction contract was March 2016 and for completion of construction is December 2016.

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AGENCY: Department of Administration, Executive Budget Office

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SUBJECT: Permanent Improvement Projects

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- (i) Summary 6-2016: JBRC Item 18. Adjutant General  
Project: 9789, Armory Maintenance Repair Projects for 2015-16

CHE Approval: N/A

JBRC Approval: 06/01/16

<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>
Appropriated State (FY15-16 Proviso 118.14)	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00
Federal	0.00	0.00	0.00	1,500,000.00	1,500,000.00
All Sources	<u>1,500,000.00</u>	<u>0.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>3,000,000.00</u>

Funding Source: \$1,500,000 Appropriated State; \$1,500,000 Federal.

Request: Increase budget to \$3,000,000 (add \$1,500,000 Federal) to provide additional funding to complete deferred maintenance repairs of multiple statewide armories. The project construction budget was established in March 2016 by Department of Administration staff as the project was legislatively-authorized through non-recurring revenue funds. The project includes the completion of deferred maintenance in a combined total of 307,541-square-foot servicing over 1,800 soldiers. The systems and buildings range from 35-83 years of age and were included in the list of projects submitted to the General Assembly during the agency's budget hearings. The agency is receiving \$1,500,000 in federal matching funds to complete the maintenance activities. The agency reports the total projected cost of this project is \$3,000,000 and no additional operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2016 and for completion of construction is June 2017.

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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.

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ATTACHMENTS:

Attachments

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

1. AGENCY Code 112 Name South Carolina Department of Mental Health

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

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

☐ COSTS ☒ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019	\$ 20,000.00	\$	\$	\$ 20,000.00
2) 2020	\$ 44,820.00	\$	\$	\$ 44,820.00
3) 2021	\$ 44,820.00	\$	\$	\$ 44,820.00

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.

COST FACTORS		AMOUNT
1. Utility Savings		\$15,000.00
2. Maintenance Savings		5,000.00
3. _____		_____
4. _____		_____
5. _____		_____
6. _____		_____
7. _____		_____
8. _____		_____
TOTAL		\$20,000.00

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

9. Submitted By:  Director, Physical Plant Services 04/08/2016  
 Signature of Authorized Official and Title Date

1.	AGENCY Code	J12	Name	South Carolina Department of Mental Health
2.	PROJECT Project #	9746	Name	Santee Wateree Mental Health Center Construction

☐ COSTS      ☒ SAVINGS      ☐ NO CHANGE

9. Submitted By: \_\_\_\_\_ Director, Physical Plant Services  
Signature of Authorized Official and Title Date

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

1. AGENCY Code H59 Name Central Carolina Technical College
2. PROJECT Project # 6098 Name CCTC Industrial Technology Building renovation

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) 17-18	\$	\$	\$ 3,000.00	\$ 3,000.00
2) 18-19	\$	\$	\$ 3,000.00	\$ 3,000.00
3) 19-20	\$	\$	\$ 3,000.00	\$ 3,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).  
 It is estimated that the upgraded lighting system may save \$3,000 per year. This would reduce the amount of tuition revenue currently being used to fund plant operations and maintenance (since the counties do not fully fund this cost).

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

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

COST FACTORS		AMOUNT
1. Utilities		\$3,000.00
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$3,000.00

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

9. Submitted By: John D. [Signature] VP for Business Affairs March 1, 2016  
 Signature of Authorized Official and Title Date

## Permanent Improvement Project Information for June 7, 2016 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H51-9834	Medical University of SC - Psych Institute Chiller #1 Replacement	N/A	N/A	\$23,250	N/A	No	\$1,550,000
H59-6124	Greenville Tech - Building 602 Demolition	N/A	N/A	\$39,900	N/A	No	\$1,330,000
H15-9662	College of Charleston - Avery Envelope Renovation and Mechanical System Replacement	\$18,889	3/8/16	\$18,889	3/8/16	No	\$1,551,977
H51-9831	Medical University of SC - Parking garage #1 Structural, Waterproofing and Masonry Repairs	\$26,250	1/26/16	\$26,250	1/26/16	Yes	\$1,750,000
J12-9736	Mental Health Department - Harris Hospital HVAC and Fire Sprinkler Renovations	\$120,000	12/8/14	\$120,000	12/8/14	Yes	\$10,300,000
J12-9746	Mental Health Department - Santee Wateree Mental Health Center Construction	\$150,000	9/4/15	\$150,000	9/4/15	Yes	\$10,784,000
H59-6098	Central Carolina Tech - Industrial Building Renovation	\$750,000	11/26/14	\$750,000	11/26/14	No	\$1,750,000
H59-6114	Northeastern Tech - Industrial Training Center Renovations and Expansion (Bennettsville and Pageland)	\$1,500,000	12/14/15	\$1,500,000	12/14/15	Yes	\$1,900,000
E24-9789	Adjutant General - Armory Maintenance Repair Projects for 2015-16	\$1,500,000	3/3/16	\$1,500,000	3/3/16	Yes	\$3,000,000



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

### **Item (a) – Medical University of South Carolina – Psych Institute Chiller #1 Replacement**

The source of funds for pre-design is Other, Institutional Deferred Maintenance funds, which are operational funds earmarked by the University on an annual basis to address deferred maintenance needs.

The source of funds for construction is anticipated to be Other, Institutional Deferred Maintenance Funds.

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

### **Item (b) – Greenville Technical College – Building 602 Demolition**

The source of funds for pre-design is Other, Local College Plant Fund, which are funds received by the College primarily from County appropriations that are accumulated over time and used to fund capital projects.

The source of funds for construction is anticipated to be Other, Local College Plant Fund.

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

### **Item (c) – College of Charleston – Avery Envelope Renovation & Mechanical System Replacement**

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

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

### **Item (d) – Medical University of South Carolina – Parking Garage #1 Structural, Waterproofing and Masonry Repairs**

The source of funds for construction is Other, Parking Revenue, which are those funds generated from operation of the University's parking system.

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

### **Item (g) – Central Carolina Technical College – Industrial Building Renovation**

The source of funds for the budget increase is Other, Local Sales Tax, which are revenues generated from the 2014 local sales tax referendum.

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

### **Item (h) – Northeastern Technical College – Industrial Training Center Renovations and Expansions (Bennettsville & Pageland)**

The source of funds for the budget increase is Other, Local, which are donations from the City of Bennettsville and the Town of Pageland.

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

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Real Property Acquisition

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

- (a) Summary 6-2016: JBRC Item 22. Department of Natural Resources  
Project: 9946, Lancaster/Kershaw – Catawba River/Liberty Hill WMA Property Acquisition

CHE Approval: N/A

JBRC Approval: 06/01/16

<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>
Federal, US Forest Service	0.00	0.00	0.00	2,165,000.00	2,165,000.00
Other, Heritage Land Trust	20,000.00	0.00	20,000.00	672,604.00	692,604.00
Other, SC Conservation Bank	0.00	0.00	0.00	1,500,000.00	1,500,000.00
Other, Duke Energy	0.00	0.00	0.00	1,094,197.00	1,094,197.00
Other, County Water Recreation Fund	0.00	0.00	0.00	250,000.00	250,000.00
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>5,681,801.00</u>	<u>5,701,801.00</u>

Agency: P24 – Department of Natural Resources  
Acreage: ± 1,829 acres  
Location: Eastern shore of the Catawba River extending south to Lake Wateree west of SC Highway 97  
County: Kershaw/Lancaster  
Purpose: Complete the final phase of a habitat protection project.  
Appraised Value: \$6,600,000  
Price/Seller: \$5,681,801 (\$3,107/acre) / The Conservation Fund  
Source of Funds: Federal, US Forest Service; Other, Heritage Land Trust; Other, SC Conservation Bank; Other, Duke Energy; Other, County Water Recreation Fund

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Real Property Acquisition

Project Number: P24-9946  
Environmental Study: Approved  
Building Condition: N/A  
Assessment:  
Additional Annual Op: Operating Costs of \$15,000 annually for the entire property  
Cost/SOF:  
Current Year Property Tax: \$3,421 Kershaw; \$735 Lancaster

Historical Ownership Information		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
The Conservation Fund	12/10/2013	\$2,660/acre
Greenwood Development Corporation	8/6/2006	\$7,765/acre
Southern Power Company/Duke Power	1907	Not Provided

**Request:** Acquire approximately 1,829 acres of land in Lancaster and Kershaw Counties by the Department of Natural Resources. The project was established in June 2015 to procure preliminary studies required to adequately evaluate property prior to purchase, which are now complete. The property is adjacent to the agency's Liberty Hill Wildlife Management Area and is part of an overall acquisition plan for the larger Catawba Wildlife Management Area. The property is being offered to the agency by the Conservation Fund, an environmental non-profit, tax-exempt charity. Acquisition of this property will protect land containing habitats for deer, quail, small game, and turkey. After the property is acquired, it will be managed as part of the Catawba River WMA and will be open to the public for fishing, hunting, hiking, and wildlife viewing. The property has been appraised for \$6,600,000 and the seller has agreed to sell for \$5,681,801. The Executive Budget Office has reviewed the appraisal and environmental study and approves their use in granting this request. The agency reports the total projected cost of this project, including investigative studies, is \$5,701,801 and additional annual operating costs of \$15,000 will result from the acquisition. The agency reports the projected date of completion of the land acquisition is July 2016.

**AUTHORITY ACTION REQUESTED:**

Approve the real property acquisition for the Department of Natural Resources as requested by the Department of Administration, Executive Budget Office.

**ATTACHMENTS:**

Agenda item worksheet and attachments

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 7, 2016

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

  
Brenda Hart, Director, Executive Budget Office

2. Subject: Real Property Acquisitions

3. Summary Background Information:

- (a) Summary 6-2016: JBRC Item 22. Department of Natural Resources  
Project: 9946, Lancaster/Kershaw – Catawba River/Liberty Hill WMA Property Acquisition

CHE Approval: N/A

JBRC Approval: 06/01/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Federal, US Forest Service	0.00	0.00	0.00	2,165,000.00	2,165,000.00
Other, Heritage Land Trust	20,000.00	0.00	20,000.00	672,604.00	692,604.00
Other, SC Conservation Bank	0.00	0.00	0.00	1,500,000.00	1,500,000.00
Other, Duke Energy	0.00	0.00	0.00	1,094,197.00	1,094,197.00
Other, County Water Recreation Fund	0.00	0.00	0.00	250,000.00	250,000.00
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>5,681,801.00</u>	<u>5,701,801.00</u>

Agency:	P24 – Department of Natural Resources
Acreage:	± 1,829 acres
Location:	Eastern shore of the Catawba River extending south to Lake Wateree west of SC Highway 97
County:	Kershaw/Lancaster
Purpose:	Complete the final phase of a habitat protection project.
Appraised Value:	\$6,600,000
Price/Seller:	\$5,681,801 (\$3,107/acre) / The Conservation Fund
Source of Funds:	Federal, US Forest Service; Other, Heritage Land Trust; Other, SC Conservation Bank; Other, Duke Energy; Other, County Water Recreation Fund

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Project Number:	P24-9946
Environmental Study:	Approved
Building Condition Assessment:	N/A
Additional Annual Op Cost/SOF:	Operating Costs of \$15,000 annually for the entire property
Current Year Property Tax:	\$3,421 Kershaw; \$735 Lancaster

Historical Ownership Information		
<u>Owner/Purchaser</u>	<u>Date</u>	<u>Price</u>
The Conservation Fund	12/10/2013	\$2,660/acre
Greenwood Development Corporation	8/6/2006	\$7,765/acre
Southern Power Company/Duke Power	1907	Not Provided

**Request:** Acquire approximately 1,829 acres of land in Lancaster and Kershaw Counties by the Department of Natural Resources. The project was established in June 2015 to procure preliminary studies required to adequately evaluate property prior to purchase, which are now complete. The property is adjacent to the agency's Liberty Hill Wildlife Management Area and is part of an overall acquisition plan for the larger Catawba Wildlife Management Area. The property is being offered to the agency by the Conservation Fund, an environmental non-profit, tax-exempt charity. Acquisition of this property will protect land containing habitats for deer, quail, small game, and turkey. After the property is acquired, it will be managed as part of the Catawba River WMA and will be open to the public for fishing, hunting, hiking, and wildlife viewing. The property has been appraised for \$6,600,000 and the seller has agreed to sell for \$5,681,801. The Executive Budget Office has reviewed the appraisal and environmental study and approves their use in granting this request. The agency reports the total projected cost of this project, including investigative studies, is \$5,701,801 and additional annual operating costs of \$15,000 will result from the acquisition. The agency reports the projected date of completion of the land acquisition is July 2016.

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

Consider approval of the property acquisition as requested.

---

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

Consider approval of the property acquisition requested.

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

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

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**7. List of Supporting Documents:**

**Attached:**

1. Code Section 1-11-65
2. Map of Site Location
3. Appraisal Letter
4. Environmental Results Summary
5. Letter from Institution Requesting Approval of Acquisition
6. Property Acquisition Information Format

**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).

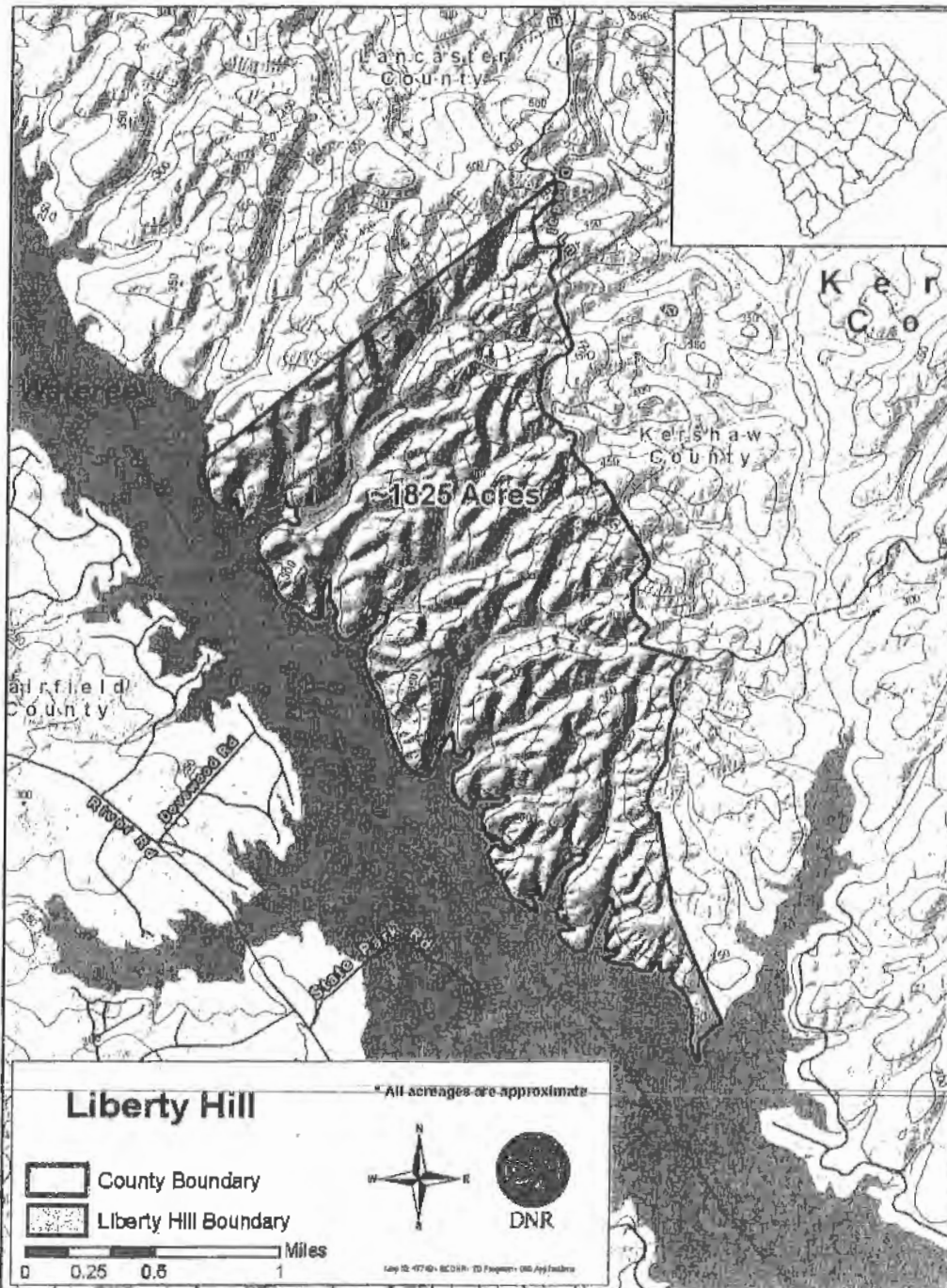
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## EXHIBITS

CONTINUED

CHS150247

### TOPO MAP





# LETTER OF TRANSMITTAL

## COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES



501 Wando Park Blvd, Suite 110  
Mt Pleasant, SC 29464 USA  
254/411 643 284 3000  
FAX 411 643 284 3001  
www.berrycolliers.com

June 17, 2015

Ken Prosser  
Assistant Deputy Director  
SC Department of Natural Resources,  
1000 Assembly Street  
Columbia, SC 29201

**RE: Liberty Hill, Southern Tract**  
Lake Wateree, Near SC Highway 87  
Liberty Hill, South Carolina 29074

Colliers File #: CHS150247

Dear Mr. Prosser:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by SC Department of Natural Resources, and Colliers International Valuation & Advisory Services.

The date of this report is June 17, 2015. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by USPAP Standards Rule 2-2(a). My appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses. The appraisal has also been prepared in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	May 27, 2015	\$6,600,000

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon my interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Appraisal Standards for Federal Land Acquisitions.

## LETTER OF TRANSMITTAL

CONTINUED

CHS150247

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. USPAP defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". USPAP defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

### EXTRAORDINARY ASSUMPTIONS

1. It is assumed that the subject contains 1,825 acres.
2. It is assumed that there are no hunt club leases on the property or private third party interests.

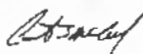
### HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Respectfully Submitted,

### COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES



Digitally signed by Curt S McCall  
DN: cn=Curt S McCall, o=Colliers  
International, ou=Managing  
Director,  
email=curtmccall@colliers.com,  
c=US  
Date: 2015.08.17 17:22:40 -0400

Curtis S. McCall, Jr., CRE, MAI  
Managing Director  
Certified General Real Estate Appraiser  
State of South Carolina License #305  
+1 843 284 3000  
curt.mccall@colliers.com

E1528-06, and ASTM E1527-05 were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have revealed no obvious evidence of environmental concerns as previously noted in Section C, subsection 2.1.1. Therefore, no Phase II Environmental Site Assessment is recommended at this time provided the items noted as *removal recommended* are decided upon by the owner and client.

## **I. OPINION**

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessment and/or investigations are recommended. Refer to Section C, subsection 2.1.1.

## **J. CONCLUSIONS**

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection. Refer to Section C, subsection 2.1.1.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-05 and E1528-06 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed evidence of recognized environmental concerns in connection with the property as noted above.

## **K. DEVIATIONS**

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

## **L. ADDITIONAL SERVICES**

### **1. Archeological Sites**

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

South Carolina Department of  
**Natural Resources**



**DNR**

Alvin A. Taylor  
Director

April 11, 2016

Mr. Brian Gaines  
Executive Budget Office / Capital Budgeting Unit  
1205 Pendleton Street, Ste 529  
Columbia, SC 29201-3757

**RE: 9946 -Lancaster/Kershaw-Catawba River/Liberty Hill WMA Property Acquisition - Phase II**

Dear Mr. Gaines:

Please accept this letter as the SC Department of Natural Resources request for approval from the Joint Bond Review Committee and State Fiscal Accountability Authority to finalize acquisition of approximately 1,829 acres of land in Lancaster and Kershaw counties that adjoins the Agency's Catawba River/Liberty Hill Wildlife Management Area (WMA). This property is offered to the SC Department of Natural Resources (DNR) by The Conservation Fund, an environmental non-profit, tax exempt charity with a purchase price of \$5,681,801. The property has an appraised value of \$6,600,000.

This project represents the second and final phase of land acquisitions for the Catawba River/Liberty Hill WMA. The Department is funding the purchase from five sources, (1) \$2,165,000 US Forest Service Grant, (2) \$1,500,000 SC Conservation Bank Grant, (3) \$1,091,197 Duke Energy contribution as part of the Catawba-Wateree Hydroelectric Comprehensive Relicensing Agreement, (4) \$672,604 in Heritage Land Trust Funds and (5) \$250,000 in Kershaw County Water Recreation Resource Funds. Letters of support have been obtained from Kershaw and Lancaster County School Boards, County Councils and Legislative Delegations.

Acquisition of this property will protect land containing stands of hardwood coves, loblolly pines, open meadows and granite ridges, all of which support habitat for deer, quail, small game and turkey. After the property is acquired, it will be managed as part of Catawba River/Liberty Hill WMA and will be open to the public for fishing, hunting, hiking, wildlife viewing and the general enjoyment of the outdoors.

Sincerely,

Scott B. Speares  
Assistant Deputy Director, Administration

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Attachments: A-1 , Project 9946

A-49, Project 9946

Project Budget Sheet

Dept of Administration Property Information Form

Dept of Administration Request to Acquire Real Property Form

US Forest Service Grant Award

SC Conservation Bank Grant Award

Duke Energy Funding Commitment

Kershaw County Delegation Water Recreation Funds Authorization

School Board letters of support (Kershaw and Lancaster Counties)

County Council letters of support (Kershaw and Lancaster Counties)

County Legislative Delegation letters of support (Kershaw and Lancaster Counties)

Appraisal Report

Phase I Environmental Site Assessment

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DEPARTMENT OF ADMINISTRATION PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9946
2. COUNTY: Kershaw/Lancaster County
3. DESCRIPTION: Fee-simple acquisition of approximately 1,829 acres of undeveloped land along the Catawba River in Kershaw and Lancaster Counties.
4. GRANTOR(S): The Conservation Fund, 1655 N. Fort Myer Drive, Suite 1300, Arlington, VA 22209
5. GRANTEE(S): South Carolina Department of Natural Resources, 1000 Assembly Street, PO Box 167, Columbia, SC 29202
6. COUNTY LOCATION: Eastern shore of the Catawba River extending south to Lake Wateree west of SC Highway 97 in the Liberty Hill Community.
7. ACREAGE: Approximately 1,829 acres.
8. PURPOSE/PROJECT: Complete the final phase of a habitat protection project involving the acquisition of approximately 1,829 acres adjoining the DNR's Catawba River/Liberty Hill Wildlife Management Area (WMA). The property borders the south side of DNR land in Lancaster County and extends south along the Catawba River to Lake Wateree in Kershaw County. It contains hardwood coves, loblolly pine ridges, open meadows, and granite outcrops. The tract includes approximately 8 miles of river frontage and provides habitat for deer, turkey, quail, and small game species. After it is acquired, the property will be open to the public for an array of compatible uses, including but not limited to hunting, fishing, hiking, viewing wildlife, and enjoying nature. The acquisition will complete the Liberty Hill project.
9. NEED TO ACQUIRE PROPERTY: See above. Acquisition of the property will continue conservation efforts along the Catawba River via conservation easements and fee simple acquisitions.
10. PURCHASE PRICE: \$5,681,801
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$3,421 (Kershaw County)  
\$ 735 (Lancaster County)

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## DEPARTMENT OF ADMINISTRATION PROPERTY INFORMATION

### Part II

1. HOW MANY SITES WERE EVALUATED? Numerous sites are evaluated throughout the year for participation in DNR's Heritage Trust and Wildlife Management Area Programs.
  2. SELECTION CRITERIA USED TO EVALUATE SITES? Eligibility criteria for the Heritage Trust Program and Forest Legacy Program were used to evaluate the site. They include forest production potential, fish and wildlife habitat values, threatened and endangered species values, water quality issues, level of conversion threat, and links to other habitat protection initiatives.
  3. HOW WAS THE FINAL SELECTION MADE? Approval by the Heritage Trust Advisory Board and the DNR Board.
  4. WHY WAS THIS SPECIFIC SITE SELECTED? Over the years, DNR has maintained an interest in protecting the Catawba River corridor. Acquisition of the land will safeguard a large area of upland and wetland habitat containing numerous wildlife, non-game, and aquatic species. Also, it will provide outdoor recreation opportunities to the public and expand an area currently owned by DNR.
  5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROEPRTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. N/A
  6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. Annual operating costs will be approximately \$15,000. Anticipated sources of funds will be license revenue and federal funds.
  7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A
-

AGENCY: Department of Administration, Real Property Services

SUBJECT: Medical University of South Carolina Lease – 125 Doughty Street

The Medical University of South Carolina (MUSC) requests approval to continue leasing 11,494 usable square feet located at 125 Doughty Street in Charleston from Roper MOB, LLC for office and research space for faculty, professional, and support staff for its Department of Psychiatry, Clinical Neurosciences Division-Drug Abuse Research Training (DART) program, Women's Health Center, and Southeastern Clinical and Translational Research Institute (SCTR). The facility houses 77 permanent staff and includes exam rooms, conference rooms, and interview rooms for faculty, students, and research participants to meet in compliance with state and federal health privacy requirements.

A solicitation was conducted for space adjacent to campus as occupants coordinate on a daily basis with on-site employees, patients, and research participants within the MUSC Institute of Psychiatry. It is essential that the leased space for the Department of Psychiatry be adjacent to the campus and near the Institute of Psychiatry for accessibility of the faculty, staff, students, and patients. As such, specific outreach to properties available in the area was conducted; however, only one proposal was received for the selected location.

The current lease rate is \$28.17 per usable square foot and expires on June 24, 2016. The new lease term will be five (5) years commencing on June 25, 2016. The landlord shall provide \$86,205 for upfitting costs. Four (4) parking spaces in the deck of the building are included. All other parking is accommodated through the MUSC Parking System. Base rent (\$16.41) and operating expenses (\$13.31) will be \$29.72 per usable square foot for the first period of the lease. Beginning on January 1, 2017 and continuing on January 1<sup>st</sup> of each year thereafter during the Lease Term ("Adjustment Date"), the Base Rent shall increase by three percent (3%) per annum. Annual operating expense increases, if applicable, will also occur on the Adjustment Date subject to a cap of five percent (5%) per annum. The chart below reflects the maximum amount MUSC could pay over the term of the lease for rent and operating expenses:

Period	Base Rent	Op EX	Total PSF	Total
June 25, 2016-December 31, 2016	\$16.41	\$13.31	\$29.72	\$177,820.05
January 1, 2017-December 31, 2017	\$16.90	\$13.98	\$30.88	\$354,934.72
January 1, 2018-December 31, 2018	\$17.41	\$14.68	\$32.09	\$368,842.46
January 1, 2019-December 31, 2019	\$17.93	\$15.41	\$33.34	\$383,209.96
January 1, 2020-December 31, 2020	\$18.47	\$16.18	\$34.65	\$398,267.10
January 1, 2021-June 24, 2021	\$19.02	\$16.99	\$36.01	\$198,444.75
TOTAL				\$1,881,519.04



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AGENCY: Department of Administration, Real Property Services

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SUBJECT: Medical University of South Carolina Lease – 125 Doughty Street

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The following chart represents comparable lease rates of similar space near the MUSC Campus:

Location	Tenant	Rent Rate/SF
215 East Bay Street	Vacant	\$35.00
40 Calhoun Street	Vacant	\$34.50-\$40.00
55 Bee Street	MUSC	\$35.39
360 Concord Street	College of Charleston	\$31.50
701 East Bay Street	Clemson University	\$34.59

Above rates are subject to base rent and operating expense escalations over the term.

Additionally, the CBRE 2016 Q1 Marketview Report for Charleston Office space indicates a current average asking rate of \$33.84/SF in the Charleston Business District and notes that these rates are expected to rise by the end of 2016. The Colliers 2016 Q1 Research & Forecast Report indicates a current average asking rate of \$35.51/SF in downtown Charleston and also notes that rates are projected to increase.

Lease payments will be funded through Institutional Commitment Funds from SCTR and grant funds through Clinical Neurosciences DART and the Department of Psychiatry. MUSC has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to a Budget Approval Form submitted by MUSC. The lease was approved by the MUSC Board of Trustees on April 8, 2016, by the Commission on Higher Education on May 5, 2016, and by JBRC on June 1, 2016.

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AUTHORITY ACTION REQUESTED:

Approve the proposed lease for the Medical University of South Carolina at 125 Doughty Street in Charleston, as requested by the Department of Administration, Real Property Services.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC Letter Dated May 15, 2016

## STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 7, 2016

Regular Agenda

**1. Submitted by:**

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



Ashlie Lancaster  
Real Property Services

**2. Subject:** Medical University of South Carolina Lease-125 Doughty Street

**3. Summary Background Information:**

The Medical University of South Carolina (MUSC) requests approval to continue leasing 11,494 usable square feet located at 125 Doughty Street in Charleston from Roper MOB, LLC for office and research space for faculty, professional, and support staff for its Department of Psychiatry, Clinical Neurosciences Division-Drug Abuse Research Training (DART) program, Women's Health Center, and Southeastern Clinical and Translational Research Institute (SCTR). The facility houses 77 permanent staff and includes exam rooms, conference rooms, and interview rooms for faculty, students, and research participants to meet in compliance with state and federal health privacy requirements.

A solicitation was conducted for space adjacent to campus as occupants coordinate on a daily basis with on-site employees, patients, and research participants within the MUSC Institute of Psychiatry. It is essential that the leased space for the Department of Psychiatry be adjacent to the campus and near the Institute of Psychiatry for accessibility of the faculty, staff, students, and patients. As such, specific outreach to properties available in the area was conducted; however, only one proposal was received for the selected location.

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**4. What is the Authority asked to do?** Approve the proposed lease for the Medical University of South Carolina at 125 Doughty Street in Charleston.

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**5. What is recommendation of the Department of Administration?** Approve the proposed lease for the Medical University of South Carolina at 125 Doughty Street in Charleston.

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**6. List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated May 15, 2016

**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) .



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

May 15, 2016

Ashlie Lancaster  
Innovations Director  
Office of the Executive Director  
Department of Administration  
1200 Senate Street, Suite 460  
Columbia, SC 29201

RE: 125 Doughty Street #CL002721

Dear Ms. Lancaster:

The Medical University of South Carolina request approval by the Joint Bond Review Committee (JBRC) at its meeting on June 1, 2016 and the State Fiscal Accountability Authority (SFAA) at its meeting on June 7, 2016, for the lease extension of 125 Doughty Street in Charleston South Carolina. Real Property Services conducted a solicitation and the response from Lillibridge; its management company is attached.

The Medical University of South Carolina Board of Trustees approved the lease renewal of 125 Doughty Street at its April 8<sup>th</sup> meeting. The South Carolina Commission on Higher Education will present this renewal before its May 5<sup>th</sup> meeting.

**Proposed Renewal Terms:**

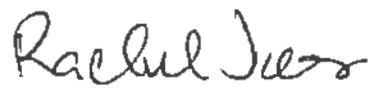
Landlord:	Roper MOB, LLC
Square Footage:	11,494
Lease Term:	5 Years [6/25/2016-6/24/2021]
Improvement Allowance:	\$86,205.00

**Annual Rent:**

Period	Base Rent	Op EX	Total PSF	Total
June 25, 2016-December 31, 2016	\$16.41	\$13.31	\$29.72	\$177,820.05
January 1, 2017-December 31, 2017	\$16.90	\$13.98	\$30.88	\$354,934.72
January 1, 2018-December 31, 2018	\$17.41	\$14.68	\$32.09	\$368,842.46
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January 1, 2020-December 31, 2020	\$18.47	\$16.18	\$34.65	\$398,267.10
January 1, 2021-June 24, 2021	\$19.02	\$16.99	\$36.01	\$198,444.75
<b>TOTAL</b>				<b>\$1,881,519.04</b>

Extended Terms: To be negotiated

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel Jones", with a stylized flourish at the end.

Rachel K. Jones  
Leasing Manager



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AGENCY: University of South Carolina

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SUBJECT: Not Exceeding \$26,000,000 Aggregate Principal Amount Athletic Facilities Revenue Refunding Bonds of the University of South Carolina; and Authorizing the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes Pending the Issuance of the Athletic Facilities Revenue Bonds

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding 26,000,000 Athletic Facilities Revenue Refunding Bonds, of the University of South Carolina.

The proceeds of the bonds will be used to (i) provide the amount necessary, together with other funds available to the University, to pay the costs of advance refunding its Athletic Facilities Revenue Bonds, Series 2008A, maturing May 1, 2019, to and including May 1, 2038; (ii) funding the Series 2016A Debt Serve Reserve Fund, if any, or purchasing a debt service reserve fund substitute if any; and (iii) paying certain costs and expenses relating to the issuance of the Series 2016A Bonds, including a municipal bond insurance premium, if any.

---

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$26,000,000 Aggregate Principal Amount Athletic Facilities Revenue Refunding Bonds of the University of South Carolina; and authorizing the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes pending the issuance of the Athletic Facilities Revenue Bonds.

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ATTACHMENTS:

Corley 4/29/16 letter; Resolution; Summary of Refinancing

April 29, 2016

O. Wayne Corley

wcorley@mcnair.net  
T 803 799.9800  
F 803 753 3278

**VIA HAND DELIVERY**

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

Re: \$26,000,000 Athletic Facilities Revenue Bonds, Refunding Series 2016A

Dear Delbert:

Attached is a resolution relating to the above bonds that the University of South Carolina shall appreciate being considered by the State Fiscal Accountability Authority at its June 7, 2016 meeting.

As always, thank you for your most capable assistance and, should you need anything further, please let me know.

Sincerely,

McNAIR LAW FIRM, P.A.



O. Wayne Corley

OWC/snl

Enclosure

cc: Robert MacDonald

McNAIR LAW FIRM, P.A.  
1221 Main Street  
Suite 1800  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

## A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$26,000,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE REFUNDING BONDS OF THE UNIVERSITY OF SOUTH CAROLINA THE PROCEEDS OF WHICH WILL BE USED TO ADVANCE REFUND CERTAIN OF THE UNIVERSITY'S OUTSTANDING ATHLETIC FACILITIES REVENUE BONDS, SERIES 2008, AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE ATHLETIC FACILITIES REVENUE BONDS.

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

### ARTICLE I

#### FINDINGS OF FACT

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

#### Section 1.01

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

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

(c) The Board of Trustees adopted at its regularly scheduled meeting on April 22, 2016, a Series Resolution entitled: "SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, IN ONE OR MORE SERIES, TO BE DESIGNATED REFUNDING SERIES 2016A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$26,000,000; AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO" (the "Series 2016A Resolution"), attached hereto as Exhibit B.

(d) The Series 2016A Resolution authorizes the uses of the proceeds of the Series 2016A Bonds for the purposes of: (i) providing the amount necessary, together with other funds available to the University, to pay the costs of advance refunding its Athletic Facilities Revenue Bonds, Series 2008A, maturing May 1, 2019 to and including May 1, 2038; (ii) funding the Series 2016A Debt Service Reserve Fund, if any, or purchasing a debt service reserve fund substitute, if any; and (iii) paying certain costs and expenses relating to the issuance of the Series 2016A Bonds, including a municipal bond insurance premium, if any.

(e) The Board of Trustees has now determined that it is in the interest of the University to request the Authority to approve at this time the issuance of not exceeding \$26,000,000 Athletic Facilities Revenue Bonds, Refunding Series 2016A (the "Series 2016A Bonds") of the University, the proceeds of which will be used, together with other funds of the University to advance refund the University's Athletic Facilities Revenue Bonds, Series 2008A, maturing May 1, 2019 to and including May 1, 2038.

#### Section 1.02

The Bond Resolution and the Series 2016A Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

#### Section 1.03

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

#### Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2016A Resolution.

## ARTICLE II

### AUTHORIZATION TO ISSUE AND SELL THE SERIES 2016A BONDS AND BOND ANTICIPATION NOTES

#### Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2016A Bonds in the principal amount not exceeding \$26,000,000 at public sale or negotiated sale as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2016A Resolution.

#### Section 2.02

The Authority also hereby approves and authorizes the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes, at public sale or negotiated sale, as authorized by the Board of Trustees in Article IX of, and in the manner and under the conditions provided in, the Series 2016A Resolution, in anticipation of the issuance of the Series 2016A Bonds, should the Chief Financial Officer of the University and the State Treasurer determine that it would be in the interest of the University to issue such Bond Anticipation Notes in anticipation of the issuance of the Series 2016A Bonds.

#### Section 2.03

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

Dated: June \_\_, 2016.

Summary of Refinancing Proposal for  
University of South Carolina  
Related to  
Athletic Facilities Refunding Revenue Bonds, Series 2016A

PRELIMINARY – SUBJECT TO CHANGE

May 2, 2016

Outstanding bonds proposed to be refinanced	All or portions of certain maturities due May 1, 2019 through May 1, 2038 totaling \$24,040,000 of an original issuance of \$27,395,000 Athletic Facility Revenue Bonds, Series 2008A of the University of South Carolina
---	---

Average interest rate of bonds refinanced	5.40%
Projected average interest rate of refinancing bonds	3.06%
True interest cost of refinancing bonds	3.06%
Projected net present value savings (net of costs)	\$3,889,000
Projected net present value savings as a percentage of the bonds refinanced	16.18%

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)

Underwriting	\$100,100 (0.39% / 2.57%)
Legal fees – bond, disclosure and general counsel	\$45,500 (0.18% / 1.17%)
Rating agency fees	\$32,000 (0.12% / 0.82%)
Advisory fees	N/A
Bond trustee/registrar	\$9,250 (0.04% / 0.24%)
Accounting and verification	\$3,000 (0.01% / 0.08%)
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	\$27,000 (0.10% / 0.69%)
Total	\$216,850 (0.83% / 5.58%)

Prepared by: University of South Carolina  
Date: May 2, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 04/22/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H270 Issuer: University of South Carolina Series: 2016A  
Borrower (if not Issuer): University of South Carolina Amount: \$26,000,000.00  
Bond Caption: Athletic Facility Revenue Refunding Bonds - 2016A

**Initial/Current Version:****ISSUER**

NAME: University of South Carolina  
BY: Charles D. FitzSimons  
ITS: Director of Capital Budgets &  
DATE: 4/22/2016

**Final:****ISSUER**

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

### 2. FINANCING (NEW PORTION)

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

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bldg	Est Yield of Refunding Bldg	Est NPV Savings (\$)	Est NPV Savings (% of Bldg)
Ath Fac Rev - 2008A	5/1/19-5/1/38	\$ 24,040,000.00	4.00% - 5.50%	.74% - 3.05%	\$ 3,889,000.00	16.40%
Total		\$ 24,040,000.00	4.00% - 5.50%	.74% - 3.05%	\$ 3,889,000.00	16.40%

### 4. FINANCING WORKING GROUP

Financial Advisor: \_\_\_\_\_ Disclosure Counsel: Howell, Linkous & Nettles  
Bond Counsel: McNair Issuer's Counsel: \_\_\_\_\_  
Underwriter: Barclays Other: Nexsen Pruet  
Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

This project is for the refunding of callable 2008A Athletic Facilities Revenue Bonds. Substantial interest savings can be achieved based on current market conditions. Estimates are based on projections prepared by Barclays (underwriter)

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approval		Notes:
Issuer/Borrower Approval:	04/22/16	
JBRC Approval:	00/00/00	
SFAA Approval:	06/07/16	

Project Approval - Phase II (State Engineer's Info)		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

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

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

Yes	No
	X

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

	X
--	---

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
\$ 26,000,000.00	6/30/2017	Majority of proceeds to be disbursed at closing.
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 26,000,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 26,000,000.00	\$	Project Fund
(2) Issuer Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 24,040,000.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 216,850.00	Cost of Issuance (Incl. UW Disc.)
<b>Residual Project Sources</b>		\$ 1,743,150.00	Market Conditions Contingency
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
<b>Total Project Budget (Sources)</b>	\$ 26,000,000.00	\$ 26,000,000.00	<b>Total Project Budget (Uses)</b>
<b>Surplus/Deficit</b>		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	McNair			\$ 26,000.00	\$	\$ 26,000.00
Disclosure Counsel	Howell, Linthous & Nettles			\$ 13,000.00	\$	\$ 13,000.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel	Neyssen Puet			\$ 6,500.00	\$	\$ 6,500.00
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 32,000.00	\$	\$ 32,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 100,100.00	\$	\$ 100,100.00
Registrar / Paying Agent				\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$ 1,750.00	\$	\$ 1,750.00
Accountant				\$	\$	\$
Verification Agent				\$ 3,000.00	\$	\$ 3,000.00
Printing				\$ 2,000.00	\$	\$ 2,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 25,000.00	\$	\$ 25,000.00
Other				\$	\$	\$
				\$ 216,850.00	\$	\$ 216,850.00

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

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

0.00%	0.00%
0.10%	0.00%
0.18%	0.00%
0.12%	0.00%

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

0.39%	0.00%
0.15%	0.00%
0.83%	0.00%



STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 11

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AGENCY: University of South Carolina

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SUBJECT: Not Exceeding \$81,000,000 University of South Carolina Higher Education  
Refunding Revenue Bonds, Series 2016A

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$81,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2016A.

The proceeds of the bonds will be used to (i) refund (1) all or a portion of the University's Higher Education Revenue Bonds, 2008A, outstanding in the aggregate principal amount of \$52,450,000, and (2) all or a portion of the University's Higher Education Revenue Bonds, Series 2009A, outstanding in the aggregate principal amount of \$23,510,000; (ii) provide for the Series 2016A Reserve Requirement, if any; (iii) pay certain costs and expense related to the issuance of the Series 2016A Bonds; and (v) provide for credit enhancement with respect to the Series 2016 Bonds, if any.

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AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$81,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2016A.

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ATTACHMENTS:

Lipsitz 5/2/1616 letter; Resolution; Summary of Refinancing

May 2, 2016

**BY HAND DELIVERY**

Mr. Delbert Singleton  
State Fiscal Accountability  
Authority of South Carolina  
612 Wade Hampton Office Building  
Columbia, South Carolina 29201

Re: University of South Carolina Higher Education Refunding Revenue  
Bonds, Series 2016A

Dear Delbert:

Charleston

Charlotte

**Columbia**

Greensboro

Greenville

Hilton Head

Myrtle Beach

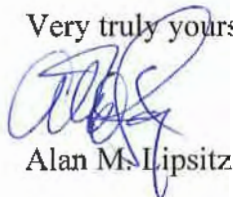
Raleigh

Enclosed please find six (6) duplicate originals of a Resolution for consideration by the State Fiscal Accountability Authority approving the issuance and sale of not exceeding \$81,000,000 University of South Carolina Higher Education Refunding Revenue Bonds, Series 2016A (the "Series 2016A Bonds") and three (3) copies of the Series Resolution adopted by the Board of Trustees of the University of South Carolina on April 22, 2016 authorizing the issuance of the Series 2016A Bonds. The proceeds of the Series 2016A Bonds shall be used to (i) refund (1) all or a portion of the University's Higher Education Revenue Bonds, 2008A, outstanding in the aggregate principal amount of \$52,450,000, and (2) all or a portion of the University's Higher Education Revenue Bonds, Series 2009A, outstanding in the aggregate principal amount of \$23,510,000; (ii) provide for the Series 2016A Reserve Requirement, if any; (iii) pay certain costs and expenses related to the issuance of the Series 2016A Bonds; and (v) provide for credit enhancement with respect to the Series 2016 Bonds, if any. Please place this Resolution on the agenda for the State Fiscal Accountability Authority's meeting scheduled for June 7, 2016.

Mr. Delbert Singleton  
State Fiscal Accountability  
Authority of South Carolina  
May 2, 2016  
Page 2

Please advise me at your earliest convenience of any additional requirements or documentation that may be necessary to assist the State Fiscal Accountability Authority in considering and approving this request on June 7, 2016.

Very truly yours,



Alan M. Lipsitz

AML/ssc

cc: Charles D. FitzSimons w/enclosures, via email  
Kevin Kibler w/enclosures, via email  
Robert McDonald w/enclosures, via email

## A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF NOT EXCEEDING \$81,000,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA (THE "UNIVERSITY") PURSUANT TO TITLE 59, CHAPTER 147 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO REFUND A PORTION OF THE UNIVERSITY'S OUTSTANDING HIGHER EDUCATION REVENUE BONDS, SERIES 2008A AND THE UNIVERSITY'S OUTSTANDING HIGHER EDUCATION REVENUE BONDS, SERIES 2009A; AND OTHER MATTERS RELATED THERETO.

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

### ARTICLE I

#### FINDINGS OF FACT

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

##### Section 1.01

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

(b) On June 21, 1996, the Board of Trustees adopted a resolution entitled, "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER

MATTERS RELATING THERETO” (as amended, the “Bond Resolution”), as a means of providing for the issuance from time to time of Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees provided all conditions required by the Bond Resolution are met. Such Bonds are payable solely from the Net Revenues and Additional Funds.

(c) The Board of Trustees has been advised under present market conditions, there would be a substantial financial savings to the University if it were to refund and, if applicable, defease: (i) all or a portion of the University’s Higher Education Revenue Bonds, Series 2008A maturing after June 1, 2018, outstanding in the aggregate principal amount of \$52,450,000 (the “Series 2008A Refunded Bonds”); and (ii) all or a portion of the University’s Higher Education Revenue Bonds, Series 2009A maturing after June 1, 2018, outstanding in the aggregate principal amount of \$23,510,000 (the “Series 2009A Refunded Bonds,” and together with the Series 2009A Bonds, the “Refunded Bonds”).

(d) In order to refund the Refunded Bonds, pursuant to the Bond Resolution, the Board of Trustees adopted at its regularly scheduled meeting on April 22, 2016, a Series Resolution entitled, “A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO BE DESIGNATED SERIES 2016A REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$81,000,000; AUTHORIZING THE ISSUANCE AND SALE OF HIGHER EDUCATION REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO” (the “Series 2016A Resolution”), authorizing the issuance of not exceeding \$81,000,000 aggregate principal amount Higher Education Refunding Revenue Bonds, in one or more series (the “Series 2016A Bonds”), subject to the approval of the State Authority, for the following purposes: (i) refunding and, if applicable, defeasing the Refunded Bonds, (ii) providing for the Series 2016A Reserve Requirement, if any, (iii) paying the costs of issuance of the Series 2016A Bonds, and (iv) providing for credit enhancement with respect to the Series 2016A Bonds, if any.

#### Section 1.02

The Bond Resolution and the Series 2016A Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Authority.

#### Section 1.03

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

#### Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2016A Resolution.

## ARTICLE II

### AUTHORIZATION TO ISSUE AND SELL THE SERIES 2016A BONDS AND THE SERIES 2016A NOTES

#### Section 2.01

The State Authority hereby approves and authorizes the issuance and sale of the Series 2016A Bonds in the aggregate principal amount not exceeding \$81,000,000, at public or private sale, including a negotiated sale for public reoffering as authorized by the Board of Trustees in Article III and Section 6.01 of, and in the manner and under the conditions prescribed in, the Series 2016A Resolution.

#### Section 2.02

The State Authority also hereby approves and authorizes the issuance and sale of not exceeding \$81,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2016A, in one or more series (the "Series 2016A Notes"), in lieu of the issuance of the Series 2016A Bonds as provided in the Series 2016A Resolution, should the Chief Financial Officer and State Treasurer determine that it would be in the best interest of the University to issue the Series 2016A Notes rather than the Series 2016A Bonds.

#### Section 2.03

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

Dated: June 7, 2016

Summary of Refinancing Proposal for  
University of South Carolina  
Related to  
Higher Education Refunding Revenue Bonds, Series 2016A

PRELIMINARY – SUBJECT TO CHANGE

May 2, 2016

Outstanding bonds proposed to be refinanced	All or portions of certain maturities due June 1, 2019 through June 1, 2038 totaling \$52,450,000 of an original issuance of \$64,335,000 Higher Education Revenue Bonds, Series 2008A of the University of South Carolina
	All or portions of certain maturities due June 1, 2019 through June 1, 2039 totaling \$23,510,000 of an original issuance of \$28,920,000 Higher Education Revenue Bonds, Series 2009A of the University of South Carolina
Average interest rate of bonds refinanced	5.04%
Projected average interest rate of refinancing bonds	3.00%
True interest cost of refinancing bonds	3.00%
Projected net present value savings (net of costs)	\$10,336,000
Projected net present value savings as a percentage of the bonds refinanced	13.61%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
Underwriting	\$311,850 (0.39% / 3.02%)
Legal fees – bond, disclosure and general counsel	\$141,750 (0.18% / 1.37%)
Rating agency fees	\$104,000 (0.13% / 1.01%)
Advisory fees	N/A
Bond trustee/registrar	\$9,250 (0.01% / 0.09%)
Accounting and verification	\$3,000 (0.00% / 0.03%)
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	\$27,000 (0.03% / 0.26%)
Total	\$596,850 (0.74% / 5.77%)

Prepared by: Nexsen Pruet, LLC

Date: May 2, 2016



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF)

Initial/Current Version Date: 04/22/16

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H270 Issuer: University of South Carolina Series: 2016A  
 Borrower (if not Issuer): University of South Carolina Amount: \$81,000,000.00  
 Bond Caption: Higher Education Revenue Refunding Bonds - 2016A

#### Initial/Current Version:

ISSUER  
 NAME: University of South Carolina  
 BY: Charles D. FitzSimons  
 ITS: Director of Capital Budgets &  
 DATE: 4/22/2016

#### Final:

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

### 2. FINANCING (NEW PORTION)

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

### 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svs (\$)	Est NPV Svs (% of Bds)
Higher Ed Rev - 2008A	6/1/19-6/1/38	\$ 52,450,000.00	4.625% - 5.25%	.69% - 2.95%	\$ 7,515,000.00	14.50%
Higher Ed Rev - 2009A	6/1/19-6/1/39	\$ 23,510,000.00	4.00% - 5.00%	.69% - 3.00%	\$ 2,821,000.00	12.10%
Total		\$ 75,960,000.00	4.00% - 5.00%	3.00%	\$ 10,336,000.00	13.61%

### 4. FINANCING WORKING GROUP

Financial Advisor: \_\_\_\_\_ Disclosure Counsel: Howell, Linkous & Nettles  
 Bond Counsel: Nexsen Pruet Issuer's Counsel: \_\_\_\_\_  
 Underwriter: Barclays Other: McNair  
 Other: \_\_\_\_\_

### 5. FINANCING/PROJECT DESCRIPTION

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

This project is for the refunding of callable 2008A and 2009A Higher Education Revenue Bonds. Substantial interest savings can be achieved based on current market conditions. Estimates are based on projections prepared by Barclays (underwriter)

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/22/16	
JBRC Approval:	00/00/00	
SFAA Approval:	06/07/16	

Project Approvals - Phase II (After Finance July)		Notes:
Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

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

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

Yes No  
☐ ☒

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

☐ ☒

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
\$ 81,000,000.00	6/30/2016	Majority of proceeds to be disbursed at closing.
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 81,000,000.00		

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

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds (Type) Type -	\$ 81,000,000.00	\$	Project Fund
(2) Issuer/Borrower Contribution	\$	\$	Capitalized Interest Fund
(3) Debt Service Fund Transfer	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 78,372,000.00	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 596,850.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$ 2,031,150.00	Market Conditions Contingency
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(b) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Sources)	\$ 81,000,000.00	\$ 81,000,000.00	Total Project Budget (Uses)
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	Nexsen Puet			\$ 81,000.00	\$	\$ 81,000.00
Disclosure Counsel	Howell, Linkhous & Nettles			\$ 40,500.00	\$	\$ 40,500.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel	McNair			\$ 20,250.00	\$	\$ 20,250.00
Bank Counsel				\$	\$	\$
Guarantor's Counsel				\$	\$	\$
Swap Counsel				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 54,000.00	\$	\$ 54,000.00
Rating Agency - Fitch				\$ 50,000.00	\$	\$ 50,000.00
Underwriter's Compensation				\$ 311,850.00	\$	\$ 311,850.00
Registrar / Paying Agent				\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$ 1,750.00	\$	\$ 1,750.00
Accountant				\$	\$	\$
Verification Agent				\$ 3,000.00	\$	\$ 3,000.00
Printing				\$ 2,000.00	\$	\$ 2,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 25,000.00	\$	\$ 25,000.00
Other				\$	\$	\$
				\$ 596,850.00	\$	\$ 596,850.00

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

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

0.00%	0.00%
0.10%	0.00%
0.18%	0.00%
0.13%	0.00%

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

0.39%	0.00%
0.05%	0.00%
0.74%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF June 7, 2016

REGULAR SESSION  
ITEM NUMBER 12

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AGENCY: State Fiscal Accountability Authority

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SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, August 9, 2016, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2016

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

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AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, August 9, 2016, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: