

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, May 1, 2018 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A. ADOPTION OF PROPOSED AGENDA		
B. MINUTES OF PREVIOUS MEETING		
C. BLUE AGENDA		
1.	State Treasurer's Office	Bond Counsel Selection
2.	Department of Administration, Facilities Management and Property Services	Easements
3.	Executive Director	Department of Natural Resources Georgetown – Rabbit Island Dike Repair
4.	Division of Procurement Services	Procurement Audit of the South Carolina Department of Natural Resources
5.	Executive Director	Revenue Bonds
6.	Executive Director	Economic Development (2018 Ceiling Allocations)
D. REGULAR SESSION		
1.	Department of Administration, Facilities Management and Property Services	Greenville Technical College Land Lease to Greenville Tech Charter High School
2.	Department of Administration, Facilities Management and Property Services	MUSC Parking Lease-out to CareAlliance Health Services
3.	Department of Administration, Facilities Management and Property Services	MUSC Lease-out to the US Department of Veterans Affairs at 112-116 Doughty Street in Charleston

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, May 1, 2018 -- 9:30 A.M.

Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
4.	Department of Administration, Facilities Management and Property Services	Medical University of South Carolina - 22 WestEdge in Charleston
5.	Department of Administration, Facilities Management and Property Services	SC Department of Revenue Lease – 33 Villa Road in Greenville
6.	Department of Administration, Facilities Management and Property Services	SC Department of Revenue Lease - 775 Addison Avenue in Rock Hill
7.	Department of Administration, Capital Budget Office	Permanent Improvement Projects
8.	State Fiscal Accountability Authority	Future Meeting

AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection

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

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$7,000,000 Multifamily Housing Revenue Bonds	Lorick Place Conduit: SC State Housing Finance and Development Authority	Haynsworth Sinkler Boyd	Tracey Easton, General Counsel
\$10,000,000 Industrial Revenue Development Bonds	Probitas Ventures, LLC – Bennettsville SC AAC Manufacturing Plant Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn
\$60,000,000 Education Facilities Revenue Bonds	Presbyterian College Real Estate Foundation Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn
\$13,000,000 Economic Development Bonds	Lexington Memory Care Conduit: JEDA	Parker Poe Adams & Bernstein	McNair Law Firm
\$30,000,000 Economic Development Refunding and Revenue Bonds	ACTS Retirement Life Communities/Park Point Village, Inc. Conduit: JEDA	Haynsworth Sinkler Boyd (Josh Pasker with Saul Ewing (Philadelphia, PA))	Nexsen Pruet
\$171,000,000 Hospital Refunding and Improvement Revenue Bonds	McLeod Loris Seacoast Hospital Conduit: JEDA	Howell Linkous & Nettles (Allen Robertson, Robinson Bradshaw)	Pope Flynn
\$25,000,000 Education Facilities Refunding and Revenue Bonds	Benedict College Conduit: JEDA	Parker Poe (Jean Wilson with Greenberg Traurig, Orlando, FL)	Haynsworth Sinkler Boyd
\$10,000,000 Revenue Bonds or Notes	Columbia International University Conduit: JEDA	Haynsworth Sinkler Boyd	Parker Poe

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 May 1, 2018 State Fiscal Accountability Authority

Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$7,000,000 Multifamily Housing Revenue Bonds	Lorick Place Conduit: SC State Housing Finance and Development Authority	Haynsworth Sinkler Boyd	Tracey Easton, General Counsel	3/15/2018
\$10,000,000 Industrial Revenue Development Bonds	Probitas Ventures, LLC – Bennettsville SC AAC Manufacturing Plant Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn	3/20/2018
\$60,000,000 Education Facilities Revenue Bonds	Presbyterian College Real Estate Foundation Conduit: JEDA	Haynsworth Sinkler Boyd	Pope Flynn	3/22/2018
\$13,000,000 Economic Development Bonds	Lexington Memory Care Conduit: JEDA	Parker Poe Adams & Bernstein	McNair Law Firm	3/23/2018
\$30,000,000 Economic Development Refunding and Revenue Bonds	ACTS Retirement Life Communities/Park Point Village, Inc. Conduit: JEDA	Haynsworth Sinkler Boyd (Josh Pasker with Saul Ewing (Philadelphia, PA))	Nexsen Pruet	4/18/2018
\$171,000,000 Hospital Refunding and Improvement Revenue Bonds	McLeod Loris Seacoast Hospital Conduit: JEDA	Howell Linkous & Nettles (Allen Robertson, Robinson Bradshaw)	Pope Flynn	4/25/2018
\$25,000,000 Education Facilities Refunding and Revenue Bonds	Benedict College Conduit: JEDA	Parker Poe (Jean Wilson with Greenberg Traurig, Orlando, FL)	Haynsworth Sinkler Boyd	4/23/2018
\$10,000,000 Revenue Bonds or Notes	Columbia International University Conduit: JEDA	Haynsworth Sinkler Boyd	Parker Poe	4/23/2018

OTHER REVENUE ISSUES:

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

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

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

- (a) County Location: Berkeley
From: Department of Administration
To: South Carolina Electric Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.02 acre easement for the construction, installation, operation and maintenance of a gas main beneath a tributary of Nowell Creek at Forest Drive off Clements Ferry Road to extend the existing gas main to provide service to the new Governor's Cay community. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (b) County Location: Charleston
From: Department of Administration
To: Mount Pleasant Waterworks
Consideration: \$100
Description/Purpose: To grant a 0.12 acre water and sewer easement and a 0.08 acre water easement for the construction, service and repair of water distribution and sewage collection lines, treatment and disposal facilities, backflow preventers and meters over, under and upon property of Patriots Point Development Authority. The easements will serve the hotel expansion at the Charleston Harbor Resort and Marina. The term of the easements will be fifty (50) years.

- (c) County Location: Dillon
From: Department of Administration
To: City of Dillon
Consideration: \$1
Description/Purpose: To grant a 0.03 acre access easement and a 0.06 acre utility easement for the construction, operation and maintenance of a new pump station on property of the Dillon National Guard Armory. The easements are needed for the purpose of relocating and upgrading the existing lift station. The term of the easements will be fifty (50) years. The easements will be of mutual benefit

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

to the South Carolina Military Department and the City of Dillon. The Division of Facilities Management and Property Services has determined that the Military Department's Office of the Adjutant General has complied with the requirement of the statute in that the easements do not appear to materially impair the utility of the property or damage it.

- (d) County Location: Horry
From: Department of Administration
To: Ronald L. Finley
Consideration: \$700
Description/Purpose: To grant a 0.02 acre easement across uplands at the 59th Avenue North Canal where the bulkhead and fill material extend 16-18 feet beyond the property line for land now owned by Mr. Finley for the purpose of obtaining a permit to build a boat ramp, land deck and floating dock. The easement is being required by SCDHEC before the agency issues a dock permit as Mr. Finley's property is not by definition waterfront. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (e) County Location: Horry
From: Coastal Carolina University
To: Grand Strand Water and Sewer Authority
Consideration: \$5
Description/Purpose: To grant a 15 foot easement for ingress, egress and regress to and from a sanitary sewer pump station located on the University's campus in Conway. The Grand Strand Water and Sewer Authority has agreed to assume ownership, operational and maintenance responsibility of the pump station and the conveyance includes the access easement. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

- (f) County Location: Richland
From: Department of Administration
To: Columbia Stage Company
Consideration: \$2,240
Description/Purpose: To grant a 138 square foot easement for the purpose of providing egress from the Town Theatre's lower (below ground) level which will be renovated to provide classrooms for educational programs. The term of the easement will be fifty (50) years. A temporary construction easement consisting of 818 square feet is also needed to accommodate the renovation project. The Division of Facilities Management and Property Services has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it. Consideration is \$500 plus the Richland County assessed land value.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

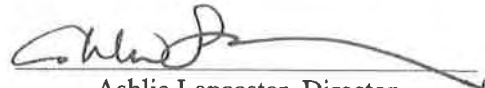
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Blue Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: EASEMENTS

3. Summary Background Information:

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

- (a) County Location: Berkeley
From: Department of Administration
To: South Carolina Electric Gas Company
Consideration: \$700
Description/Purpose: To grant a 0.02 acre easement for the construction, installation, operation and maintenance of a gas main beneath a tributary of Nowell Creek at Forest Drive off Clements Ferry Road to extend the existing gas main to provide service to the new Governor's Cay community. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Charleston
From: Department of Administration
To: Mount Pleasant Waterworks
Consideration: \$100
Description/Purpose: To grant a 0.12 acre water and sewer easement and a 0.08 acre water easement for the construction, service and repair of water distribution and sewage collection lines, treatment and disposal facilities, backflow preventers and meters over, under and upon property of Patriots Point Development Authority. The easements will serve the hotel expansion at the Charleston Harbor Resort and Marina. The term of the easements will be fifty (50) years.

- (c) County Location: Dillon
From: Department of Administration
To: City of Dillon
Consideration: \$1
Description/Purpose: To grant a 0.03 acre access easement and a 0.06 acre utility easement for the construction, operation and maintenance of a new pump station on property of the Dillon National Guard Armory. The easements are needed for the purpose of relocating and upgrading the existing lift station. The term of the easements will be fifty (50) years. The easements will be of mutual benefit to the South Carolina Military Department and the City of Dillon. The Division of Facilities Management and Property Services has determined that the Military Department's Office of the Adjutant General has complied with the requirement of the statute in that the easements do not appear to materially impair the utility of the property or damage it.
- (d) County Location: Horry
From: Department of Administration
To: Ronald L. Finley
Consideration: \$700
Description/Purpose: To grant a 0.02 acre easement across uplands at the 59th Avenue North Canal where the bulkhead and fill material extend 16-18 feet beyond the property line for land now owned by Mr. Finley for the purpose of obtaining a permit to build a boat ramp, land deck and floating dock. The easement is being required by SCDHEC before the agency issues a dock permit as Mr. Finley's property is not by definition waterfront. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (e) County Location: Horry
From: Coastal Carolina University
To: Grand Strand Water and Sewer Authority
Consideration: \$5
Description/Purpose: To grant a 15 foot easement for ingress, egress and regress to and from a sanitary sewer pump station located on the University's campus in Conway. The Grand Strand Water and Sewer Authority has agreed to assume ownership, operational and maintenance responsibility of the pump station and the conveyance includes the access easement. The Division of Facilities Management and Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

- (f) County Location: Richland
From: Department of Administration
To: Columbia Stage Company
Consideration: \$2,240
Description/Purpose: To grant a 138 square foot easement for the purpose of providing egress from the Town Theatre's lower (below ground) level which will be renovated to provide classrooms for educational programs. The term of the easement will be fifty (50) years. A temporary construction easement consisting of 818 square feet is also needed to accommodate the renovation project. The Division of Facilities Management and Property Services has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it. Consideration is \$500 plus the Richland County assessed land value.
-

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

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

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) South Carolina Electric & Gas Company
 - (b) Mount Pleasant Waterworks
 - (c) City of Dillon
 - (d) Ronald L. Finley
 - (e) Grand Strand Water and Sewer Authority
 - (f) Columbia Stage Company

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board 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.

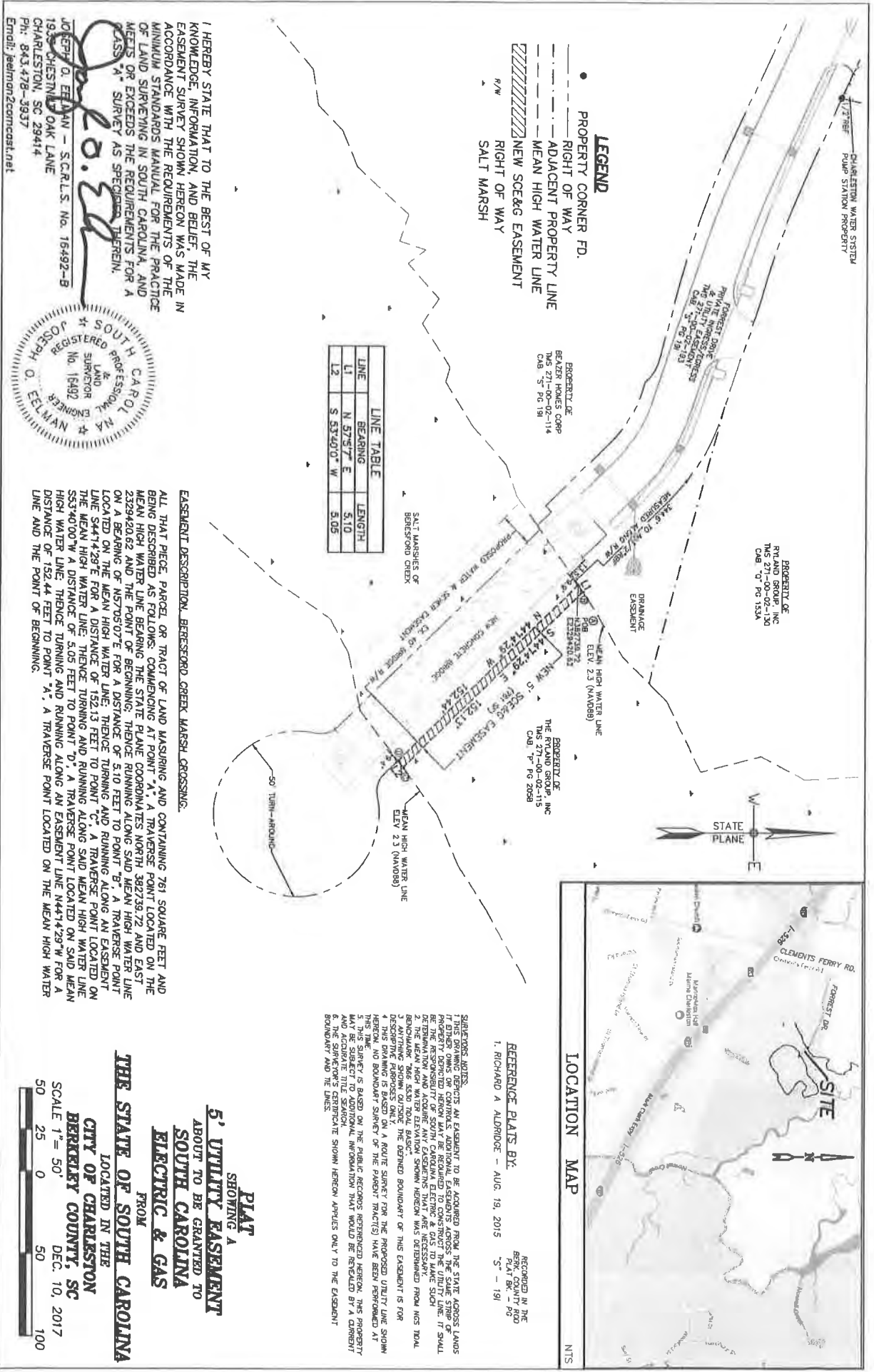
SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

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.

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

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

(a)



I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE EASEMENT SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

JOSEPH O. EELMAN - S.C.R.L.S. No. 16492-B
1935 CHESTNUT OAK LANE
CHARLESTON, SC 29414
Ph: 843.478-3937
Email: jeelmon2comcast.net

REGISTERED PROFESSIONAL LAND SURVEYOR
SOUTH CAROLINA
No. 16492
JOSEPH O. EELMAN

PLAT
SHOWING A
5' UTILITY EASEMENT
ABOUT TO BE GRANTED TO
SOUTH CAROLINA
ELECTRIC & GAS
FROM
THE STATE OF SOUTH CAROLINA
LOCATED IN THE
CITY OF CHARLESTON
BERKELEY COUNTY, SC
DEC. 10, 2017
SCALE 1" = 50'
50 25 0 50 100

PATRIOTS POINT

★HOME OF THE USS YORKTOWN★

(b-1)

April 16, 2018

David K. Avant, Esquire
General Counsel, South Carolina Department of Administration
1200 Senate Street
Columbia, SC 29201
david.avant@admin.sc.gov

Re: Easements to Mount Pleasant Waterworks

Dear Mr. Avant,

The Commissioners of Public Works of the Town of Mount Pleasant, South Carolina, also known as Mount Pleasant Waterworks (the "Commission") has requested the following easements from Patriots Point Development Authority ("PPDA"): (i) Grant of Nonexclusive 5,431 Sq. Ft. Water and Sewer Easement to be granted by PPDA in favor of the Commission, and (ii) Grant of Nonexclusive 3,677 Sq. Ft. Water Easement to be granted by PPDA in favor of the Commission ((i) and (ii) are collectively the "Easements"). PPDA desires to grant the Easements to the Commission in return for nominal consideration as the Easements will run to the benefit of PPDA.

The property over which the Easements will be granted is leased by PPDA to the Great American Life Insurance Company (the "Tenant"). The Tenant has recently constructed improvements on the property, and the Commission has requested the Easements in connection with the water and sewer systems that were installed as part of those improvements. The Tenant pays rent to PPDA in relation to the income the Tenant produces from the property; the higher the Tenant's revenue, the more rent the Tenant pays to PPDA. The improvements will help the Tenant produce more revenue from the property and will therefore provide a direct benefit to PPDA. As the Easements have been requested in connection with those improvements, the Easements will be for the direct benefit of PPDA.

In addition to the increased rent to be paid by the Tenant to PPDA, the Tenant's lease also provides that at the end of the lease, PPDA will own all of the improvements constructed by the Tenant on the property. PPDA can then either operate those improvements and retain the income therefrom or lease the property and improvements to another tenant. In either scenario, the improvements, and therefore the Easements, run to the benefit of PPDA.

If you have any questions or need any additional information, please contact our attorneys.

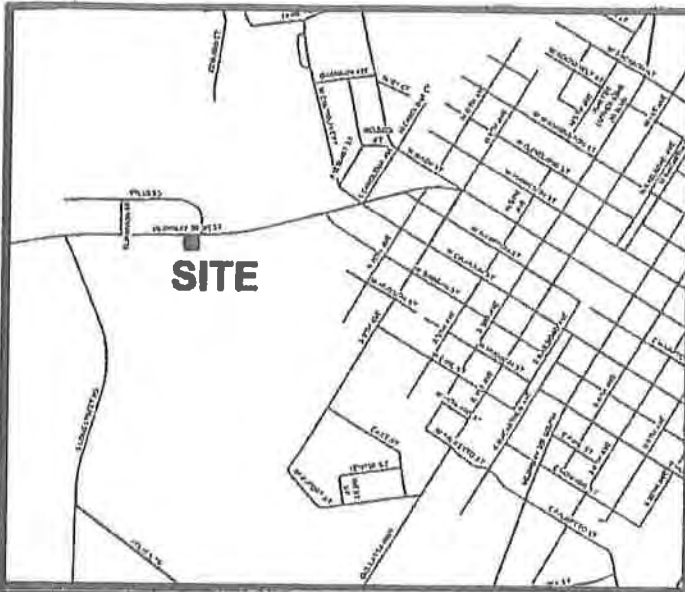
Sincerely,



Bob Howard
Property Manager

Cc: R. Mac Burdette, Executive Director, PPDA (via email)
William E. Craver, III (via email)
Philip G. Wagoner (via email)

(c)

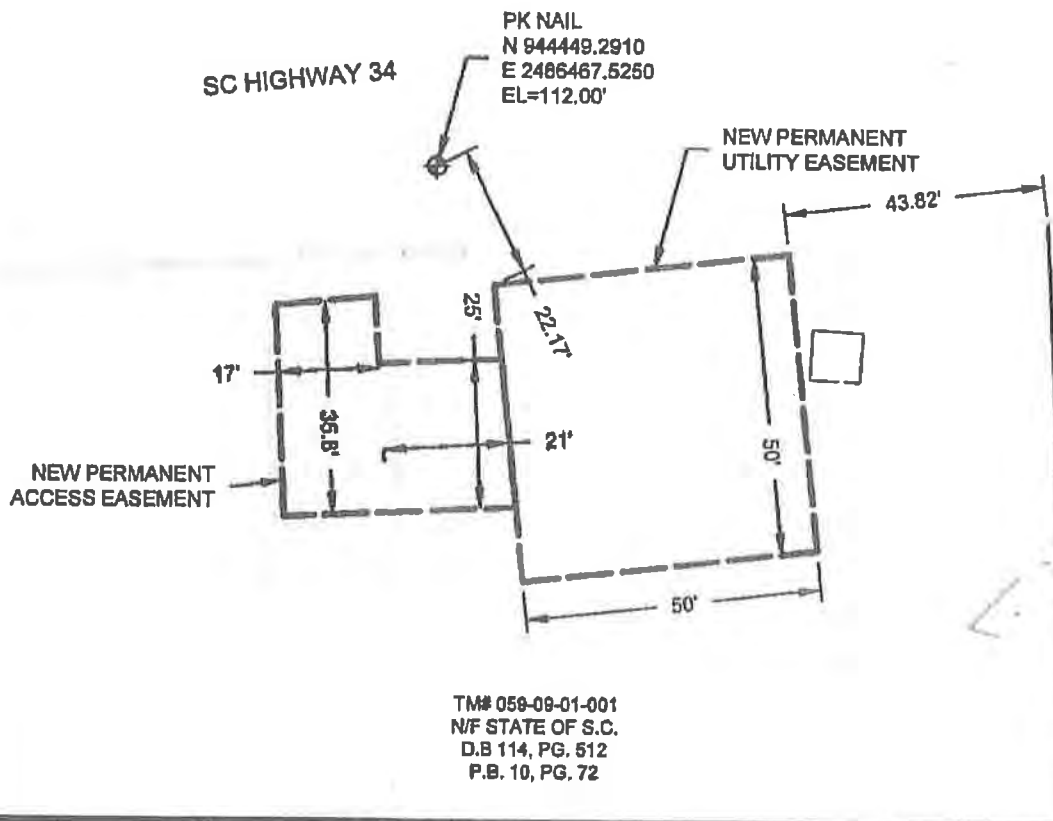


TOTAL LENGTH
OF ACCESS EASEMENT=
±57 LF

TOTAL AREA
OF EASEMENT =
±0.03 AC
(1,142 SF)

TOTAL LENGTH
OF UTILITY EASEMENT=
±50 LF

TOTAL AREA
OF EASEMENT =
±0.06 AC
(2,500 SF)



EASEMENT SKETCH FOR THE
CITY OF DILLON, S.C.

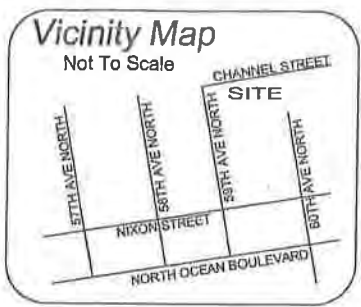
UTILITY & ACCESS EASEMENT
ACROSS THE PROPERTY OF
STATE OF SOUTH CAROLINA

PROJECT NO: 17171

MARCH 2018



(d-1)



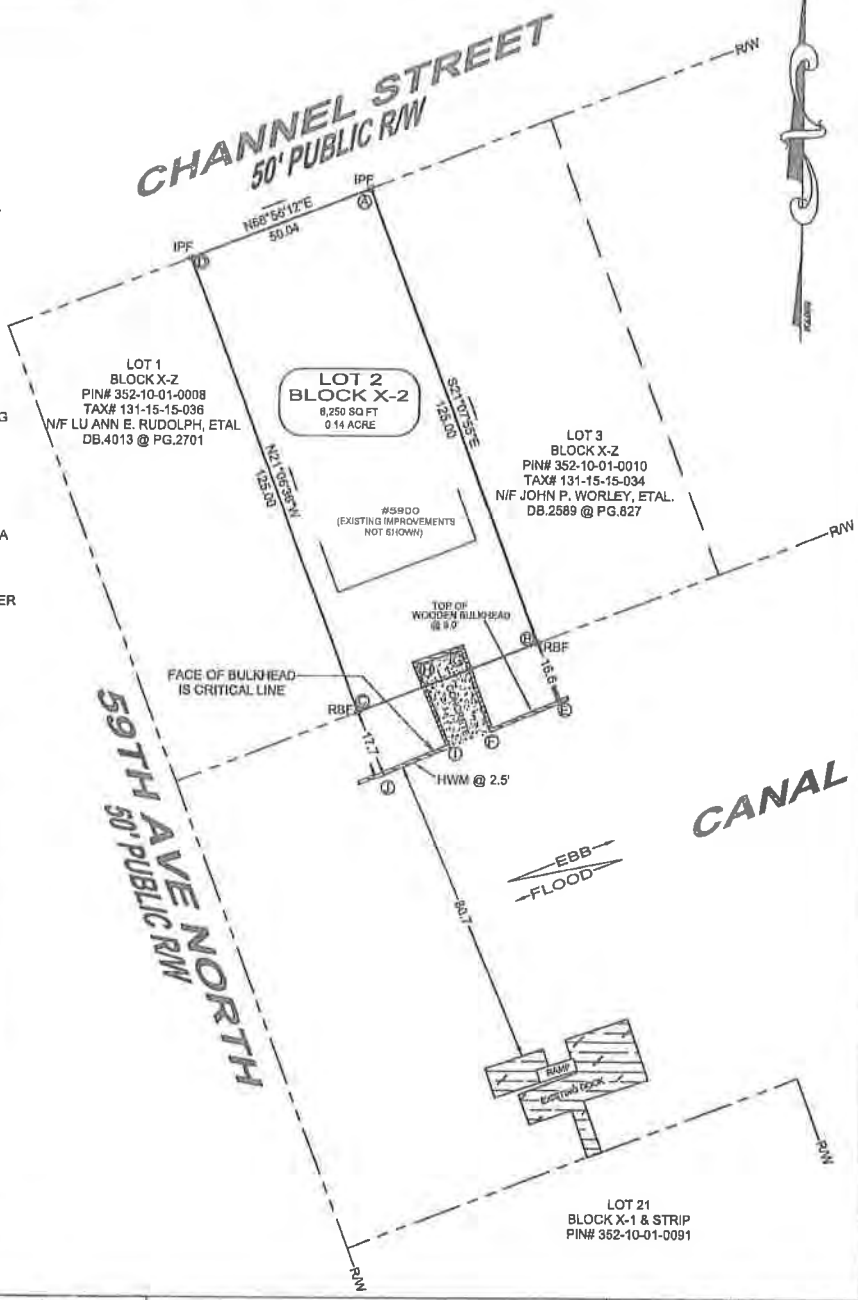
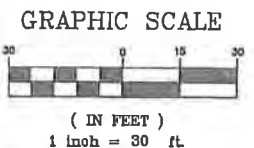
I hereby state to the best of my knowledge, information, and belief, the survey shown hereon was made in accordance with the requirements of the minimum standards manual for the practice of land surveying in South Carolina, and meets or exceeds the requirements for a Class "A" survey as specified therein; that there are no visible encroachments or projections other than shown; that the unadjusted ratio of precision is 1:10,000+; that this property is subject to any easements of record that may be shown on an up-to-date title search not furnished me this date; that the area was determined by the coordinate method of area calculation. Date: DECEMBER 27 2017

SIGNED HARRY F. BRUTON
PROFESSIONAL LAND SURVEYOR
HARRY F. BRUTON, PLS 24275

LINE TABLE		
LINE	LENGTH	BEARING
LI	50.09	S68°56'11"W

- NOTES:
1. PIN# 352-10-01-0009
 2. OTHER UTILITIES MAY EXIST, BUT THEIR LOCATIONS ARE NOT KNOWN.
 3. SURVEY SUBJECT TO FULL TITLE SEARCH
 4. THIS PROPERTY MAY BE SUBJECT TO RIGHT OF WAYS, EASEMENTS OR RESTRICTIONS EITHER RECORDED OR IMPLIED
 5. BUILDER/OWNER TO VERIFY COMPLIANCE ZONING, RESTRICTIVE COVENANTS OR HOMEOWNERS ASSOC. REQUIREMENTS OF RECORD
 6. AREA COMPUTED BY COORDINATE GEOMETRY
 7. R/W = RIGHT OF WAY
 8. NOMARSHORASS IN AREA
 9. RBF = REBAR FOUND 1/2"
 10. IPF = 1" IRON PIPE FOUND
 11. PLAT REFERENCE = PB.51 @ PG.52
 12. TAX# 131-15-15-035
 13. THIS SURVEY FOR OCRM PERMITTING PURPOSES ONLY.
 14. PROPERTY OWNER OF RECORD: RONALD L. FINLEY
2625 COZY COVE DRIVE
YORK, SC 29745
 15. DEED REF: DB.3929 @ PG.1734
 16. COORDINATES ARE SOUTH CAROLINA STATE PLANE (NAD 83)
 17. VERTICAL DATUM = NAVD 88
NOT FOR FEMA PURPOSES
 18. MHW / MLW = MEAN HIGH / LOW WATER
 19. HWM = HIGH WATER MARK (VISIBLE)
 20. MHW @ (+/-) +2.0'
 21. MLW @ (+/-) -2.7'

COORDINATE DATA	
A	N 739304.21 E 2725688.18
B	N 739187.62 E 2726713.25
C	N 739189.82 E 2725686.51
D	N 739286.23 E 2725621.49
E	N 739172.29 E 2725719.58
F	N 739164.56 E 2726701.03
G	N 739185.75 E 2725683.19
H	N 739181.82 E 2725681.76
I	N 739180.60 E 2726690.56
J	N 739153.34 E 2726673.65



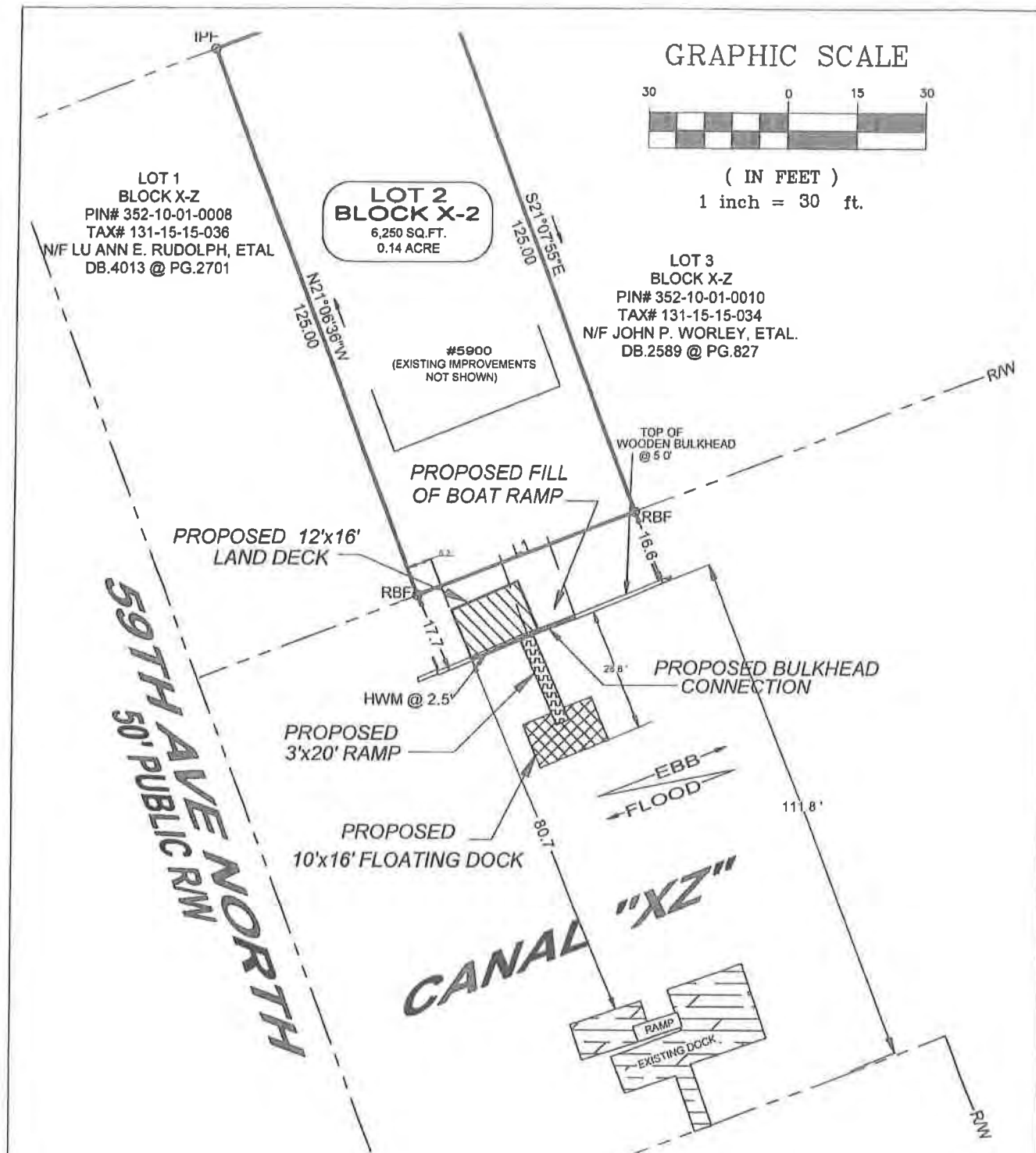
Harry F. Bruton & Associates
Professional Land Surveying & Design

RESIDENTAL & COMMERCIAL IN S.C.
905-2 Sea Mountain Hwy.
North Myrtle Beach, SC 29582
hbruton@gmail.com
OFFICE (843) 281 - 8822
FAX (843) 280 - 0920

AN OCRM PERMITTING SURVEY
OF
LOT 2, BLOCK X-2
CHERRY GROVE BEACH SECTION

CITY OF NORTH MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA
SCALE 1"=30'
THE PROPERTY OF **RONALD L. FINLEY**
MAP REFERENCE IN BOOK 51 PAGE 62
DEED REFERENCE IN BOOK 3929 PAGE 1734
JOB NO. 18358 ACAD: 6800 CHANNEL ST OCRM 12-27-17



**PROJECT: FINLEY PIER, RAMP & FLOATING DOCK**

APPLICANT: RONALD L. FINLEY

LOCATION: 5900 CHANNEL STREET

NORTH MYRTLE BEACH, SC 29582

HORRY COUNTY

CONNECT ENDS OF EXISTING BULKHEAD

AT RAMP & BACKFILL. INSTALL 3'x20' RAMP
AT EXISTING BULKHEAD LEADING TO A
10'x16' FLOATING DOCK.

TMS: 131-15-15-035

PIN: 35210010009

LOT 2 BLOCK X-2

BK 3929 PG 1734

SHEET 2 OF 3

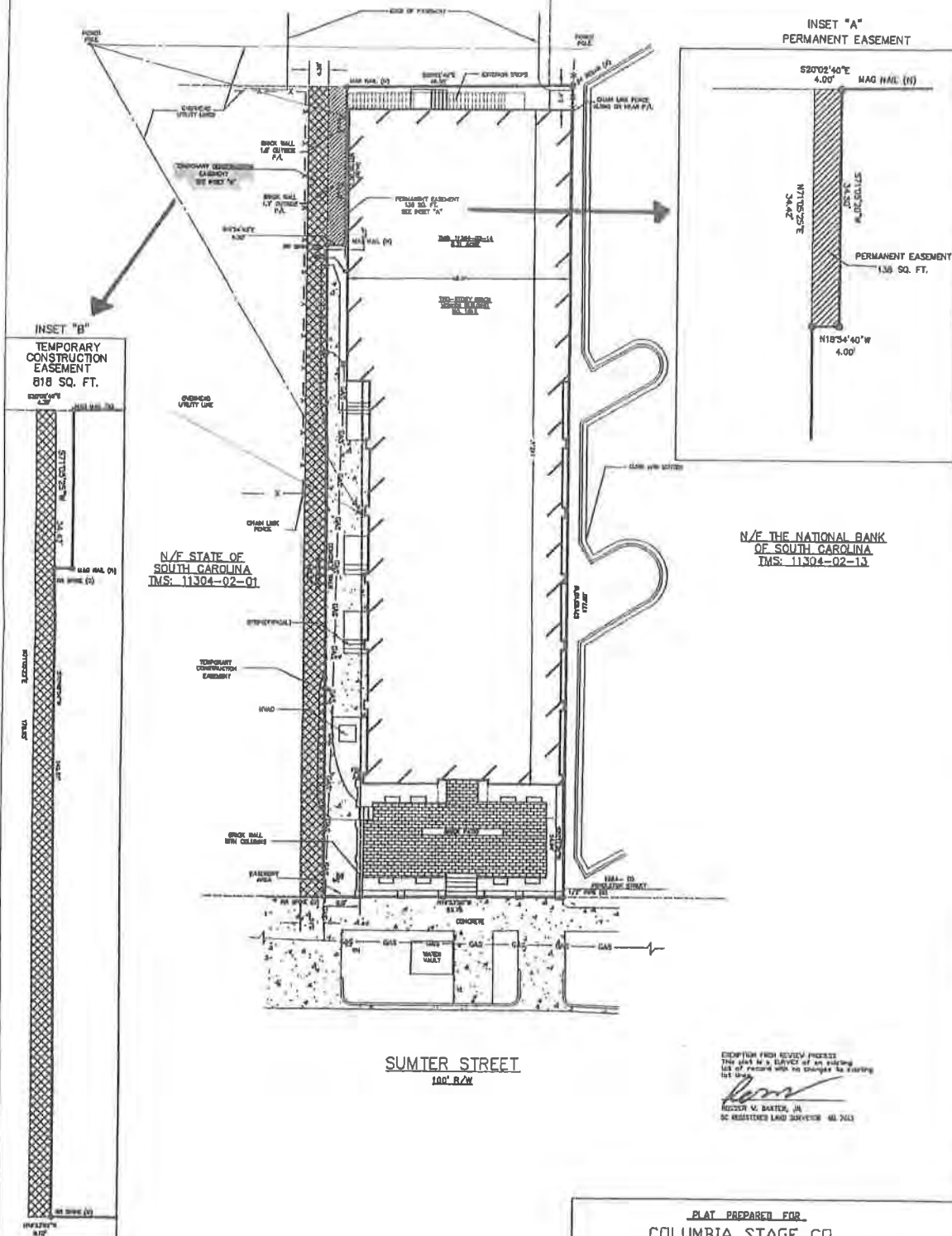
FEB 5, 2018

PROPERTY MAY BE SUBJECT TO RECORD OR UNRECORDED EASEMENTS OR RESTRICTIONS NOT OBSERVED AND TO INFORMATION REVEALED IN A COMPLETE TITLE SEARCH. THE SURVEYOR DID NOT PERFORM A TITLE SEARCH. UNDERGROUND UTILITIES MAY BE PRESENT BUT THEIR LOCATION WAS NOT DETERMINED.

(f)

N/F CLAIRE TOWER
GROUP LLC
TMS: 11304-02-05

MAGNETIC NORTH



1" = 10'

BAXTER LAND SURVEYING CO., INC.
2204 Devine Street Columbia, SC 29205 (803)-252-8564
BAXLAND@aol.com

PLAT PREPARED FOR
COLUMBIA STAGE CO
RICHLAND COUNTY, COLUMBIA SC

THE SAME BEING SHOWN AS TMS: 11304-02-14

I HEREBY CERTIFY THAT THE SURVEY OF AN EASEMENT, EASEMENT, EASEMENT, AND EASEMENT
OF THE STATE OF SOUTH CAROLINA WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE
PLAT ACT. THE SURVEYOR HAS REVIEWED THE PLAT AND HAS DETERMINED THAT IT IS IN
COMPLIANCE WITH THE REQUIREMENTS OF THE PLAT ACT.

ROBERT M. BAXTER, JR. SC REGISTERED LAND SURVEYOR 461743

MARCH 16, 2016



STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF May 1, 2018

BLUE AGENDA
ITEM NUMBER 3

AGENCY: Executive Director

SUBJECT: Department of Natural Resources Georgetown – Rabbit Island Dike Repair

The Department of Administration, Capital Budget Office reports that it has reviewed the submission made by the South Carolina Department of Natural Resources concerning the Rabbit Island dike repair in Georgetown County and determined the submission is complete, and has received confirmation of favorable review by staff of the Joint Bond Review Committee. Pursuant to the policy adopted by the State Fiscal Accountability Authority on December 12, 2017, the Authority's Executive Director has approved the PIP. The Authority's Executive Director has communicated his approval to the Department of Administration. The Authority is asked to receive the report as information in accordance with SFAA policy adopted December 12, 2017.

AUTHORITY ACTION REQUESTED:

Receive the report concerning the Rabbit Island dike repair as information in accordance with SFAA policy adopted December 12, 2017.

ATTACHMENTS:

Department of Administration, Capital Budget Office Agenda item worksheet with attachments; Leatherman JBRC 12/6/17 letter; Gillespie 3/9/18 letter


STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Blue Agenda

1. Submitted by:

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


Rick Harmon, Director, Capital Budget Office

2. Subject:

Department of Natural Resources Georgetown – Rabbit Island Dike Repair

3. Summary of Background Information:

This item summarizes the submission made by the South Carolina Department of Natural Resources and constitutes the report contemplated by SFAA policy adopted December 12, 2017 addressing the PIP process for existing road and dike repairs. In accordance with this policy, the Department of Natural Resources has established a project and budget to repair and restore 8,131 linear feet of dike on Rabbit Island, a part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The dike allows staff to manage habitat primarily for migratory waterfowl utilizing the Atlantic Flyway within the impoundment. DNR also provides opportunity for the public to participate in Public Lottery Hunts on Rabbit Island. The project will provide for the installation of two "Santee" style rice field trunks to control water flow through the dike, establish a dike height no less than 3 feet above the mean high tide mark and restore a top width to 14 feet at all points. The slope will remain within the original footprint of the dike. Material for refurbishing the dike will come from the existing borrow pit (canal) inside the impoundment. Work will not be conducted in a manner that compromises the integrity of the existing dike berm. To repair the dike barges, tugs, pusher boats and earth moving equipment must be mobilized. Transportation for workers to and from the site must be arranged and provisions made for fueling and on island transportation for work crews. This project does not qualify for FEMA Public Assistance Program funding. The agency reports that the completed project will cost approximately \$2,000,000 and will be funded with \$348,682 in Appropriated State, FY17 Proviso 118.16 (nonrecurring) funds and \$1,651,318 in Other Operating Revenue funds from the North American Wetlands Conservation Act (NAWCA). No additional annual operating costs will result from the project. The agency also reports that the bidding will occur in March 2018 and a contract will be executed as soon as possible. The estimated completion of construction is February 2019.

4. What is the Authority asked to do?

Receive this report in accordance with SFAA policy adopted December 12, 2017.

5. What is recommendation of Department of Administration?

Receive this report in accordance with SFAA policy adopted December 12, 2017.

6. List of Supporting Documents:

1. Permanent Improvement Project Phase II project approval
2. Letter to JBRC and SFAA



Henry McMaster, Governor
Marcia S. Adams, Executive Director

EXECUTIVE BUDGET OFFICE
Brian J. Gaines, Director
1205 Pendleton Street, Suite 529
Columbia, SC 29201
803.734.2280
803.734.0645 Fax

April 19, 2018

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

Re: South Carolina Department of Natural Resources – Georgetown
Rabbit Island Dike Repair

Dear Mr. Gillespie:

The South Carolina Department of Natural Resources has made a submission to establish a permanent improvement project and budget for certain repairs and restoration of a dike on Rabbit Island, a part of the Samworth Wildlife Management Area, in Georgetown County. The submission is made pursuant to revised policies adopted by the Joint Bond Review Committee and the State Fiscal Accountability Authority on December 5, 2017 and December 12, 2017, respectively.

The South Carolina Department of Administration has reviewed the submission and determined it is complete, and has received confirmation of favorable review by staff of the Joint Bond Review Committee. Accordingly, please review this submission and advise us of your determination.

Very truly yours,

E. Richard Harmon, Jr.
Director, Capital Budget Office



**JOINT BOND REVIEW COMMITTEE STAFF LETTER (7) ITEM
MARCH 2018**

Summary Background Information:

Establish Construction Budget

Summary 6-2018: JBRC Staff Item 4. (P24) Department of Natural Resources

Project: 9976, Georgetown – Rabbit Island Dike Repair

Included in Annual CPIP: N/A

If not included in the CPIP, why not?

JBRC Staff Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY17 Proviso 118.16 Funds (nonrecurring)	0.00	0.00	0.00	348,682.00	348,682.00
Other, Other Oper. Rev. (NAWCA) Proviso 117.130	0.00	0.00	0.00	1,651,318.00	1,651,318.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>

Funding Source: \$348,682 Appropriated State, FY17 Proviso 118.16 (nonrecurring). \$1,651,318 Other, Other Operating Revenue, which were derived from FY18 Proviso 117.130 which transferred funds from the SC Conservation Bank to DNR to be used as match for eligible North American Wetlands Conservation Act projects.

Request: Establish project and budget for \$2,000,000 (Appropriated State, FY17 Proviso 118.16 (nonrecurring) and Other, Other Operating Revenue Funds) to repair and restore 8,131 linear feet of dike on Rabbit Island, a part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The dike allows staff to manage habitat primarily for migratory waterfowl utilizing the Atlantic Flyway within the impoundment. DNR also provides opportunity for the public to participate in Public Lottery Hunts on Rabbit Island. The project will provide for the installation of two "Santee" style rice field trunks to control water flow through the dike, establish a dike height no less than 3 feet above the mean high tide mark and restore a top width to 14 feet at all points. The slope will remain within the original footprint of the dike. Material for refurbishing the dike will come from the existing borrow pit (canal) inside the impoundment. Work will not be conducted in a manner that compromises the integrity of the existing dike berm. To repair the dike barges, tugs, pusher boats and earth moving equipment must be mobilized. Transportation for workers to and from the site must be arranged and provisions made for fueling and on island transportation for work crews. This project does not qualify for FEMA Public Assistance Program funding. The agency reports that the completed project will cost approximately \$2,000,000 and no additional annual operating costs will result from the project. The agency also reports that the bidding will occur in March 2018 and a contract will be executed as soon as possible. The estimated completion of construction is February 2019.

FOR DEPARTMENT USE ONLY

CHE
JBRC
SFAA
JBRC Staff
ADMIN Staff
A-1 Form Mailed
SPIRS Date
Summary

RECEIVED

By Jennifer LoPresti at 2:25 pm, Mar 13, 2018

(For Department Use Only)

6-2018 (S7)

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY
Code P24 Name South Carolina Department of Natural Resources
Contact Person Scott Speares, Assistant Deputy Director for Support Services Phone (803) 734-3624

2. PROJECT
Project # 9976 Name Georgetown - Rabbit Island Dike Repair
Facility # _____ Facility Name Samworth Wildlife Management Area

County Code	22 - Georgetown
New/Revised Budget	\$2,000,000.00

Project Type	3 - Repair/Renovate Existing Facilities/Systems
Facility Type	8 - Roads/Parking/Site Development

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
CPIP priority number 0 of _____ for FY _____

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input checked="" type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

The Department of Natural Resources (DNR) requests approval from the staff of the Joint Bond Review Committee and State Fiscal Accountability Authority to establish and execute a project to repair and restore 8,131 linear feet of dike on Rabbit Island, a part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The dike allows staff to manage habitat primarily for migratory waterfowl utilizing the Atlantic Flyway within the impoundment. The DNR also provides opportunity for the public to participate in Public Lottery Hunts on Rabbit Island.

The project will provide for the installation of two "Santee" style rice field trunks to control water flow through the dike, establish a dike height no less than 3 feet above the mean high tide mark and restore a top width to 14 feet at all points. The slope will remain within the original footprint of the dike. Material for refurbishing the dike will come from the existing borrow pit (canal) inside the impoundment. Work will not be conducted in a manner that compromises the integrity of the existing dike berm. To repair the dike barges, tugs, pusher boats and earth moving equipment must be mobilized. Transportation for workers to and from the site must be arranged and provisions made for fueling and on island transportation for work crews.

The department estimates repair and restoration costs to be \$2,000,000 and requests budget be established to proceed with the project. The source of funding for the project is \$348,682 from nonrecurring FY 2017 state funds allocated for Upper Coastal Waterfowl Maintenance & Repair, and \$1,651,318 from funds transferred to the department by the SC Conservation Bank for the purpose of supporting projects consistent with the purpose of the North American Wetlands Conservation Act. This project does not qualify for FEMA Public Assistance Program funding. The project is expected to be completed in February 2019.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: March 2018 Estimated Completion Date: February 2019
Estimated Expenditures: Thru Current FY: \$750,000.00 After Current FY: \$1,250,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

9976

1. _____ Land Purchase ----> Land: _____ Acres
 2. _____ Building Purchase ----> Floor Space: _____ Gross Square Feet
 3. _____ Professional Services Fees
 4. _____ Equipment and/or Materials ----> Information Technology _____
 5. _____ Site Development
 6. _____ New Construction ----> Floor Space: _____ Gross Square Feet
 7. _____ Renovations - Building Interior ----> Floor Space: _____ Gross Square Feet
 8. _____ Renovations - Utilities
 9. _____ Roofing - _____ Roof Age
 10. _____ Renovations - Building Exterior
 11. _____ Other Permanent Improvements
 12. _____ Landscaping
 13. _____ Builders Risk Insurance
 14. _____ Other Capital Outlay
 15. _____ Labor Costs
 16. _____ Bond Issue Costs
 17. 2,000,000.00 Other: Repair of Earthen Dike Infrastructure
 18. _____ Contingency

\$2,000,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____
 Monitoring \$ _____
 Abate/Remed \$ _____
 Total Costs \$ 0.00

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State <small>Reprogramming Upper Coast Watershed</small>		348,682.00	348,682.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) Proviso 117.130 NAWCA		1,651,318.00	1,651,318.00 0.00 0.00		4001	98800100	3035	3907
TOTAL BUDGET	\$0.00	\$2,000,000.00	\$2,000,000.00					

10. SUBMITTED BY:

Asst Deputy Director for Support Services

Signature of Authorized Official and Title

February 12, 2018

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

3/15/18

Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code P240 Name Department of Natural Resources

2. PROJECT Project # 9976 Name Samworth WMA-Rabbit Island Dike Repair

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)	\$	\$	\$	\$ 0.00
2)	\$	\$	\$	\$ 0.00
3)	\$	\$	\$	\$ 0.00

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?
 If no, how will additional funds be provided?

☒

YES

☐

NO

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.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____

TOTAL

\$0.00

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:  Asst Deputy Director for Support Services
 Signature of Authorized Official and Title

February 22, 2018
 Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE I A&E PRE-DESIGN PROJECTS**

1. What is the internal projected cost of the project?

2,000,000

2. What is/are the source(s) of funds to be used for A&E pre-design?

No A&E pre-design work is needed.

3. What is your agency/institution's definition of the source(s) of funds used for the A&E pre-design?
(Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects for the source, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)

N/A

4. What is the current fund balance of uncommitted funds in the source of funds for A&E pre-design?

N/A

5. What is the source(s) of funds to be used for construction?

1) 10010000 - Nonrecurring State Appropriations

2) 30350097 - Other Operating Revenue - North American Conservation Act

6. What is your agency/institution's definition of the source(s) of funds to be used for construction?
(Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for capital project, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)

1) Nonrecurring State funds were appropriated for the maintenance and repair of Upper Coastal Waterfowl dikes land owned and managed by DNR. Rabbit Island is owned by DNR and is part of the Samworth Wildlife Management Area.

2) Other Operating Revenue funds were derived from FY 2018 Proviso 117.130 which transferred funds from the SC Conservation Bank to the DNR to be used as match for eligible NAWCA related projects.

NAWCA (North American Wetlands Conservation Act) grants are administered by the USFWS. These grants are focused on furthering the goals of the North American Wetlands Conservation Act. These projects must involve long-term protection, restoration, and/or enhancement of wetlands and associated uplands habitats for the benefit of all wetlands-associated migratory birds. The underlying goal is to increase bird populations and wetland habitat, while supporting local economies and American traditions such as hunting, fishing, birdwatching, family farming, and cattle ranching. Wetlands protected by NAWCA provide valuable benefits such as flood control, reducing coastal erosion, improving water and air quality, and recharging ground water.

The dike repairs DNR plans to conduct, directly relate to the purpose of the NAWCA program as these repairs are critical to DNR providing and enhancing wetland habitat for migratory bird species. Without such repairs, DNR will be unable to provide the required habitat which will in turn negatively impact these species.

7. What is the current fund balance of uncommitted funds in each source to be used for construction?

1) 10010000 - Upper Coastal Waterfowl: \$348,682 2) 30350097- Other Operating Revenue: \$1,793,953

8. Will the use of any funds for A&E pre-design or for construction require an increase in any student fee or tuition?

N/A

9. If the use of any funds for A&E pre-design or construction will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place.

N/A

10. What is the total square footage of the building to be renovated or constructed?

N/A

11. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

N/A

12. What program(s) will use the space to be renovated/constructed?

N/A

13. What is the current age of the building to be renovated?

N/A

14. What is the current age of the building system(s) to be renovated or replaced?

N/A

15. If any new space is being added to the facility, please provide demand/usage data to support the need.

N/A

16. If the A&E pre-design request is above 1.5% of the internal estimated cost of the project, what is the reason the amount exceeds 1.5%?

N/A

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or for the entire building? (Answer for as many as are applicable.)

N/A

18. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

No

19. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The benefit is to natural resources and wildlife species that will utilize the area. Some economic impact to the local community from visitors will occur but this amount is unknown.

20. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Funding for future maintenance will be from annual operating funds.

21. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

N/A

22. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

N/A

**PERMANENT IMPROVEMENT PROJECT INFORMATION
FORMAT FOR PHASE II CONSTRUCTION BUDGET**

1. What is the total projected cost of the project and what is it based on? Please attach a summary of the costs prepared during the A&E pre-design phase to support the total cost.

Prior dike repair projects and an Opinion of Probable Costs prepared by DNR Engineering staff.

2. What is/are the source(s) of funds for the construction? If any private or federal funds are included, please attach a letter guaranteeing the availability of the funds.
- 1) 10010000 - Nonrecurring State Appropriations
 - 2) 30350097 - Other Operating Revenue - Other Operating Revenue - NAWCA-related Funds

- 3) What is your agency/institution's definition of each fund source to be used for construction? (If any type of fee makes up a portion of the source, what is the fee called, what is the fee amount, and when it was put in place. If there is a statutory authority authorizing the use of the funds for capital projects, please cite the code section.)

a. Nonrecurring State funds were appropriated for the maintenance and repair of Upper Coastal Waterfowl dikes land owned and managed by DNR. Rabbit Island is owned by DNR and is part of the Samworth Wildlife Management Area.

b. Other Operating Revenue funds were derived from FY 2018 Proviso 117.130 which transferred funds from the SC Conservation Bank to the DNR to be used as match for eligible NAWCA related projects.

NAWCA (North American Wetlands Conservation Act) grants are administered by the USFWS. These grants are focused on furthering the goals of the North American Wetlands Conservation Act. These projects must involve long-term protection, restoration, and/or enhancement of wetlands and associated uplands habitats for the benefit of all wetlands-associated migratory birds. The underlying goal is to increase bird populations and wetland habitat, while supporting local economies and American traditions such as hunting, fishing, birdwatching, family farming, and cattle ranching. Wetlands protected by NAWCA provide valuable benefits such as flood control, reducing coastal erosion, improving water and air quality, and recharging ground water.

The dike repairs DNR plans to conduct, directly relate to the purpose of the NAWCA program as these repairs are critical to DNR providing and enhancing wetland habitat for migratory bird species. Without such repairs, DNR will be unable to provide the required habitat which will in turn negatively impact these species.

- 4) What is the current uncommitted balance of funds for each source listed in 3 above?
- a. 10010000 - Upper Coastal Waterfowl: \$348,682 2) 30350097- Other Operating Revenue: \$1,793,953

- 5) If institution or revenue bonds are included as a source, when were the bonds issued? If not issued yet, when is the bond resolution expected to be brought for State Fiscal Accountability Authority approval?

N/A

- 6) If a student fee is used to fund debt service, what is the current amount of the fee annually or by semester? Please specify which.

N/A

- 7) Will the use of any funds for construction require an increase in any student fee or tuition? If so, please explain in detail.

N/A

- 8) Will the project be LEED certified for energy savings and conservation and if so, at what level will it be certified? For projects requiring or using LEED certification, please attach the required cost-benefit analysis and a checklist of items to be used to achieve LEED points or a description of the energy measures to achieve LEED.

N/A

- 9) What energy savings/conservation measures will be implemented within the project if the project will not be LEED certified? For projects that do not require/use LEED, please provide a paragraph on energy savings measures to be implemented as part of the project. If there are no energy savings measures included, please state that and explain why.

N/A

- 10) What is the projected date (month and year) for execution of the construction contract?

Bidding will occur in March 2018 and a contract will be executed as soon as possible.

- 11) What is the projected date (month and year) for completion of construction?

Estimated completion is February 2019

- 12) What program(s) are to be included in the constructed or renovated space?

N/A

- 13) What is the total square footage of the building to be renovated or constructed?

N/A

- 14) If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

N/A

- 15) What is the current age of the building or building systems to be renovated?

N/A

- 16) If any new space is being added to the facility, please provide demand/usage data to support the need.

N/A

- 17) What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or the entire building? (Answer for as many as are applicable.)

N/A

- 18) If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase?

N/A

- 19) If the contingency is more than 10%, please explain why.

N/A

- 20) If funds are being transferred from another project, what is the current status of the project from which funds are being transferred?

N/A

- 21) Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

No

- 22) What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The benefit is to natural resources and wildlife species that will utilize the area. Some economic impact to the local community from visitors will occur but this amount is unknown.

- 23) How will your agency/institution address and fund maintenance of this facility construction/renovation?

Funding for future maintenance of the dikes will be from annual operating funds.

- 24) If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

N/A

- 25) If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

N/A

**Rabbit Island Dike Repair
P240-9976**

Opinion of Probable Cost

Prepared by SCDNR

Date: 02/28/2018

Description

Cost

General conditions

\$ 4,181.82

Earthwork

Mobilization

\$ 44,000.00

Earthwork

\$ 1,700,000.00

Trunk

Trunk replacement

\$ 70,000.00

Subtotal \$ 1,818,181.82

Contingency 10%

\$ 181,818.18

Construction Total \$ 2,000,000.00

Engineering by SCDNR

\$0.00

Inspections by SCDNR

\$0.00

TOTAL ESTIMATE \$ 2,000,000.00

South Carolina Department of Natural Resources



DNR

Alvin A. Taylor
Director

August 29, 2016

Mr. Marvin N. Davant, Executive Director
South Carolina Conservation Bank
1201 Main Street, Suite 1820
Columbia, SC 29201

Dear Marvin,

Per Proviso 117.144, we are hereby requesting the transfer of \$1,000,000 from the SC Conservation Bank to be used as match for NAWCA projects in South Carolina as well as other eligible management activities related to NAWCA. As I am sure you know, maintaining our waterfowl areas is a continuous effort and a high priority for the Department.

If you have any questions or need additional information, please do not hesitate to contact me. As always, thank you for your support of South Carolina's natural resources.

Sincerely,

Alvin A. Taylor
Director

South Carolina Department of Natural Resources



DNR

Alvin A. Taylor
Director

September 18, 2017

Marvin Davant, Executive Director
South Carolina Conservation Bank
1201 Main St., Suite 1820
Columbia, SC 29201

Dear Marvin,

Per Proviso 117.144, we are hereby requesting the transfer of \$1,000,000 from the SC Conservation Bank to be used as match for NAWCA projects in South Carolina as well as other eligible management activities related to NAWCA. As I am sure you know, maintaining our waterfowl areas is a continuous effort and a high priority for the Department.

If you have any questions or need additional information, please do not hesitate to contact me. As always, thank you for your support of South Carolina's natural resources.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Taylor", is written over the typed name.

Alvin A. Taylor
Director

SECTION 118 - X910 - STATEWIDE REVENUE

(g) Applied Research Centers	\$1,000,000
** (h) Community Development Corporations	\$100,000
** (i) Economic Development	\$100,000
(j) Workforce Coordinating Council Operations	\$100,000
(30) C050 - Administrative Law Court Rent Increase/Upfit	\$5,000
(31) D100 - State Law Enforcement Division	
(a) Forensic Building	\$17,800,000
(b) Vehicle Rotation	\$2,000,000
(c) First Responder PTSD Treatment	\$500,000
(32) N040 - Department of Corrections Agency Wide Paving	\$2,360,580
(33) N080 - Department of Probation, Parole and Pardon Services	
(a) Offender Education and Reentry Initiative	\$150,000
(b) Job Training and Preparation Education	\$105,000
(34) N120 - Department of Juvenile Justice AMI Kids	\$200,000
(35) R440 - Department of Revenue	
(a) CSID - Identity and Credit Protection Services	\$1,000,000
(b) Tax Processing System (COTS)	\$1,145,202
(36) P160 - Department of Agriculture	
(a) Agricultural Marketing (Certified SC)	\$500,000
** (b) Agribusiness Development	\$2,500,000
(37) P200 - Clemson University-PSA	
(a) Agriculture and Natural Resources Program	\$500,000
(b) Agriculture and Natural Resources Facilities	\$1,700,000
(38) P240 - Department of Natural Resources	
(a) Fort Johnson Roof Replacement	\$1,515,132
(b) Law Enforcement Communication Center Upgrade	\$800,000

**See note at end of Act.

SECTION 118 - X910 - STATEWIDE REVENUE

(c) Springs Stevens Hatchery - Harvest Kettle Renovation	\$800,000
(d) Waddell Center Infrastructure	\$100,000
(e) Wildlife Management Areas	\$3,000,000
(f) Heavy Equipment - Road and Dike Maintenance	\$210,000
** (g) Upper Coastal Waterfowl Project Maintenance and Repair	\$1,600,000
(h) Boat Slip Renovation - Fort Johnson	\$1,000,000
** (i) Outreach Education	\$1,600,000
(j) Equipment	\$1,000,000
(39) P280 - Department of Parks, Recreation and Tourism	
(a) Agency Operations	\$1
(b) Statewide Coastal Beach Renourishment	\$30,000,000
(c) Information Technology Security Audit and PCI Compliance Audit	\$300,000
(d) State Park Piers Repair	\$2,200,000
(e) Oconee Spillway Repair	\$100,000
** (f) Sports Development Marketing Program	\$3,000,000
** (g) Medal of Honor Museum	\$3,000,000
** (h) Sumter Environmental Center	\$300,000
(i) African American Museum	\$4,000,000
** (j) Children's Museum of the Upstate	\$1,000,000
** (k) Parks and Recreation Development Fund	\$5,000,000

(39.1) The Department of Parks, Recreation and Tourism shall allocate the funds appropriated above in item (39)(b) for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment activities to repair damage caused by storm activity in 2015 and to accelerate routine renourishment activities on beaches damaged by the storms. Local governments and state agencies shall make application for renourishment funds on a form and in the manner prescribed by the department and funds shall be allocated using a prioritization process developed by the department. The department shall report to the Governor, the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee

**See note at end of Act.

SECTION 117 - X900 - GENERAL PROVISIONS

117.126. (GP: State Engineer) The State Engineer is an office located within the State Fiscal Accountability Authority, all references to the contrary notwithstanding.

117.127. DELETED

117.128. (GP: Retail Facilities Revitalization Act Repeal Suspension) The repeal of Chapter 34 of Title 6 of the 1976 Code as specified in Act 285 of 2006 as to sites for which written notification of election of mode of credit has been provided to the Department of Revenue prior to July 1, 2016 and for which a building permit has been issued prior to July 1, 2016, is suspended for Fiscal Year 2017-18.

117.129. (GP: Pittman-Robertson Funds State Match) From the funds authorized for the South Carolina Conservation Bank and upon receipt of an application pursuant to Section 48-59-70 of the 1976 Code, the Conservation Bank Board must award a grant of \$2,000,000 to the Department of Natural Resources to be used as the state match for Pittman-Robertson Wildlife Restoration Funds.

117.130. (GP: North American Wetlands Conservation Act State Match) From the funds authorized for the South Carolina Conservation Bank and upon receipt of an application pursuant to Section 48-59-70 of the 1976 Code, the Conservation Bank Board must award a grant of \$1,000,000 to the Department of Natural Resources to be used as the state match for the North American Conservation Act or other eligible purposes as described in the application.

117.131. (GP: DOT Structural Efficiencies Study) From the funds appropriated to and/or authorized for the Department of Transportation, the Inspector General, in collaboration with the Secretary of Transportation, is directed to conduct a national search to contract with a renowned firm that specializes in governmental structural efficiencies. The firm shall be tasked with studying the internal structure of the Department of Transportation, and making recommendations on improvements that would cause the department to operate more effectively and more cost-efficiently. The Department of Transportation and any entity contracting with the department or the Office of Inspector General must fully cooperate with the firm in the discharge of its duties and responsibilities and must timely produce all requested information, including, but not limited to books, papers, correspondence, memoranda, and other records necessary in connection with an independent study. Final cost of the contractual arrangement with the chosen firm must be reported to the Chairman of the Senate Finance Committee and the

JBRC MEETING DECEMBER 5, 2017

Members Attending:	Senator Leatherman	Representative White
	Senator Peeler	Representative Cobb-Hunter
	Senator Alexander	Representative Smith
	Senator Campbell	
	Senator Reese	

Members Absent: Representative Clemmons

Senator Leatherman opened the meeting at 10:40 AM and asked Dianne Carraway to go through the agenda items. Ms. Carraway noted that the first item was an addition to the agenda package.

DNR:

DNR requested exemption of the maintenance or repair/replacement of existing roads and dikes on any DNR-owned or DNR-controlled state lands from the permanent improvement process and JBRC review.

Senator Leatherman asked that this be put on the agenda first, and Senator Peeler asked to hear from DNR on why this is necessary. Alvin Taylor, Director of DNR, stated that storms have damaged the dikes and that not being able to control water causes further damage. Senator Leatherman asked if the DNR has the funding to make the repairs, and Mr. Taylor indicated that they do and that FEMA reimbursement of 75% is expected on some of the projects. **Senator Alexander asked that JBRC be kept informed about the projects, and Representative Smith agreed and noted that there would to be oversight.** Representative White indicated that staff-level review and reporting to JBRC would accomplish DNR's need to expedite the process. Mr. Taylor agreed and said he had no problem with that. Therefore, DNR's request was approved with DNR being required to submit the necessary paperwork to establish the projects, subject to JBRC staff-level review and recommendation, and reporting to JBRC at the next meeting.

AGENDA ITEM 1: MUSC, Proposed Leases

MUSC is requesting approval to lease parking spaces from the new owner of the Harborview Office Tower located at 19 Hagood Avenue in Charleston.

In March, 2017, SFAA approved disposition of 3.27 acres including a 10-story office building, 641-space parking garage, and surrounding parking lots by MUSC, which is under contract and expected to close by February 28, 2018. As part of the contract for sale, MUSC will lease back the office building at a rate of \$1 for up to one year while MUSC staff is relocated.

During relocation, MUSC will need to retain 730 parking spaces in the garage and surrounding lots for up to one year beginning on the closing of the sale. In addition, MUSC will need 400 parking spaces in the same general area for up to 10 years beginning in approximately December 2018.

Therefore, MUSC is requesting approval of two lease agreements:

(a) 1-Year Lease for 730 Parking Spaces: A solicitation was conducted for parking spaces close to MUSC or within the MUSC Transit System, 2 proposals were received; the selected location was the lowest bid.

cost. He said that is approximately \$32,500 versus the hypothetical of \$180,000 if this was done as a single issuance.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Authority adopted a resolution making provision for the issuance and sale of not exceeding \$6,750,000 General Obligation State Institution Bonds of the State of South Carolina issued on behalf of Clemson University.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

State Fiscal Accountability Authority: Future Meeting (Regular Session Item #10)

Upon a motion by Mr. White, seconded by Mr. Eckstrom, the Authority agreed to meet at 9:30 a.m. on Tuesday, January 30, 2018, in Room 252, Edgar A. Brown Building.

Department of Natural Resources: Existing Road and Dike PIP Process (Regular Session 11)

The Department of Natural Resources (DNR) advised that numerous state properties under DNR's management suffered damages to their roads and dikes during the 2015 Flood, 2016 Hurricane Matthew, and 2017 Hurricane Irma. These damages curtailed or severely restricted the use of those properties by sportsmen and women. DNR indicates that time constraints for obtaining required approvals has delayed much needed repairs and, in several cases erosion has continued to spread, ultimately causing more damage and increasing costs for the repairs.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority approved the Department of Natural Resources' request for a permanent improvement project for maintenance or repair/replacement of existing roads and dikes on any DNR-owned land or DNR-controlled state lands, approval authority is delegated to the Authority's Executive Director. DNR will submit the paperwork necessary to establish the permanent improvement project. Projects will be reported at the next regularly-scheduled Authority meeting.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

Adjournment

The meeting adjourned at 11:18 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Authority Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:45 a.m. on Monday, December 11, 2017.]

South Carolina Department of Natural Resources



DNR

Alvin A. Taylor
Director

February 22, 2018

Ms. Jennifer LoPresti
Executive Budget Office / Capital Budgeting Unit
1205 Pendleton Street, Ste 529
Columbia, SC 29201-3757

RE: 9976 - Georgetown - Rabbit Island Dike Repair

Dear Jennifer:

The Department of Natural Resources (DNR) requests approval from the staff of the Joint Bond Review Committee and State Fiscal Accountability Authority to establish and execute a project to repair and restore 8,131 linear feet of dike on Rabbit Island, a part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The dike allows staff to manage habitat primarily for migratory waterfowl utilizing the Atlantic Flyway within the impoundment. The DNR also provides opportunity for the public to participate in Public Lottery Hunts on Rabbit Island.

The project will provide for the installation of two "Santee" style rice field trunks to control water flow through the dike, establish a dike height no less than 3 feet above the mean high tide mark and restore a top width to 14 feet at all points. The slope will remain within the original footprint of the dike. Material for refurbishing the dike will come from the existing borrow pit (canal) inside the impoundment. Work will not be conducted in a manner that compromises the integrity of the existing dike berm. To repair the dike barges, tugs, pusher boats and earth moving equipment must be mobilized. Transportation for workers to and from the site must be arranged and provisions made for fueling and on island transportation for work crews.

The department estimates repair and restoration costs to be \$2,000,000 and requests budget be established to proceed with the project. The source of funding for the project is \$348,682 from nonrecurring FY 2017 state funds allocated for Upper Coastal Waterfowl Maintenance & Repair, and \$1,651,318 from funds transferred to the department by the SC Conservation Bank for the purpose of supporting North American Wetlands Conservation Act projects. This project does not qualify for FEMA Public Assistance Program funding. The project is expected to be completed in February 2019.

I have also enclosed excerpts from the December 5, 2017 JBRC and December 12, 2017 SFAA meetings which provide for staff level approval of projects for repair/replacement of existing roads and dikes on DNR lands. This project meets the requirements as Rabbit Island is a DNR owned land and the project is for the repair of dikes.

As always, we thank the Executive Budget Office for the assistance provided to complete our projects. Please contact me should you have any questions related to this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Speares", is written over the word "Sincerely,".

Scott Speares

Assistant Deputy Director - Office of Support Services

Attachments: A-1, A49

Budget Load Worksheet

Project Information Format for Phase I A&E Pre-Design

Project Information Format for Phase II Construction

Excerpts from JBRC and SFAA December meetings

**Capital Improvements
Joint Bond Review Committee**

HUGH K. LEATHERMAN, SR.
SENATE
CHAIRMAN

SENATE MEMBERS

HUGH K. LEATHERMAN, SR.
HARVEY S. PEELER, JR.
THOMAS C. ALEXANDER
PAUL G. CAMPBELL, JR.
GLENN G. REESE

HOUSE MEMBERS

W. BRIAN WHITE
GILDA COBB-HUNTER
G. MURRELL SMITH
ALAN D. CLEMMONS



W. BRIAN WHITE
HOUSE OF REPRESENTATIVES
VICE CHAIRMAN

DIANNE C. CARRAWAY
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6688

EVELYN SEXTON
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

December 6, 2017

Ms. Jennifer LoPresti, Capital Budgeting Manager
Executive Budget Office
Suite 529, Brown Building
Columbia, SC 29201

Dear Ms. LoPresti:

At the Joint Bond Review Committee meeting yesterday, the Committee reviewed and recommended approval of the following:

- a) Clemson University's request for construction of an outdoor fitness and wellness center partially funded with General Obligation State Institution Bonds.
- b) The Department of Natural Resources request for exemption of the maintenance or repair/replacement of existing roads and dikes on any DNR-owned land or DNR-controlled state lands from the usual permanent improvement process. Instead, DNR will submit the paperwork necessary to establish the permanent improvement project for review by JBRC staff; the projects will be reported to JBRC at the next meeting.
- c) The 23 permanent improvement projects presented in Summary 3-2018. For the St. Phillips Island acquisition requested by the Department of Parks, Recreation and Tourism, information regarding any compensation and/or tax benefits associated with the conservation easement was requested.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "H. K. L.", followed by a long horizontal line.

Hugh K. Leatherman, Sr.
Chairman

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



OFFICE OF THE EXECUTIVE DIRECTOR

GRANT GILLESPIE
EXECUTIVE DIRECTOR
(803) 734-8018
GGILLESPIE@SFAA.SC.GOV

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

W. BRIAN WHITE
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

March 9, 2018

Alvin A. Taylor, Director
SC Department of Natural Resources
Post Office Box 167
Columbia, SC 29202-0167

Re: PIP Approval for Roads and Dikes

Dear Director Taylor:

At its meeting on December 5, 2017, the Joint Bond Review Committee reviewed and recommended approval of the Department of Natural Resources' request for exemption of the maintenance or repair / replacement of existing roads and dikes on any DNR-owned land or DNR-controlled state lands from the usual permanent improvement project approval process. The Committee recommended that, instead of the usual process, DNR would submit the paperwork necessary to establish the permanent improvement project for review by the Committee's staff, with projects to be reported to the Committee at its next meeting.

At its meeting on December 12, 2017, and consistent with the Committee's recommendation, the State Fiscal Accountability Authority delegated approval authority to its Executive Director for permanent improvement projects meeting the above criteria. Like the Committee, the Authority's approval provided that DNR would submit the paperwork necessary to establish the project, with projects to be reported at the next Authority meeting.

Since enactment of the South Carolina Restructuring Act of 2014, the Department of Administration has managed the process of establishing permanent improvement projects. Accordingly, when the Department of Natural Resources seeks approval for projects meeting the above criteria, please submit the ordinary

Letter to Director Taylor
March 9, 2018
Page 2

paperwork necessary to establish the project directly to the Department of Administration for processing. Once I have received the proper paperwork from Administration and a favorable recommendation from the Joint Bond Review Committee or its staff, you can expect my prompt review and response.

Sincerely,



Grant Gillespie

cc: Dianne Carraway, Director of Research, Joint Bond Review Committee
Beverly Smith, Chief of Staff, Ways and Means Committee
Rick Harmon, Capital Budgeting Unit, Executive Budget Office,
Department of Administration
Delbert H. Singleton, Jr., Authority Secretary

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit of the South Carolina Department of Natural Resources

On June 14, 2011, the State Budget and Control Board granted DNR a certification of \$350,000 per commitment for Supplies, Services and Consultant Services. Procurement Services reduced that authority to \$50,000, effective February 25, 2016, due to the prolonged vacancy in the procurement director position and significant turnover in procurement staff.

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services reviewed the procurement system of Department of Natural Resources during 2017 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>Recommended Certification</u>
Supplies and Services	*\$50,000 Per Commitment	*\$300,000 Per Commitment

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

The Agency complies with the South Carolina Consolidated Procurement Code, State regulations, and the Agency's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. The Department of Procurement Services recommends the State Fiscal Accountability Authority grant the Department of Natural Resources the certification limit noted above. This certification limit will restore the majority of the certification DNR was granted 2011.

AUTHORITY ACTION REQUESTED:

Grant procurement certification for the South Carolina Department of Natural Resources, as recommended by the Division of Procurement Services within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Recommended Certification</u>
Supplies and Services	*\$50,000 Per Commitment	*\$300,000 Per Commitment

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

ATTACHMENTS:

Agenda item worksheet and attachment

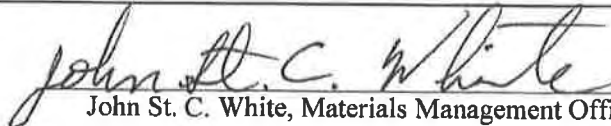
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: May 1, 2018

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 Department of Natural Resources

3. Summary Background Information:

On June 14, 2011, the State Budget and Control Board granted DNR a certification of \$350,000 per commitment for Supplies, Services and Consultant Services. Procurement Services reduced that authority to \$50,000, effective February 25, 2016, due to the prolonged vacancy in the procurement director position and significant turnover in procurement staff.

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services reviewed the procurement system of Department of Natural Resources during 2017 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>Recommended Certification</u>
I. Supplies and Services	*\$ 50,000 Per Commitment	*\$ 300,000 Per Commitment

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

The Agency complies with the South Carolina Consolidated Procurement Code, State regulations, and the Agency'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 Department of Natural Resources the certification limit noted above. This certification limit will restore the majority of the certification DNR was granted 2011.

4. What is Authority asked to do?

Grant procurement certification for the Department of Natural Resources by approval of the Blue Agenda.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

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.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: State Housing Finance and Development Authority
- Amount of Issue: \$7,500,000 Multifamily Rental Housing Revenue Bonds
- Allocation Needed: -0-
- Name of Project: Lorick Place Apartments
- Employment Impact:
- Project Description: acquisition, construction, furnishing and equipping of an 87-unit multifamily rental housing facility located in Columbia
- Bond Counsel: John Van Duys, Haynsworth Sinkler Boyd, P. A.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolution with attachments

A RESOLUTION

of the

SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY RENTAL HOUSING REVENUE BONDS (LORICK PLACE APARTMENTS PROJECT), SERIES 2018.

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

WHEREAS, LORICK PLACE, LLC, 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 approximately 87 units of residential rental property located in Columbia, South Carolina (the “*Project*”); and

WHEREAS, in order to provide money to purchase and to rehabilitate the Project, the Authority proposed to issue its bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project), Series 2018, in the principal amount not to exceed of \$7,500,000 (the “*Bonds*”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of March __, 2018 (the "**Petition**"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds; and

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

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

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

(iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Housing Authority have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;

(iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii) have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;

(v) the method to be employed in selling the Bonds.

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

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project) Series 2018 in the principal amount not to exceed \$7,000,000.

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

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

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

(i) the final principal amount of the Bonds to be issued;

(ii) the final maturity schedule of the Bonds to be issued;

(iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;

(iv) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds; and

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

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

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

March 27, 2018

MEMORANDUM

TO: T. Parkin Hunter, Frank Potts

FROM: Delbert H. Singleton, Jr.

SUBJECT: Review of Revenue Bond Proposal

The following proposal for the issuance of revenue bonds has been submitted for the May 1, 2018, State Fiscal Accountability Authority agenda:

State Housing Finance and Development Authority
\$7,500,000 Multifamily Rental Housing Revenue bonds
Lorick Place Apartments project

For this proposal to be included on the May 1, 2018, agenda, I must have the written results of your review by 9:30 a.m. on Tuesday, April 24, 2018.

Enclosure

RECEIVED

MAR 28 2018

SFAA Office of General Counsel

Haynsworth
Sinkler Boyd, P.A.

ATTORNEYS AND COUNSELORS AT LAW

1201 MAIN STREET, 22ND FLOOR (29201-3226)
POST OFFICE BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA
TELEPHONE 803 779 3080
FACSIMILE 803 765 1243
www.hsblawfirm.com
JOHN VAN DUYS, ESQUIRE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803 540 7826
jvanduys@hsblawfirm.com

March 20, 2018

By Hand Delivery

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

Re: Not to exceed \$7,500,000 South Carolina State Housing Finance and Development
Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments
Project), Series 2018

Dear Delbert:

Please find enclosed (i) the Transmittal Form, (ii) the executed Petition of the South Carolina Jobs-Economic Development Authority (the "*Authority*"), (iii) the form of State Fiscal Accountability Authority Resolution, and (iv) the draft bond counsel opinion letter for the above-referenced bond issue which I request be included on the agenda for the May 1, 2018 State Fiscal Accountability Authority meeting.

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

Thank you very much for your assistance.

With best regards, I remain

Sincerely Yours,

HAYNSWORTH SINKLER BOYD, P.A.


John Van Duys

Enclosures

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

RECEIVED

MAR 22 2018

SPAA Office of General Counsel

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: March __, 2018

Submitted for SFAA Meeting on:
May 1, 2018

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

FROM:

Haynsworth Sinkler Boyd, P.A.

\$7,500,000

Name of Law Firm

Amount of Issue

1201 Main Street, 22nd Floor

SC State Housing & Finance Authority

Street Address/Box Number

Name of Issuing Authority

Columbia, SC 29201

Multifamily Rental Housing Revenue Bonds

City, State, Zip Code

Type of Bonds or Notes

803-779-3080

May 27, 2018

Area Code/Telephone Number

Projected Issue Date

Project Name: Lorick Place Apartments

Project Description: Acquisition, construction, furnishing and equipping of an 87-unit multifamily rental housing facility located in Columbia, South Carolina.

Employment as a result of the project:

Ceiling Allocation Required

Refunding Involved

Project Approved Previously

Yes*(\$) X No

Yes(\$) X No

Yes(\$) X No

Amount

Amount

Amount

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

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

- A. ☒ Petition
- B. ☐ Resolution or Ordinance (Inducement Agreement)
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ Budget and Control Board Resolution and Public Notice *(original)*
Plus 5 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$

Check No:

Payor:

Bond Counsel: Haynsworth Sinkler Boyd, P.A.

By:

Bond Counsel – John Van Duys

Signature

* Bond Volume Cap will come from 2017 Carry-forward allocation made to the Authority.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LEXINGTON) PETITION

TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA) LORICK PLACE,
) LLC

This Petition of the South Carolina State Housing Finance and Development Authority (the "**Authority**") is submitted to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "**Act**") and respectfully shows:

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

2. **LORICK PLACE, LLC**, a South Carolina for-profit organization (the "**Sponsor**"), has requested the Authority to assist it through the issuance of its bonds to be known as

Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project) Series 2018 in the aggregate principal amount not to exceed \$7,500,000 (the "**Bonds**") and make a Mortgage Loan of the proceeds of the sale of the Bonds to the Sponsor as part of the Insured Direct Loan Program of the Authority to finance a portion of the costs of the acquisition and rehabilitation of an 87 unit apartment development located in Columbia, South Carolina, known as Lorick Place Apartments (the "**Project**"). The Project will be occupied continuously by members of the Beneficiary Classes of the Authority, constituting families of low income. The Sponsor has applied to the United States Department of Housing and Urban Development for the issuance of mortgage insurance under Section 221(d)(4) of the United States Housing Act (the "**Mortgage Insurance**") to secure the Sponsor's repayment to the Authority of the Mortgage Loan. On the basis of the Mortgage Insurance, the Sponsor expects the Bonds to receive an "investment grade" credit rating from one or more of the nationally recognized credit reporting agencies.

3. The Authority has determined that:

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

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

(c) To the extent required by the Act, arrangements having been made to provide credit enhancement required by the Act to be provided, and for the establishment of appropriate reserves in connection with the Bonds, which arrangements are expected to result in an acceptable rating from a national rating agency or the ability to market the Bonds to private institutional investors for investment purposes, the revenues or other monies estimated to thereafter be available for the repayment thereof will provide monies required for the repayment of the principal and interest on the bonds of the Authority and the Bonds.

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

5. The Bonds will be sold in a negotiated sale by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"). and the Housing Sponsor expects the Bonds will receive an "investment grade" credit rating from one or more of the nationally recognized credit reporting agencies.

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

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

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

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

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

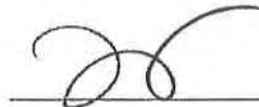
8. The Bank of New York Mellon Trust Company, N.A., will serve as Trustee for the issue. The Bonds are special obligations of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto. The documents pursuant to which the Bonds are being issued provide that all expenses, costs and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing and all disbursements shall be paid by the Borrower.

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

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the Project and paying the costs of issuance in connection therewith in order to further development of the Insured Direct Loan Program as outlined herein.

Respectfully submitted,

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



General Counsel

March 14, 2018

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$10,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY RENTAL HOUSING REVENUE BONDS (LORICK PLACE APARTMENTS PROJECT), OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "*Act*"), provides that the South Carolina State Housing Finance and Development Authority (the "*Authority*"), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the "*Beneficiary Classes*") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore, and that a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Classes; and

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

WHEREAS, Lorick Place, LLC (the "*Housing Sponsor*"), a South Carolina limited liability company, has requested the Authority to assist it through the issuance of its bonds to be known as Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project), in the aggregate principal amount of not exceeding \$10,000,000 to provide a permanent mortgage loan (the "*Mortgage Loan*") to finance the acquisition, construction, furnishing and equipping of

Lorick Place Apartments, an 87-unit affordable housing facility to be constructed on an approximately 5.85 acre site located at 3800 West Avenue, Columbia, 29203 in Richland County, South Carolina (the "*Project*");

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

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

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds, and to pay the costs and expenses of the Authority in connection therewith, the Authority will undertake to issue a series of bonds to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project), to be issued in one or more series, in the aggregate principal amount of not exceeding \$10,000,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

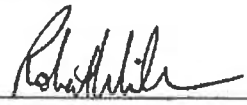
**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the "**Authority**") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 15th day of November, 2017, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

I further certify that due notice of a meeting of the Bond Committee of the Board, called to be held in Columbia, South Carolina at 9:45 am on November 15, 2017, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 15th day of November, 2017.

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

By: 
Secretary

A RESOLUTION

of the

SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY RENTAL HOUSING REVENUE BONDS (LORICK PLACE APARTMENTS PROJECT), SERIES 2018.

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

WHEREAS, LORICK PLACE, LLC, 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 approximately 87 units of residential rental property located in Columbia, South Carolina (the "*Project*"); and

WHEREAS, in order to provide money to purchase and to rehabilitate the Project, the Authority proposed to issue its bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project), Series 2018, in the principal amount not to exceed of \$7,500,000 (the "*Bonds*"); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of March __, 2018 (the "*Petition*"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds; and

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

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

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

(iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Housing Authority have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;

(iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii) have previously been provided to the Office of the State Treasurer and are available on-line at <https://emma.msrb.org>;

(v) the method to be employed in selling the Bonds.

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

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Lorick Place Apartments Project) Series 2018 in the principal amount not to exceed \$7,000,000.

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

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

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

(i) the final principal amount of the Bonds to be issued;

(ii) the final maturity schedule of the Bonds to be issued;

(iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;

(iv) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds; and

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

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

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

FORM OF BOND COUNSEL OPINION

May ____, 2018

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

Re: \$7,500,000 South Carolina State Housing Finance and Development Authority Multifamily Housing
Revenue Bonds (Lorick Place Apartments Project), Series 2018

Ladies and Gentlemen:

As bond counsel to Lorick Place, LLC, a South Carolina limited liability company (the "*Housing Sponsor*"), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the South Carolina State Housing Finance and Development Authority (the "*Issuer*") of its \$7,500,000 Multifamily Housing Revenue Bonds (Lorick Place Apartments Project), Series 2018 (the "*Bonds*"). The Bonds are issued pursuant to the provisions of (i) Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (the "*Act*"), (ii) a Loan Agreement, dated as of May 1, 2018 (the "*Loan Agreement*"), between the Issuer and the Housing Sponsor, (iii) an Indenture of Trust, dated as of May 1, 2018 (the "*Indenture*"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"), and (iv) a resolution (the "*Resolution*") adopted by the Board of Commissioners of the Issuer authorizing the issuance and sale of the Bonds. Pursuant to the Loan Agreement, the Issuer will make a mortgage loan (the "*Loan*") to the Housing Sponsor to be used to provide construction and permanent financing for the acquisition and rehabilitation of a multifamily rental housing development (the "*Project*") described in the Loan Agreement and Indenture. Under the Loan Agreement, the Housing Sponsor has agreed to make the payments to or on behalf of the Issuer sufficient to pay, in the aggregate, the principal of, premium, if any, and interest on the Bonds, as well as other payments, property, and revenues pledged to the payment thereof under the Indenture (collectively, the "*Security*").

The Project is subject to an Agreement as to Restrictive Covenants (the "*Regulatory Agreement*") between the Housing Sponsor and the Issuer, and the Federal Tax Agreement and Non-Arbitrage Certificate, dated the date hereof (the "*Tax Agreement*"), between the Housing Sponsor and the Issuer. The Loan Agreement, the Indenture, the Regulatory Agreement, and the Tax Agreement contain covenants that include requirements regarding the application and investment of the proceeds of the sale of the Bonds, the use and occupancy of the residential units of the Project, and the rebate of certain investment proceeds to the United States government.

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

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Housing Sponsor and the Issuer contained in the Loan Agreement, the Indenture, the Regulatory Agreement, the Tax Agreement, certificates of public officials furnished to us, and certificates of representatives of the Housing Sponsor, the Issuer, and other parties, in each case, without undertaking any independent verification, although nothing has come to our attention to lead us to believe we are not justified in so relying. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine; all documents, certificates, and instruments submitted to us as originals are authentic; and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence, and powers of such other parties other than the Issuer.

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

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

1. The Issuer is validly existing as a body corporate and politic of the State of South Carolina with the corporate power to enter into and perform its obligations under the Loan Agreement and the Indenture and to issue the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed, and delivered by the Issuer, and (assuming due authorization, execution, and delivery thereof by the other parties thereto) are valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

3. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Security. The Bonds are not general obligations or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but are payable solely from the Security.

4. Interest on the Bonds is exempt from South Carolina income taxation; and (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "*Code*") and (b) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Housing Sponsor comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Bonds to be so included in gross income retroactively to the date of issuance of the Bonds. The Issuer and the Housing Sponsor have covenanted to comply with all such requirements.

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

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

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

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

Our services as Bond Counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Issuer or the Housing Sponsor, and we

express no opinion as to the accuracy or completeness of any information with respect to the Issuer or the Housing Sponsor that may have been relied upon by the purchaser of the Bonds in making its decision to purchase the Bonds.

Very truly yours,

South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Lorick Place Apartments Project) Series 2018

Sources and Uses of Funds
Lorick Place, Series 2018

Dated Date 5/24/2018
Delivery
Date 5/24/2018

Sources:

Bond Proceeds:

Par Amount	7,500,000.00
------------	--------------

Other Sources of Funds:

Underwriter Advance of Supplemental Purchase Price	22.64
----------------------------------------------------	-------

	7,500,022.64
--	--------------

Uses:

Refunding Escrow Deposits:

Negative Arbitrage Deposit	0.64
----------------------------	------

SLGS Purchases	7,500,022.00
----------------	--------------

	7,500,022.64
--	--------------

South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Lorick Place Apartments Project) Series 2018

Bond Debt Service
Lorick Place, Series 2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
5/24/2018	-	-	-	-	-
11/1/2018	-	-	71,958.33	71,958.33	-
5/1/2019	-	-	82,500.00	82,500.00	154,458.33
11/1/2019	-	-	82,500.00	82,500.00	-
5/1/2020	7,500,000	2.200%	82,500.00	7,582,500.00	7,665,000.00
	7,500,000		319,458.33	7,819,458.33	7,819,458.33

South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Lorick Place Apartments Project) Series 2018

Escrow Requirements
Lorick Place, Series 2018

Period Ending	Principal	Interest	Total
11/1/2018	-	71,958.33	71,958.33
5/1/2019	-	82,500.00	82,500.00
11/1/2019	-	82,500.00	82,500.00
5/1/2020	7,500,000.00	82,500.00	7,582,500.00
	7,500,000.00	319,458.33	7,819,458.33

South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Lorick Place Apartments Project) Series 2018

Escrow Sufficiency
Lorick Place, Series 2018

Date	Debt Service Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
5/24/2018	-	0.64	0.64	0.64
11/1/2018	71,958.33	71,958.62	0.29	0.93
5/1/2019	82,500.00	82,499.71	-0.29	0.64
11/1/2019	82,500.00	82,499.71	-0.29	0.35
5/1/2020	7,582,500.00	7,582,499.65	-0.35	-
	7,819,458.33	7,819,458.33	0.00	

Bond Principal:	7,500,000.00
Bond Interest:	319,458.33
Total Bond Debt Service:	7,819,458.33

Bond Fund Deposit:	0.64
SLGS Investment Revenues:	7,819,457.69
Total Receipts:	7,819,458.33

Bond DSC:	1.00
-----------	------

AGENCY: Executive Director

SUBJECT: Economic Development (2018 Ceiling Allocations)

The initial balance of the 2018 state ceiling allocation is \$527,558,745. In accord with Code Section 1-11-520, \$211,023,498 (40% of the total) was designated as the state pool and \$316,535,247 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$497,548,745 remaining for 2018. Allocation requests for 2018 totaling \$35,500,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$23,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA Lexington Memory Care (Lexington County), \$13,000,000; and
JEDA Probitas Ventures, LLC—Bennettsville SC AAC Manufacturing Plant (Marlboro County), \$10,000,000. (See attachments A and B for this agenda item for additional information.)

The SC Code of Laws Section 1-11-540 (B) provides that “requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board... determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.” Bond counsel for the Lexington Memory Care project has advised that the positive economic, job creation, and infrastructure impact to the State is of such significance that approval of the allocation request is warranted prior to July 1.

If the Authority approves the recommended requests, this will leave an unexpended state ceiling balance of \$474,548,745 (state pool - \$211,023,498; local pool - \$263,525,247) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

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

JEDA Lexington Memory Care (Lexington County), \$13,000,000; and
JEDA Probitas Ventures, LLC—Bennettsville SC AAC Manufacturing Plant (Marlboro County), \$10,000,000.

ATTACHMENTS:

2018 Ceiling Allocation Requests; Young 4/4/18 Memo; Code Section 1-11-500 et seq.

2018 South Carolina State Ceiling

Balance remaining as of March 8, 2018, if ceiling allocation granted

State Pool (40%)	211,023,498
Total State Pool (40%)	211,023,498
Local Pool (60%)	316,535,247
Total Local Pool (60%)	316,535,247
Certified State Ceiling 2018	527,558,745

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
01/02/18	STATE POOL		211,023,498					

TOTAL, STATE POOL

211,023,498	0	211,023,498	0
--------------------	----------	--------------------	----------

LOCAL POOL

01/02/18			316,535,247					
03/08/18	JEDA	Lakeside Place		11,175,000		11,175,000	03/26/18	Luther
03/08/18	JEDA	Aiken Memory Care		9,335,000		9,335,000	04/20/18	Luther
03/08/18	JEDA	Ridgeland Pellets, LLC		9,500,000				Luther
05/01/18	JEDA	Lexington Memory Care		13,000,000				
05/01/18	JEDA	Probitas Ventures, LLC		10,000,000				

TOTAL, LOCAL POOL

316,535,247	53,010,000	263,525,247	20,510,000
--------------------	-------------------	--------------------	-------------------

GRAND TOTAL

527,558,745	53,010,000	474,548,745	20,510,000
--------------------	-------------------	--------------------	-------------------

2018 South Carolina State Ceiling Allocations

Summary, CY 2018

2018 State Ceiling	527,558,745
Initial Allocations	58,500,000
Expired/Relinquished	5,490,000
Actual Allocations	53,010,000
Certified for Issue	0
Carried Forward	0

Balance Available: 474,548,745

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 3/8/18						
JEDA	Lakeside Place	15,000,000	3,825,000	11,175,000	03/26/18	Luther
JEDA	Aiken Memory Care	11,000,000	1,665,000	9,335,000	04/20/18	Luther
JEDA	Ridgeland Pellets, LLC	9,500,000				Smith
Allocation: 5/1/18						
JEDA	Lexington Memory Care	13,000,000				
JEDA	Probitas Ventures, LLC	10,000,000				

2018 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request Alloc	St.Law	Location	NOTES
1	01/31/18 JEDA	Lakeside Place	15,000,000	15,000,000	Emily Luther			Lexington	
2	01/31/18 JEDA	Aiken Memory Care	11,000,000	26,000,000	Emily Luther	x		Aiken	
3	01/31/18 JEDA	Ridgeland Pellets, LLC	9,500,000	35,500,000	Tyler Smith	x		Jasper	
4	03/20/18 JEDA	Lexington Memory Care	13,000,000	48,500,000	Emily Luther	x		Lexington	
5	03/20/18 JEDA	Probitas Ventures, LLC	10,000,000	58,500,000	Kathleen McKinney	x		Marlboro	



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *ADY*

Date: April 4, 2018

Re: May 1, 2018 meeting

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

After reviewing information provided by Parker Poe Adams Bernstein, LLP, and Haynsworth Sinkler Boyd, P. A., regarding one senior housing project and one manufacturing project the Department of Commerce recommends approval both at the May 1, 2018, meeting of the State Fiscal Accountability Authority. The companies are committing to create a combined 96 new jobs, 30 of which will be in one of our most distressed rural counties, within 24 months.

Name	Requested Amount	Score	County
Probitas Ventures	\$10,000,000	8	Marlboro
Lexington Memory Center	\$13,000,000	4	Lexngton

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

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

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

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

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

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

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

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

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

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

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

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

A.

JEDA

Lexington Memory Care



Emily S. Luther

Partner

Telephone: 803.253.6841

Direct Fax: 803.255.8017

emilyluther@parkerpoe.com

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

March 20, 2018

Via Email and Hand Delivery

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

**Re: Not Exceeding \$13,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lexington Memory Care Project) Series 2018**

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") consideration at its May 1, 2018, meeting, the following documents relating to a petition from the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), for a State ceiling allocation in the amount of not exceeding \$13,000,000 for the above-referenced bonds ("Bonds"):

- A. a completed transmittal form and Attachment A;
- B. form of JEDA's Petition to the SFAA;
- C. form of JEDA's Inducement Resolution and Inducement Agreement;
- D. form of JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED"); and
- E. form of CCED's Resolution approving the Bonds.

The Bonds are anticipated to be issued by JEDA for the purpose of providing a loan to Lexington Memory Care, LLC, and its related or affiliated entities, to finance a portion of the costs of acquiring, designing, developing, constructing and equipping an assisted living and memory care facility in Lexington County, South Carolina ("Project").

The Bonds are expected to be induced by JEDA at its March 21, 2018, meeting and considered by the CCED at its April 5, 2018, meeting. Following the JEDA meeting, the executed versions of the Inducement Resolution, Inducement Agreement and Petitions to the CCED and SFAA will be provided as a supplement to this transmission. Additionally, following

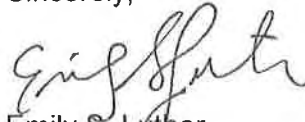
the CCED's meeting on April 5, 2018, a copy of the CCED's Resolution approving the Bonds will be provided as a supplement to this transmission.

Based on information provided by the Borrower, the Project is anticipated to result in a positive impact to the State and Lexington County of such significance that approval of the allocation request in the entire amount of \$13,000,000 is warranted to be given by the SFAA at its May 1, 2018, meeting and not deferred until after July 1, as permitted by Section 1-11-540 of the Act. As more particularly, described in Attachment A to the enclosed transmittal form, the significant positive impact of the Project is due to (i) the capital investment and job creation resulting from the Project, and (ii) the Project meeting important infrastructure needs in the State and Lexington County. Additionally, deferring approval of the allocation request until July 1 would delay the closing of the Bonds and cause the Project team to delay construction (which they expect to commence in June) and result in increased costs.

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

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

Sincerely,



Emily S. Luther

Enclosures: stated

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

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



Emily S. Luther
Partner
Telephone: 803.253.6841
Fax: 803.255.8017
emilyluther@parkerpoe.com

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

April 10, 2018

Via Email and Hand Delivery

Delbert H. Singleton, Jr. (delbert@sfaa.sc.gov)
Assistant Executive Director and Authority Secretary
SC State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

***Re: Not Exceeding \$13,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lexington Memory Care Project) Series 2018***

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") records, the following inducement documents adopted and executed by the South Carolina Jobs-Economic Development Authority ("JEDA") at its meeting on March 21, 2018, and by the South Carolina Coordinating Council for Economic Development ("CCED") at its meeting on April 5, 2018, all relating to the above-referenced bonds ("Bonds"):

- A. JEDA's Petition to the SFAA;
- B. JEDA's Inducement Resolution and Inducement Agreement;
- C. JEDA's Petition to the CCED; and
- D. CCED's Resolution.

The enclosed are being provided to the SFAA as a supplement to the transmittal package relating to the \$13,000,000 volume cap allocation request for the Bonds which included forms of the above-described documents.

PPAB 4200514v1

Delbert H. Singleton, Jr.
April 10, 2018
Page 2

Please do not hesitate to contact me should you have any questions or need any additional information relating to the Lexington Memory Care Project or the Bonds in anticipation of the SFAA's May 1, 2018, meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read 'ESL', is positioned above the printed name.

Emily S. Luther

Enclosures: stated

cc: Adam Neil, Assistant General Counsel, State Fiscal Accountability Authority
(via email: aneil@ogs.sc.gov)

Laurie Fuller, Office of the Executive Director, State Fiscal Accountability Authority
(via email: lfuller@sfaa.sc.gov)

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: March 20, 2018

Submitted for SFAA Meeting on:

May 1, 2018

FROM:

Parker Poe Adams & Bernstein LLP
Name of Law Firm

1221 Main Street, Suite 1100
Street Address/Box Number

Columbia, South Carolina 29201
City, State, Zip Code

(803) 255.8000
Area Code/Telephone Number

RE:

not exceeding \$13,000,000
Amount of Issue

SC Jobs-Economic Development Authority
Name of Issuing Authority

Economic Development Revenue Bonds
Type of Bonds or Notes

June 30, 2018
Projected Issue Date

Project Name: Lexington Memory Care

Project Description: Assisted Living and Memory Care Community. See Attachment A for additional details.

Employment as a result of the project: 66 (direct) within 24 months

Ceiling Allocation Required
X Yes (\$13,000,000) No
Amount

Refunding Involved
 Yes (\$) X No
Amount

Project Approved Previously
 Yes (\$) X No
Amount

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

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

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

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

By:
Signature

ATTACHMENT A TO TRANSMITTAL FORM

The not exceeding \$13,000,000 of the South Carolina Jobs-Economic Development Authority's ("JEDA") Economic Development Revenue Bonds ("Bonds") is to be loaned to Lexington Memory Care, LLC (or its affiliated and related entities) ("Borrower") for the construction of a 48-unit senior living facility consisting of assisted living and memory care facilities in Lexington County, South Carolina ("Project"). The Project and the Bonds are expected to be induced by JEDA at its March 21, 2018, meeting and the South Carolina Coordinating Council for Economic Development will consider the Project and the Bonds at its meeting on April 5, 2018. JEDA is submitting a petition to the State Fiscal Accountability Authority to request an allocation of the State's ceiling for the Bonds in the amount of \$13,000,000.

Due to the Project meeting a significant infrastructure need in the State and Lexington County and the capital investment and job creation resulting from the Project, all as more particularly described below, the Project will result in a significant positive impact to the State and Lexington County that warrants allocating \$13,000,000 of the State's ceiling prior to July 1. Additionally, as described below, delaying an allocation \$13,000,000 of the State's ceiling to the Project and the Bonds until after July 1 could result in significant delays and cost increases for the Project.

First, the Project will provide infrastructure needed to meet the increasing demand for assisted living and memory care facilities in the Columbia MSA, the metropolitan statistical area in which Lexington County is located. Based on the information presented in the feasibility study prepared in connection with the Project, the senior population (those 65 and older) is expected to increase by more than 40% in the Columbia MSA from 2016-2021 (compared to total population change in the area of just 7%). Currently, there are not sufficient senior housing options available or planned in Lexington County that could accommodate the growing demand for assisted living and memory care facilities resulting from the growing senior population (especially in rural areas in which the Project will be located). Therefore, the Project will meet a forecasted but unmet need for senior housing infrastructure in the area.

In addition to meeting general housing needs for the growing senior population, the Project will also meet particular housing needs for certain sectors of the growing senior population. The Project, through the Borrower reserving a portion of the units to lease to low income individuals, will provide affordable senior living and memory care housing options to low income senior residents in the area. Additionally, the Project will meet the particular housing needs for seniors suffering from neurocognitive disorders. The Project will be designed and constructed to provide supportive care, services and amenities from trained employees to seniors that are unable to live independently and require assistance with the activities of daily living. As a memory care facility, the care, services and amenities provided at the Project will include more structured activities and greater security to ensure the safety and quality of life for seniors with cognitive disease.

Second, the Project will result in an investment of approximately \$12,315,000 in Lexington County, and the direct employment of 66 people (consisting of 46 full-time positions and 20 part-time positions) within 24 months, which employees will be from Lexington County and adjacent areas.

Last, the Borrower, a South Carolina limited liability company, is ready to move forward with construction on the Project. The Borrower has identified the site on which it will construct the Project, has conducted preliminary work towards the acquisition of the Project site and has engaged CBRE, Inc. to conduct a review of the feasibility of the site. Additionally, the Project team is in the process of soliciting construction bids for the Project, and is targeting June for the commencement of construction. Therefore, the Borrower would like to complete the financing for the Project (for which the State ceiling allocation is required) in order that it may commence construction by its target date. The Borrower anticipates that delaying construction would significantly increase the costs to finance the Project (as a result of forecasted rising interest costs) and construct the Project (as a result of forecasted increasing construction costs).

Therefore, both the positive impact of the Project on the State and Lexington County as described above and the avoidance of potential negative impact to the construction timing and costs warrant the consideration and grant of the volume cap request in the amount of \$13,000,000 prior to July 1.

RICHLAND COUNTY

ACCOUNTABILITY AUTHORITY

OF SOUTH CAROLINA

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

March 21, 2018

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Harry A. Huntley, Executive Director



PETITION OF THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY
{SIGNATURE PAGE}

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

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH
CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND
LEXINGTON MEMORY CARE, LLC, WHEREBY UNDER CERTAIN
CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED
\$13,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS
IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT,
PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF
THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED,
AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS
TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE
OF SUCH BONDS; AND OTHER RELATED MATTERS**

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

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

WHEREAS, Lexington Memory Care, LLC, and its related or affiliated entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$13,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of designing, acquiring, constructing, and equipping a 48-unit senior living community ("*Facility*") consisting of assisted living and memory care facilities in Lexington County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project; and

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

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, a petition (defined below) of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds which are expected to be sold in a limited offering to qualified institutional buyers and accredited investors; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("*SFAA*"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting \$13,000,000 of the State ceiling be allocated by the SFAA to the Bonds.

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

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

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of approximately 46 full-time jobs and 20 part-time jobs at the Facility within 24 months, which jobs will be filled by citizens of the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

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

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

PPAB 4163263v1

Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

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

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

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a petition requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are expected to be sold in a limited offering to qualified institutional buyers and accredited investors, and (ii) a petition requesting the SFAA allocate \$13,000,000 of the State ceiling to the Bonds.

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

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

[SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

Passed and approved: March 21, 2018.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

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

Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

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

WITNESSETH

ARTICLE I RECITATION OF FACTS

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

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

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

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$13,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of designing, acquiring, constructing, and equipping a 48-unit senior living community ("*Facility*") consisting of assisted living and memory care facilities in Lexington County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project.

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

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of approximately 46 full-time jobs and 20 part-time jobs at the Facility within 24 months, which jobs will be filled by citizens of the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

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

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

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

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

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

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

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

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

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

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

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

ARTICLE IV GENERAL PROVISIONS

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

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

(SEAL)

Dated: March 21, 2018

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 

Harry A. Huntley, Executive Director

LEXINGTON MEMORY CARE, LLC

By: 

Name: JAMES DAUPREE

Title: Authorized Representative

Dated: March 21, 2018

MOR

RICHLAND COUNTY

COORDINATING COUNCIL

FOR ECONOMIC DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

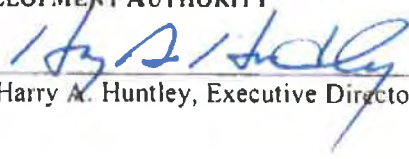
Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a limited offering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

March 21, 2018

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By:


Harry A. Huntley, Executive Director



A RESOLUTION OF THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$13,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("*Act*"), petitioned the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*") for approval of the issuance by the Authority of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$13,000,000 ("*Bonds*") through a limited offering or as the Authority may determine to be most advantageous, in order to make a loan to Lexington Memory Care, LLC, and one or more of its related or affiliated entities (collectively "*Borrower*"), for the purposes described in the Authority's petition; and

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

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

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

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

Section 3. This Resolution is approved as of the 5th day of April, 2018, and shall take effect immediately.

B.

JEDA

Probitas Ventures, LLC

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: March 20, 2018

Submitted for SFAA Meeting on:

May 1, 2018

FROM:

Kathleen C. McKinney, Haynsworth Sinkler Boyd, P.A.
Name of Law Firm

1 North Main Street, 2nd Floor
Street Address/Box Number

Greenville, SC 29601
City, State, Zip Code

864-240-3243
Area Code/Telephone Number

RE:

\$10,000,000
Amount of Issue

SC Jobs-Economic Development Authority
Name of Issuing Authority

Industrial Revenue Development Bonds
Type of Bonds or Notes

June 2018
Projected Issue Date

Project Name: Probitas Ventures, LLC – Bennettsville SC AAC Manufacturing Plant

Project Description: Completion of a manufacturing facility to produce Autoclaved Aerated Concrete ("AAC") in Bennettsville, S.C..To include leasehold improvements; purchase and installation of equipment; and expansion from 50,000 sq ft to 70,000 sq ft.

Employment as a result of the project: Estimated minimum of 30 jobs within 24 months

Ceiling Allocation Required
X Yes (\$ 10,000,000) No
Amount

Refunding Involved
 Yes (\$) X No
Amount

Project Approved Previously
 Yes (\$) X No
Amount

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

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

- A. X Petition
- B. N/A Resolution or Ordinance
- C. X Inducement Resolution or comparable preliminary approval
- D. N/A Department of Health and Environmental Control Certificate *if required*
- E. N/A State Fiscal Accountability Authority Resolution and Public Notice *(original)*

Plus copies for certification and return to bond counsel

F. N/A Draft bond counsel opinion letter

G. N/A Processing Fee
Amount: \$
Payor:

Check No:

Bond Counsel: Kathleen C. McKinney
Typed Name of Bond Counsel

By: Kathleen C. McKinney Signature
SFAA

ATTACHMENT A TO TRANSMITTAL FORM

The not exceeding \$10,000,000 of South Carolina Jobs-Economic Development Authority's (the "**Authority**") Economic Development Revenue Bonds (the "**Bonds**") is to be loan to Probitas Ventures, LLC (together with its assignees or affiliates, the "**Borrower**") to defray the cost of (i) constructing and equipping of an approximately 20,000 square foot addition to a 50,000 square foot manufacturing facility located in Marlboro County, South Carolina that produces autoclaved aerated concrete (the "**Project**"); and (ii) paying certain costs of issuance of the Bonds. The Project and the Bonds are anticipated to be induced by the Authority at its March 21, 2018, meeting and the South Carolina Coordinating Council for Economic Development will consider the Project and the Bonds at its meeting on April 5, 2018. The Authority is submitting a petition to the State Fiscal Accountability Authority to request an allocation of the State's ceiling for the Bonds in the amount of \$10,000,000.

The Borrower is a South Carolina limited liability company, currently engaged in the distribution of aerated autoclaved concrete ("**AAC**") for the construction industry. With the proceeds of the Bonds, the Borrower will complete the construction and equipping of the Project to begin manufacturing AAC. AAC is a precast aerated concrete that is factory produced as blocks or reinforced panels, which can be load bearing or non-load bearing. The Borrower has partnered with AAC industry leaders to expand AAC distribution throughout the United States, starting with the completion of its manufacturing plant in Bennettsville, South Carolina. The purpose of completing this plant is to provide a hub of manufacturing and distribution of AAC to a high demand construction and building sector, and to substantially reduce freight costs when compared to current operations. The completion of the plant will allow the Borrower to meet a backlog of project demand and reduce the overall production cost of AAC.

The Borrower projects the annual total market for AAC in the US is between \$500,000,000 and \$3,000,000,000. With this broader market for AAC, the Borrower is targeting 2 core segments – the fire rated walls segment and the blocks segment. Given the market demand for AAC in these two targeted segments, the Borrower projects sales by year 5 of approximately \$16,000,000. The plant is projected to meet 6% of the estimated \$500,000,000 in market demand for AAC. The Project will result in the direct employment of thirty people and the indirect employment of seventy people within 24 months, which employees will be from Marlboro County and adjacent areas.

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

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

This Petition of the South Carolina Jobs-Economic Development Authority (the “*Authority*”), pursuant to South Carolina Code Annotated, Title 1, Chapter 11 (1976), as amended (the “*Act*”), respectfully shows:

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

4. The Project and Bonds are expected to meet the requirements of Section 144 of the Internal Revenue Code (the “Code”).

Upon the basis of the foregoing, the Authority respectfully prays that the State Fiscal Accountability Authority (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable and (iii) allocate to the Bonds \$10,000,000 from the State ceiling for calendar year 2018.

INDUCEMENT AGREEMENT

THIS AGREEMENT made and entered into by and between the **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency of the State of South Carolina (the "**Authority**"), and **PROBITAS VENTURES, LLC**, a South Carolina limited liability company (together with its affiliates and assignees, the "**Borrower**").

WITNESSETH:

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "**Act**"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the "**State**") and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act.

Section 1.03. The Borrower has applied to the Authority to issue not exceeding \$10,000,000 of its industrial revenue bonds (Probitas Ventures, LLC Project) (the "**Bonds**") in one or more series, in order to defray the cost of (i) constructing and equipping of an approximately 20,000 square foot addition to a 50,000 square foot manufacturing facility located in Marlboro County, South Carolina that produces autoclaved aerated concrete (the "**Project**"); and (ii) paying certain costs of issuance of the Bonds; and the Authority wishes to induce the Borrower to cause the Project to be acquired and constructed within the State; and

Section 1.04. (a) The Borrower is a responsible party engaged in the production of aerated autoclaved concrete for the construction industry.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation or maintenance of employment for those engaged in construction of the facilities of which the Project is an essential and necessary part, by maintaining existing employment for approximately two (2) people and by providing additional employment for approximately thirty (30) people within twenty-four (24) months when the Project is placed in full operation, 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 authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

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

ARTICLE II

UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Fiscal Accountability Authority (as authorizer of State ceiling allocation), the Coordinating Council for Economic Development, and the governing body of the County, as may be required by law and subject to the limitations set forth herein, authorize the issuance of the Bonds at such time as the Borrower may request the Authority to do so.

Section 2.02. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act including, without limitations, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition, renovation and construction of the Project including all buildings, necessary machinery and equipment, and other items permitted by the Act, and the repayment of any funds, advances, or loans incurred by the Borrower for such purposes.

Section 2.03. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or directly with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other State revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 2.04. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.05. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the

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

ARTICLE III

UNDERTAKINGS ON THE PART OF THE BORROWER

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

Section 3.02. The Borrower further agrees, if the plan proceeds as contemplated, as follows:

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

ARTICLE IV

GENERAL PROVISION

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

Section 4.02. The parties hereto agree, and express their official intent within the meaning of Reg. 1.150 of the Internal Revenue Code of 1986, as amended, that the Borrower may proceed with the Project, including construction, renovation and improvement of buildings and the acquisition and installation of the equipment and machinery, prior to the issuance of Bonds, and can be reimbursed from the proceeds of the Bonds to the extent permitted by state and federal laws applicable to tax-exempt bonds. Any expenditures incurred prior to the issuance of the Bonds will be paid from funds provided by the Borrower.

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

Section 4.04. To be eligible for reimbursement of any expenditures, the Borrower will allocate the proceeds of any bonds to reimburse such expenditures not later than 18 months after the later of (a) the date on which the original expenditures were paid or (b) the date the project was placed in service or abandoned, but in no event more than three years after the original expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any "preliminary expenditures" for a project, up to an amount not in excess of 20 percent of the aggregate issue price of the bonds. "**Preliminary expenditures**" include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction or rehabilitation of any project. Costs such as land acquisition, site preparation, and similar costs incident to commencement of construction are not "preliminary expenditures" and official intent must be expressed as to these costs.

Any expenditures to be reimbursed from bond proceeds and initially paid from operating or capital reserve funds of the Borrower will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 4.05. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. This Agreement may be assigned by the Borrower in whole or in part to any corporate affiliate of the Borrower, any subsidiary corporation or limited liability company organized under the laws of any state of the United States to be formed, any partner or shareholder in the Borrower, or to any company in which the Borrower or one or more of its partners or shareholders has a majority interest (any of the foregoing being referred to hereinafter as a "**Related Company**"), or any person or company which is willing to lease the Project to the Borrower or any Related Company.

Section 4.07. It is the intention of the parties hereto that this Agreement shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt bonds.

[Remainder of Page Intentionally Left Blank]

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

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

Harry A. Huntley
Executive Director

Dated: March 21, 2018

PROBITAS VENTURES, LLC

By: _____
Its: _____

Dated: March __, 2018

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND PROBITAS VENTURES, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$10,000,000 OF ITS INDUSTRIAL REVENUE BONDS PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND AUTHORIZING THE APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND THE STATE FISCAL ACCOUNTABILITY AUTHORITY FOR APPROVAL OF STATE CEILING ALLOCATION.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*"), acting by and through its Board of Directors is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "*Act*"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the "*State*") and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, Probitas Ventures, LLC, a South Carolina limited liability company (together with its affiliates and assignees, the "*Borrower*"), has applied to the Authority to issue not exceeding \$10,000,000 of its industrial revenue bonds (the "*Bonds*") in one or more series in order to defray the cost of (i) constructing and equipping of an approximately 20,000 square foot addition to a 50,000 square foot manufacturing facility located in Marlboro County, South Carolina that produces autoclaved aerated concrete (the "*Project*"); and (ii) paying certain costs of issuance of the Bonds; and the Authority wishes to induce the Borrower to cause the Project to be acquired, renovated and constructed within the State; and

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

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development (the "*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority, in compliance with the provisions of Title 1, Chapter 11, of the Code of Laws of South Carolina 1976, as amended, the Petition of the Authority requesting not exceeding \$10,000,000 of the State ceiling to be allocated by the State Fiscal Accountability Authority to the Bonds;

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

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

(a) The Borrower is a responsible party engaged in the production of aerated autoclaved concrete for the construction industry in South Carolina.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation or maintenance of employment for those engaged in construction of the facilities of which the Project is an essential and necessary part, by maintaining existing employment for approximately two (2) people and by providing additional employment for approximately thirty (30) people within twenty-four (24) months when the Project is placed in full operation, 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 authorized herein bears a reasonable relationship to the principal amount of the Bonds.

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

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

Section 2. Subject to such approval by the State Fiscal Accountability Authority (as authorizer of State ceiling allocation), the Coordinating Council, and the governing body of the County, as required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of industrial revenue bonds of the Authority pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$10,000,000 for the purpose of providing financing to the Borrower for the acquisition, renovation, equipping and construction of the Project.

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

Section 4. The Executive Director of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

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

Section 6. To be eligible for reimbursement of any expenditures, the Borrower will allocate the proceeds of any bonds to reimburse such expenditures not later than 18 months after the later of (a) the date on which the original expenditures were paid or (b) the date the project was placed in service or abandoned, but in no event more than three years after the original expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any "preliminary expenditures" for a project, up to an amount not in excess of 20 percent of the aggregate issue price of the bonds. "*Preliminary expenditures*" include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction or rehabilitation of any project. Costs such as land acquisition, site preparation, and similar costs incident to commencement of construction are not "preliminary expenditures" and official intent must be expressed as to these costs.

Any expenditures to be reimbursed from bond proceeds and initially paid from operating or capital reserve funds of the Borrower will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 7. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 8. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a Petition requesting approval by the Coordinating Council pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition, and (ii) a Petition requesting approval by the State Fiscal Accountability Authority of allocation to the Bonds of \$10,000,000 from the state ceiling for calendar year 2018, which Petitions constitute and are hereby made a part of this authorizing resolution, to be in form acceptable to the Coordinating Council and State Fiscal Accountability Authority, respectively.

Section 9. The Executive Director of the Authority shall be and is hereby authorized and directed to execute said Petition in the name and on behalf of the Authority and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the State Fiscal Accountability Authority.

Section 10. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved March 21, 2018.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

Harry A. Huntley
Executive Director

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

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

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

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

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

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

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

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

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

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

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Greenville Technical College Land Lease to Greenville Tech Charter High School

Greenville Technical College is requesting approval to lease 3.7 acres on its Barton Campus to Greenville Tech Charter High School for the Charter High School to construct two (2) new permanent facilities. The Charter High School is currently operating out of two existing buildings on the College's campus but these buildings are insufficient for long term use. The construction of the new buildings will meet the needs of the Charter High School and will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events, while freeing up the space currently in use by the Charter High School for continued use by the College.

The term of the lease will be for fifty (50) years to allow the Charter High School to utilize the leasehold interest to issue bonds to construct the facilities. The bond issuance will not exceed \$9,000,000 with a 30-year term. The College will have no liability for repayment of the bonds. If the Charter High School fails to construct the contemplated facilities or fails to operate as a public charter school, the bond trustee shall have the right to designate another charter school to operate the facilities. The College would also have the option, subject to required governmental approvals, to pay off the bonds and acquire the facilities. Additionally, because the College and the Charter High School have an existing mutually beneficial partnership whereby many of the students are co-enrolled, the lease rate will be nominal at \$1/year. The Charter High School will be responsible for all maintenance and operations costs for the new facilities and will restore the land to its original condition at the end of the lease term unless the College exercises its right and receives the required approvals to acquire the improvements at that time.

The lease also provides for the following general, non-exclusive easements limited to the lease term and any holdover period:

- over, under, on or through such portions of the Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant to have access to, and construct connections with, all utility services, including electricity, water, sewage, telephone, and cable television, including the right to go upon the Landlord's adjacent property for the purpose of repairing, restoring, or upgrading any such utilities
- over, under, on, or through such portions of the Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) for the purpose of draining surface water and storm water to the appropriate receptacles, including the storm water retention pond currently located on the Landlord's adjacent property, provided there is capacity in excess of the Landlord's drainage and retention requirements

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Greenville Technical College Land Lease to Greenville Tech Charter High School

- over, under, on, or through such portions of Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant to have access to the Property, including but not limited to, the right to use existing roads and/or driveways connecting the Property to public roads
- over, under, on, or through such portions of Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant and its contractors or other agents to construct the public charter school on the Property

The lease was approved by the State Board for Technical and Comprehensive Education on March 27, 2018 and by the Greenville Technical College Area Commission on April 18, 2018.

AUTHORITY ACTION REQUESTED:

As requested by Greenville Technical College, through the Department of Administration, Facilities Management and Property Services approve the proposed lease and associated easements from Greenville Technical College to Greenville Tech Charter High School.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; Greenville Technical College letter dated March 26, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Greenville Technical College Land Lease to Greenville Tech Charter High School

3. Summary Background Information:

Greenville Technical College is requesting approval to lease 3.7 acres on its Barton Campus to Greenville Tech Charter High School for the Charter High School to construct two (2) new permanent facilities. The Charter High School is currently operating out of two existing buildings on the College's campus but these buildings are insufficient for long term use. The construction of the new buildings will meet the needs of the Charter High School and will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events, while freeing up the space currently in use by the Charter High School for continued use by the College.

The term of the lease will be for fifty (50) years to allow the Charter High School to utilize the leasehold interest to issue bonds to construct the facilities. The bond issuance will not exceed \$9,000,000 with a 30-year term. The College will have no liability for repayment of the bonds. If the Charter High School fails to construct the contemplated facilities or fails to operate as a public charter school, the bond trustee shall have the right to designate another charter school to operate the facilities. The College would also have the option, subject to required governmental approvals, to pay off the bonds and acquire the facilities. Additionally, because the College and the Charter High School have an existing mutually beneficial partnership whereby many of the students are co-enrolled, the lease rate will be nominal at \$1/year. The Charter High School will be responsible for all maintenance and operations costs for the new facilities and will restore the land to its original condition at the end of the lease term unless the College exercises its right and receives the required approvals to acquire the improvements at that time.

The lease also provides for the following general, non-exclusive easements limited to the lease term and any holdover period:

- over, under, on or through such portions of the Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant to have access to, and construct connections with, all utility services, including electricity, water, sewage, telephone, and cable television, including the right to go upon the Landlord's adjacent property for the purpose of repairing, restoring, or upgrading any such utilities
- over, under, on, or through such portions of the Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) for the purpose

of draining surface water and storm water to the appropriate receptacles, including the storm water retention pond currently located on the Landlord's adjacent property, provided there is capacity in excess of the Landlord's drainage and retention requirements

- over, under, on, or through such portions of Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant to have access to the Property, including but not limited to, the right to use existing roads and/or driveways connecting the Property to public roads
- over, under, on, or through such portions of Landlord's adjacent property as may be necessary (as determined in Landlord and Tenant's reasonable discretion) to allow Tenant and its contractors or other agents to construct the public charter school on the Property

The lease was approved by the State Board for Technical and Comprehensive Education on March 27, 2018 and by the Greenville Technical College Area Commission on April 18, 2018.

- 4. What is the Authority asked to do?** Consider approval of the proposed lease and associated easements from Greenville Technical College to Greenville Tech Charter High School.
-

- 5. What is recommendation of the Department of Administration?** Consider approval of the proposed lease and associated easements from Greenville Technical College to Greenville Tech Charter High School.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- Greenville Technical College Letter Dated March 26, 2018

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) .



P.O. Box 5616 • Greenville, SC 29606-5616
(864) 250-8000 • www.gvltec.edu

Barton Campus • Benson Campus • Brashier Campus • Northwest Campus

March 26, 2018

Ms. Ashlie Lancaster
Director Division of General Services
SC Budget & Control Board
1200 Senate Street
Suite 460
Columbia, SC 29601

Reference: Ground Lease between Greenville Technical College and Greenville Tech Charter High School

Dear Ms. Lancaster,

Greenville Technical College and the Greenville Tech Charter High School wish to enter into a new Ground Lease agreement in order for the Charter High School to construct two new permanent facilities on a total of approximately 3.7 acre sites. One site is adjacent to the location of the building they currently occupy and the second site is across the drive from the current location as shown on exhibit A.

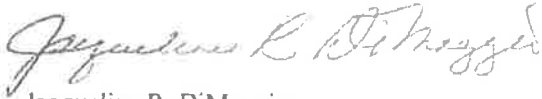
Attorneys for the Department of Administration, Greenville Technical College, and the Greenville Tech Charter High School have reviewed, edited, and returned the final version of the Ground Lease between Greenville Technical College and Greenville Tech Charter High School to be approved by their respective boards. Approvals of the current lease document will be received from the Greenville Technical College Area Commission and the Greenville Tech Charter High School prior to the May 1 SFAA meeting.

This lease is the continuation of an existing partnership with Greenville Tech Charter High School. Greenville Tech Charter High School is currently operating out of two buildings on the College's Barton Campus. The Charter for the Charter High School requires the institution be located on a college campus. Greenville Tech Charter High School has about 400 students and many of those students are also taking classes at Greenville Technical College. Many of the Charter High School graduates enroll in Greenville Technical College after their high school career. The graduation rates for the students enrolled in charter high schools affiliated with the college is impressive and the number of students continuing their education after high school is notable.

The construction of the buildings on the Barton Campus will allow Greenville Technical College Campus to have access to a gymnasium with a basketball court for student and college events. The Charter High School will be issuing bonds to fund this project, no College funds will be used. In the past, when a similar arrangement was made with the Greer Middle College Charter High School, the extended lease period was approved by the State. This clause was included to improve the attractiveness of the bonds and assure the Charter School that their ownership of the building will continue beyond the term of the bonds. The below market lease rate is recommended because the College does not have a need for the land, the project will improve the campus and there is an existing partnership with the school. When the building is completed, the Charter High School will vacate a floor of a college building that they currently occupy. Based on the partnership and the benefits to both parties, the minimal lease rate and extended term is justified.

I request that you present the attached ground lease document to the State Fiscal Accountability Authority for approval to execute this lease at their May 1, 2018 meeting.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jacqueline R. DiMaggio".

Jacqueline R. DiMaggio
VP for Finance
Greenville Technical College

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Parking Lease-out to CareAlliance Health Services

As part of their mutual partnership in support of the Medical District, MUSC currently leases 700 spaces to CareAlliance Health Services d.b.a. Roper St. Francis Healthcare on behalf of Roper Hospital, Inc. ("CareAlliance Health Services") in the Courtenay Drive Parking Garage located at 21 Courtenay Drive at a rate of \$130.75/space per month (\$1,098,329.16 annually) under a lease agreement that expires on September 30, 2018. In August of 2017, MUSC received approval from the State Fiscal Accountability Authority to amend that lease to relocate the parking to a new garage at 165 Cannon Street and to extend the lease for ten (10) years with four (4) renewal periods of five (5) years each to accommodate the opening of the new MUSC Shawn Jenkins Children's Hospital which is anticipated to be in the Fall of 2019.

That amendment was never executed and, since that time, there have been changes in MUSC parking needs. As such, MUSC is now requesting to amend and extend the lease agreement as follows:

The amended lease will be for a term of five (5) years with four (4) potential renewal periods of five (5) years each. The amended lease will also reduce the number of spaces leased to CareAlliance Health Services to 600 spaces in the Courtenay Drive Parking Garage from October 1, 2018 to the earlier of October 1, 2019 or the opening of the Children's Hospital. For the remainder of the lease term and renewal periods, the number of spaces leased to CareAlliance Health Services will be between 150-300 spaces, depending on availability, in either the Courtenay Drive Parking Garage or within one-half mile from 316 Calhoun Street, which is where the Roper Hospital main campus building is located.

For the period of the lease for which CareAlliance Health Services has 600 spaces, the rate will be based on the current rate of \$130.75/month/space increased by the lesser of the October 2018 CPI or four (4) percent. Effective the earlier of October 1, 2019 or the opening of the Children's Hospital and in conjunction with the reduction of the number of spaces to between 150-300 spaces, the rate will be \$155.00/space/month with annual increases of the lesser of CPI or three (3) percent. Altogether, this represents revenue to MUSC of a minimum of \$10,603,285.20 and a maximum of \$20,308,270.30 over the initial term and renewal periods.

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

Parking:

Location	Rate/Space
200 Meeting Street	\$190.00
159 Rutledge Avenue	\$165.00
62 Gadsden Street	\$150.00

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Parking Lease-out to CareAlliance Health Services

The lease was approved by the MUSC Board of Trustees on April 13, 2018 and by the Joint Bond Review Committee on April 25, 2018.

AUTHORITY ACTION REQUESTED:

As requested by the Medical University of South Carolina, through the Department of Administration, Facilities Management and Property Services, approve the proposed MUSC Parking Lease-out to CareAlliance Health Services.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC letter dated March 15, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET


Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: MUSC Parking Lease-out to CareAlliance Health Services

3. Summary Background Information:

As part of their mutual partnership in support of the Medical District, MUSC currently leases 700 spaces to CareAlliance Health Services d.b.a. Roper St. Francis Healthcare on behalf of Roper Hospital, Inc. ("CareAlliance Health Services") in the Courtenay Drive Parking Garage located at 21 Courtenay Drive at a rate of \$130.75/space per month (\$1,098,329.16 annually) under a lease agreement that expires on September 30, 2018. In August of 2017, MUSC received approval from the State Fiscal Accountability Authority to amend that lease to relocate the parking to a new garage at 165 Cannon Street and to extend the lease for ten (10) years with four (4) renewal periods of five (5) years each to accommodate the opening of the new MUSC Shawn Jenkins Children's Hospital which is anticipated to be in the Fall of 2019.

That amendment was never executed and, since that time, there have been changes in MUSC parking needs. As such, MUSC is now requesting to amend and extend the lease agreement as follows:

The amended lease will be for a term of five (5) years with four (4) potential renewal periods of five (5) years each. The amended lease will also reduce the number of spaces leased to CareAlliance Health Services to 600 spaces in the Courtenay Drive Parking Garage from October 1, 2018 to the earlier of October 1, 2019 or the opening of the Children's Hospital. For the remainder of the lease term and renewal periods, the number of spaces leased to CareAlliance Health Services will be between 150-300 spaces, depending on availability, in either the Courtenay Drive Parking Garage or within one-half mile from 316 Calhoun Street, which is where the Roper Hospital main campus building is located.

For the period of the lease for which CareAlliance Health Services has 600 spaces, the rate will be based on the current rate of \$130.75/month/space increased by the lesser of the October 2018 CPI or four (4) percent. Effective the earlier of October 1, 2019 or the opening of the Children's Hospital and in conjunction with the reduction of the number of spaces to between 150-300 spaces, the rate will be \$155.00/space/month with annual increases of the lesser of CPI or three (3) percent. Altogether, this represents revenue to MUSC of a minimum of \$10,603,285.20 and a maximum of \$20,308,270.30 over the initial term and renewal periods.

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

Parking:

Location	Rate/Space
200 Meeting Street	\$190.00
159 Rutledge Avenue	\$165.00
62 Gadsden Street	\$150.00

The lease was approved by the MUSC Board of Trustees on April 13, 2018 and by the Joint Bond Review Committee on April 25, 2018.

4. What is the Authority asked to do? Consider approval of the proposed MUSC Parking Lease-out to CareAlliance Health Services.

5. What is recommendation of the Department of Administration? Consider approval of the proposed MUSC Parking Lease-out to CareAlliance Health Services.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated March 15, 2018

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

March 15, 2018

Ashlie Lancaster
The South Carolina
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: LO800978 – 21 Courtenay Drive, CareAlliance Health Services

Dear Mr. Lancaster;

At the August 31, 2017 the South Carolina State Fiscal Accountability Authority approved a lease-out amendment between the Medical University of South Carolina and CareAlliance Health Services. There have been parking changes since this approval that require an amendment to be approved on revised lease terms and conditions.

The Medical University of South Carolina wishes to amend the current lease agreement between the Medical University of South Carolina (MUSC) and CareAlliance Health Services for parking spaces located within the 21 Courtenay Drive Parking Garage. This lease amendment is necessary to support the opening of the new MUSC Shawn Jenkins Children's Hospital in the fall of 2019. The draft 2nd Lease Amendment is attached for review.

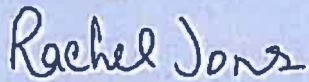
This property is owned by the Parking Garage Associates, LLC (a subsidiary of the MUSC Foundation) and leased in its entirety by the Medical University of South Carolina which has subleased parking spaces to CareAlliance Health Services since 2004 in support of the Charleston Medical District.

	Current Lease State	1 st Reduction of Spaces	Final Lease State
Location	21 Courtenay Drive	21 Courtenay Drive	21 Courtenay Drive or within ¼ mile of 316 Calhoun St
Number of Parking Spaces	700	600 - Effective 10/1/2018	150 up to 300 at landlord sole discretion upon availability - Effective earlier of 10/1/2019 or opening of new MUSC Children's Hospital
Cost per Space, per Month	\$130.75	Rate based on Oct 18 CPI	\$155.00
Annual Rent	\$1,098,329.16	TBD	\$279,000 min / \$558,000 max
Annual Increase	CPI or 4%	CPI or 4%	CPI or 3%
TOTAL Inc. Options			Min \$10,603,285.20 / Max \$20,308,270.39

Renewal Option 4 terms, 5 years each

The Medical University of South Carolina requests full approval for this lease amendment at the April 2018 SFAA meeting and May 2018 JBRC meeting if required. This lease-out agreement is exempt from CHE and will be presented to the April 2018 MUSC Board of Trustees. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in dark ink that reads "Rachel Jones". The signature is written in a cursive, flowing style.

Rachel Jones
Leasing Manager

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Lease-out to the US Department of Veterans Affairs at 112-116 Doughty Street in Charleston

In December 2016, the Medical University of South Carolina (MUSC) received approval to continue leasing 46,857 square feet (SF) of hospital and medical office space located at 112-116 Doughty Street in the Strom Thurmond Building in Charleston to the US Department of Veterans Affairs (VA) through a one-year Standstill Agreement beginning January 15, 2017 and ending January 14, 2018. At that time, it was noted that the VA has leased this space from MUSC since January 14, 1997, the initial twenty (20) year lease was expiring, and, while both parties desired and would seek approval of a more long-term agreement in the future, the VA could not enter into a more long-term lease amendment until approval of their federal budget.

While the VA now has budget approval for a lease amendment for three (3) years, they are also conducting a solicitation for a twenty (20) year lease. As such, MUSC is now requesting approval to enter into a three (3) year lease extension with the VA effective from the initial lease end date of January 15, 2017 until January 14, 2020, with two (2) optional renewal periods of six (6) months each, while the federal government conducts the solicitation process.

MUSC and the VA jointly occupy the 150,000 SF facility and have a long history of collaboration. Most of the VA attending physicians are MUSC faculty and all of the doctors-in-training are MUSC residents. The two organizations also share extensive research information.

Rent will be at a rate of \$33.55/SF or \$1,572,052.35 annually for a total of \$6,288,209.40 for the three (3) year term and optional renewal terms. The rent is comprised of \$7.81 in base rent and \$25.74 in operating costs. Operating costs are subject to annual CPI increases.

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

Location	Tenant	Rent Rate/SF
176 Croghan Spur Road	Vacant	\$ 35.00
176 Croghan Spur Road	MUSC	\$28.40
205 King Street	Vacant	\$ 39.00
40 Calhoun Street	Vacant	\$34.50
360 Concord Street	College of Charleston	\$32.55

Above rates are subject to base rent and/or operating expense escalations over the term.

The lease was approved by the MUSC Board of Trustees on April 13, 2018 and JBRC on April 25, 2018.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease-out from MUSC to the U. S. Department of Veterans Affairs at 112 – 116 Doughty Street in Charleston.

ATTACHMENTS: Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC letter dated March 13, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: MUSC Lease-out to the US Department of Veterans Affairs at 112-116 Doughty Street in Charleston

3. Summary Background Information:

In December 2016, the Medical University of South Carolina (MUSC) received approval to continue leasing 46,857 square feet (SF) of hospital and medical office space located at 112-116 Doughty Street in the Strom Thurmond Building in Charleston to the US Department of Veterans Affairs (VA) through a one-year Standstill Agreement beginning January 15, 2017 and ending January 14, 2018. At that time, it was noted that the VA has leased this space from MUSC since January 14, 1997, the initial twenty (20) year lease was expiring, and, while both parties desired and would seek approval of a more long-term agreement in the future, the VA could not enter into a more long-term lease amendment until approval of their federal budget.

While the VA now has budget approval for a lease amendment for three (3) years, they are also conducting a solicitation for a twenty (20) year lease. As such, MUSC is now requesting approval to enter into a three (3) year lease extension with the VA effective from the initial lease end date of January 15, 2017 until January 14, 2020, with two (2) optional renewal periods of six (6) months each, while the federal government conducts the solicitation process.

MUSC and the VA jointly occupy the 150,000 SF facility and have a long history of collaboration. Most of the VA attending physicians are MUSC faculty and all of the doctors-in-training are MUSC residents. The two organizations also share extensive research information.

Rent will be at a rate of \$33.55/SF or \$1,572,052.35 annually for a total of \$6,288,209.40 for the three (3) year term and optional renewal terms. The rent is comprised of \$7.81 in base rent and \$25.74 in operating costs. Operating costs are subject to annual CPI increases.

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

Location	Tenant	Rent Rate/SF
176 Croghan Spur Road	Vacant	\$ 35.00
176 Croghan Spur Road	MUSC	\$28.40
205 King Street	Vacant	\$ 39.00
40 Calhoun Street	Vacant	\$34.50
360 Concord Street	College of Charleston	\$32.55

Above rates are subject to base rent and/or operating expense escalations over the term.

The lease was approved by the MUSC Board of Trustees on April 13, 2018 and JBRC on April 25, 2018.

4. What is the Authority asked to do? Approve the proposed lease-out from MUSC to the VA.

5. What is recommendation of the Department of Administration? Approve the proposed lease-out from MUSC to the VA.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated March 13, 2018

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

March 13, 2018

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Veterans Affairs Lease Extension

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval from the SC State Fiscal Accountability Authority and the Joint Bond Review Committee for the three year lease extension between MUSC and the U.S. Department of Veterans Affairs (VA). The VA leases space from MUSC in the Strom Thurmond building located at 112-116 Doughty Street, Charleston, South Carolina. The 20 year initial lease agreement expired in January 2017 and was further extended by a one (1) year standstill agreement until the VA budget was approved for a lease extension. Per the VA the three (3) year lease extension term is effective from the initial lease end date, January 2017.

The three (3) year lease extension shall be approved at the April 13, 2018 MUSC Board of Trustees meeting for the following lease terms. Please submit this request for the April 25, 2018 SFAA meeting and the May 1, 2018 JBRC meeting.

Requested Lease Term:

Lease Term:	3 Years [1/15/2017 – 1/14/2020]
Square Footage:	46,857
Lease Type:	Full Service
Rent per SF:	\$33.55
	\$25.74 operating costs
	\$7.81 unserviced rent
Annual Rent:	\$1,572,052.35
Renewal Option:	Two (2) terms, 6 months each
Total Amount:	\$6,288,209.40 / including renewal option

Operating costs are subject to a CPI increase but since the CPI is unknown this is not included in the total amount listed above.

Please let me know if you have any questions.

Sincerely,


Rachel Jones

Medical University of South Carolina
Leasing Manager

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Medical University of South Carolina Lease - 22 WestEdge in Charleston

In May 2017, the Medical University of South Carolina (MUSC) received approval to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston to provide space for MUSC Bioinformatics. The lease is for a term of ten (10) years beginning following completion of construction by the Landlord (estimated to be in the second quarter of 2019) at a rate of \$36.00/SF with two and one-half percent (2 ½%) annual escalations for a maximum of \$10,083,043.59 over the term.

In March 2017, MUSC received approval to sell their property located at 19 Hagood Avenue in Charleston (commonly known as the Harborview Office Tower.) This property is now under contract and MUSC is in the process of relocating the current occupants, one of which is their Information Solutions (IS) department.

A solicitation was conducted for space to accommodate the IS department. Seven (7) responses were received with 22 WestEdge being the only location that met the square footage and location requirements. As such, MUSC is requesting to amend the above referenced lease for MUSC Bioinformatics to add 16,000 SF for the IS department upon the same terms and conditions. The added square footage will result in an additional \$6,543,147.90 over the term as follows:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF*</u>
LEASE YEAR 1	\$576,000.00	\$48,000.00	\$36.00
LEASE YEAR 2	\$590,400.00	\$49,200.00	\$36.90
LEASE YEAR 3	\$605,160.00	\$50,430.00	\$37.82
LEASE YEAR 4	\$620,289.00	\$51,690.75	\$38.77
LEASE YEAR 5	\$635,796.23	\$52,983.02	\$39.74
LEASE YEAR 6	\$651,691.13	\$54,307.59	\$40.73
LEASE YEAR 7	\$667,983.41	\$55,665.28	\$41.75
LEASE YEAR 8	\$684,682.99	\$57,056.92	\$42.79
LEASE YEAR 9	\$701,800.07	\$58,483.34	\$43.86
LEASE YEAR 10	\$719,345.07	\$59,945.42	\$44.96
TOTAL	\$6,453,147.90		*rounded

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Medical University of South Carolina Lease - 22 WestEdge in Charleston

The rent includes all maintenance and operations costs, and the Landlord is providing \$640,000 in renovations. The lease provides that the Landlord will make available parking cards at a ratio of two (2) cards per 1,000 SF at a cost of \$175/month each for use in the parking deck for the building. The rate escalates annually by three percent (3%).

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

Tenant	Location	Rate
College of Charleston	360 Concord Street	\$32.55/SF
Clemson University	701 East Bay Street	\$35.48/SF
MUSC	55 Bee Street	\$35.39/SF
Vacant	220 King Street	\$48.00/SF
Vacant	205 King Street	\$39.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

There are adequate funds for the lease according to the Budget Approval Form submitted. The lease was approved by the MUSC Board of Trustees on February 9, 2018, the Commission on Higher Education on March 1, 2018, and JBRC on April 25, 2018.

AUTHORITY ACTION REQUESTED:

As recommended by the Medical University of South Carolina, through the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Medical University of South Carolina at 22 WestEdge in Charleston.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC letter dated March 13, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Medical University of South Carolina Lease- 22 WestEdge in Charleston

3. Summary Background Information:

In May 2017, the Medical University of South Carolina (MUSC) received approval to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston to provide space for MUSC Bioinformatics. The lease is for a term of ten (10) years beginning following completion of construction by the Landlord (estimated to be in the second quarter of 2019) at a rate of \$36.00/SF with two and one-half percent (2 ½%) annual escalations for a maximum of \$10,083,043.59 over the term.

In March 2017, MUSC received approval to sell their property located at 19 Hagood Avenue in Charleston (commonly known as the Harborview Office Tower.) This property is now under contract and MUSC is in the process of relocating the current occupants, one of which is their Information Solutions (IS) department.

A solicitation was conducted for space to accommodate the IS department. Seven (7) responses were received with 22 WestEdge being the only location that met the square footage and location requirements. As such, MUSC is requesting to amend the above referenced lease for MUSC Bioinformatics to add 16,000 SF for the IS department upon the same terms and conditions. The added square footage will result in an additional \$6,543,147.90 over the term as follows:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF*</u>
LEASE YEAR 1	\$576,000.00	\$48,000.00	\$36.00
LEASE YEAR 2	\$590,400.00	\$49,200.00	\$36.90
LEASE YEAR 3	\$605,160.00	\$50,430.00	\$37.82
LEASE YEAR 4	\$620,289.00	\$51,690.75	\$38.77
LEASE YEAR 5	\$635,796.23	\$52,983.02	\$39.74

LEASE YEAR 6	\$651,691.13	\$54,307.59	\$40.73
LEASE YEAR 7	\$667,983.41	\$55,665.28	\$41.75
LEASE YEAR 8	\$684,682.99	\$57,056.92	\$42.79
LEASE YEAR 9	\$701,800.07	\$58,483.34	\$43.86
LEASE YEAR 10	\$719,345.07	\$59,945.42	\$44.96
TOTAL	\$6,453,147.90		*rounded

The rent includes all maintenance and operations costs, and the Landlord is providing \$640,000 in renovations. The lease provides that the Landlord will make available parking cards at a ratio of two (2) cards per 1,000 SF at a cost of \$175/month each for use in the parking deck for the building. The rate escalates annually by three percent (3%).

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

Tenant	Location	Rate
College of Charleston	360 Concord Street	\$32.55/SF
Clemson University	701 East Bay Street	\$35.48/SF
MUSC	55 Bee Street	\$35.39/SF
Vacant	220 King Street	\$48.00/SF
Vacant	205 King Street	\$39.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

There are adequate funds for the lease according to the Budget Approval Form submitted. The lease was approved by the MUSC Board of Trustees on February 9, 2018, the Commission on Higher Education on March 1, 2018, and JBRC on April 25, 2018.

4. What is the Authority asked to do? Consider approval of the proposed lease for the Medical University of South Carolina at 22 WestEdge in Charleston.

5. What is recommendation of the Department of Administration? Consider approval of the proposed lease for the Medical University of South Carolina at 22 WestEdge in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated March 14, 2018

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

March 14, 2018

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: 22 West Edge / Request for Space - Expansion Lease Option

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) entered into a lease agreement dated May 2, 2017 with HPIB Devco, LLC for leased space at 22 West Edge. MUSC requests to exercise its option to expand as presented in Article 24 of the lease document. Our intent is to lease an additional 16,000 rentable square feet in order to accommodate our Information Solutions Department (IS).

Information Solutions provides mission aligned information technology, informatics and analytics vision, management and service. IS directly supports and interacts daily with our adjacent occupant at 22 West Edge; MUSC Bioinformatics, and therefore it is required IS co-locate within 22 West Edge. MUSC request a solicitation for space and for this request to be added to the March 2018 SFAA/JBRC scheduled as needed for approval.

A solicitation was conducted for space to accommodate this department and seven responses were received with 22 WestEdge being the only location that met the square footage an location requirements.

Current Location:

Harborview Office Tower

Requested Lease Term:

Landlord:	HPIB DEVCO, LLC
Tenant:	Medical University of South Carolina
Occupant:	Information Solutions
Lease Term:	10 Years
Square Footage:	16,000
Annual Rent:	\$576,000.00
Cost per SF:	\$36.00

Annual Increase: 2.5%
Lease Type: Full Service
IT Allowance: \$640,000.00 (\$40.00 RSF)

Attached is the current lease agreement for reference along with the Space Allocation Worksheet. Our intent is to present this to the MUSC Board of Trustees on February 9th for information and CHE for approval at their March 1st meeting. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Jones" with a stylized flourish at the end.

Rachel Jones
Leasing Manager

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 33 Villa Road in Greenville

The SC Department of Revenue (DOR) is requesting approval to lease 11,400 SF of space located at 33 Villa Road in Greenville from Piedmont Center Owner, LLC. The agency currently leases 14,670 SF at 545 N. Pleasantburg Drive. That lease expires August 31, 2018, and the space is larger than needed and is not designed to accommodate new DOR security protocols for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors.

A solicitation was conducted and three (3) proposals were received, with the selected location representing the lowest bid. The term will be for ten (10) years beginning on September 1, 2018 at a rate of \$15.00 for the first year. Thereafter, basic rent increases by fifty cents (\$0.50) annually. As such, the maximum amount payable over the term is \$1,966,500 as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 171,000.00	\$ 14,250.00	\$ 15.00
YEAR 2	\$ 176,700.00	\$ 14,725.00	\$ 15.50
YEAR 3	\$ 182,400.00	\$ 15,200.00	\$ 16.00
YEAR 4	\$ 188,100.00	\$ 15,675.00	\$ 16.50
YEAR 5	\$ 193,800.00	\$ 16,150.00	\$ 17.00
YEAR 6	\$ 199,500.00	\$ 16,625.00	\$ 17.50
YEAR 7	\$ 205,200.00	\$ 17,100.00	\$ 18.00
YEAR 8	\$ 210,900.00	\$ 17,575.00	\$ 18.50
YEAR 9	\$ 216,600.00	\$ 18,050.00	\$ 19.00
YEAR 10	\$ 222,300.00	\$ 18,525.00	\$ 19.50

The rent includes all maintenance and operations costs, and full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will upfit the space to the agency's specifications. The lease meets the state space standards with a density of 132 SF/person.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 33 Villa Road in Greenville

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

Tenant	Location	Rate
SLED	37 Villa Road	\$15.02/SF
Vacant	330 Pelham Road	\$18.00/SF
Vacant	11 Brendan Way	\$21.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on April 25, 2018.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Revenue at 33 Villa Road in Greenville.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; DOR letter dated March 13, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Revenue Lease- 33 Villa Road in Greenville

3. Summary Background Information:

The SC Department of Revenue (DOR) is requesting approval to lease 11,400 SF of space located at 33 Villa Road in Greenville from Piedmont Center Owner, LLC. The agency currently leases 14,670 SF at 545 N. Pleasantburg Drive. That lease expires August 31, 2018, and the space is larger than needed and is not designed to accommodate new DOR security protocols for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors.

A solicitation was conducted and three (3) proposals were received, with the selected location representing the lowest bid. The term will be for ten (10) years beginning on September 1, 2018 at a rate of \$15.00 for the first year. Thereafter, basic rent increases by fifty cents (\$0.50) annually. As such, the maximum amount payable over the term is \$1,966,500 as follows:

TERM	ANNUAL RENT	MONTHLY RENT	RENT PER SF
YEAR 1	\$ 171,000.00	\$ 14,250.00	\$ 15.00
YEAR 2	\$ 176,700.00	\$ 14,725.00	\$ 15.50
YEAR 3	\$ 182,400.00	\$ 15,200.00	\$ 16.00
YEAR 4	\$ 188,100.00	\$ 15,675.00	\$ 16.50
YEAR 5	\$ 193,800.00	\$ 16,150.00	\$ 17.00
YEAR 6	\$ 199,500.00	\$ 16,625.00	\$ 17.50
YEAR 7	\$ 205,200.00	\$ 17,100.00	\$ 18.00
YEAR 8	\$ 210,900.00	\$ 17,575.00	\$ 18.50
YEAR 9	\$ 216,600.00	\$ 18,050.00	\$ 19.00
YEAR 10	\$ 222,300.00	\$ 18,525.00	\$ 19.50

The rent includes all maintenance and operations costs, and full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will upfit

the space to the agency's specifications. The lease meets the state space standards with a density of 132 SF/person.

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

Tenant	Location	Rate
SLED	37 Villa Road	\$15.02/SF
Vacant	330 Pelham Road	\$18.00/SF
Vacant	11 Brendan Way	\$21.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on April 25, 2018.

4. What is the Authority asked to do? Approve the proposed lease for the Department of Revenue at 33 Villa Road in Greenville.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Revenue at 33 Villa Road in Greenville.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DOR Letter Dated March 13, 2018

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

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

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

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

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

March 13, 2018

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

RE: Lease for 33 Villa Road, Greenville

Dear Ms. Lancaster:

The South Carolina Department of Revenue (DOR) requests approval by the State Fiscal Accountability Authority of a 10-year lease with Piedmont Center Owner, LLC for approximately 11,400 square feet of office space at 33 Villa Road, Greenville, SC. This space is required as our current lease at 545 Pleasantburg Drive expires on August 31, 2018. The current office design prohibits the required level of security mandated for all DOR locations. Our current office space is larger than we need, and this request includes a reduction of 3,282 square feet.

DOR's security program requires an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors of DOR and ensure that taxpayers and DOR employees are protected and safe. In addition, DOR protects highly sensitive State and Federal Taxpayer Information with a sophisticated badge access and camera surveillance system and an intruder detection system to achieve maximum-security protection and cyber-attack prevention.

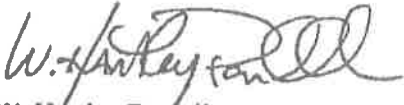
We received three proposals in response to our solicitation and conducted site visits to each location. After evaluations, we concluded the 33 Villa Road property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, interior office design, and building accessibility for the taxpayers.

We request the maximum lease of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information from intruders and fraudsters. Moving the DOR highly sophisticated security systems is a significant cost. A longer lease provides a consistent location for taxpayers and minimizes office re-location costs.

Ms. Lancaster
March 13, 2018
Page Two

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

Yours very truly,

A handwritten signature in dark ink, appearing to read "W. Hartley Powell". The signature is fluid and cursive, with the first name "W." and last name "Powell" being the most legible parts.

W. Hartley Powell
Director

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF May 1, 2018

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 775 Addison Avenue in Rock Hill

The SC Department of Revenue (DOR) is requesting approval to lease 8,120 SF of space located at 775 Addison Avenue in Rock Hill from Gary L. Williams. The agency currently leases 5,422 SF at 454 S. Anderson Road. That lease expires June 30, 2018, and the agency is in need of a larger space to accommodate increased staffing of auditors, taxpayer assistance officers, and other employees based on population growth. Additionally, new DOR security protocols require space for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors. The agency will still be in compliance with the state space standards with a density of 180 SF/person.

A solicitation was conducted and five (5) proposals were received. One proposal was eliminated due to security concerns. Of the remaining four (4) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning on July 1, 2018 at a rate of \$17.14 for the first year. Thereafter, basic rent increases by two (2%) percent annually. The Landlord has also agreed to provide three and one-half (3 ½) months of free rent for a maximum amount over the term of \$1,482,277.36 as follows:

<u>TERM</u>	<u>ABATED RENT MONTH</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	First Month	\$ 127,578.66	\$ 11,598.06	\$ 17.14
YEAR 2	First Month	\$ 130,109.43	\$ 11,828.13	\$ 17.48
YEAR 3	First Month	\$ 132,732.93	\$ 12,066.63	\$ 17.83
YEAR 4	½ of First Month	\$ 141,541.54	\$ 12,307.96	\$ 18.19
YEAR 5		\$ 150,649.44	\$ 12,554.12	\$ 18.55
YEAR 6		\$ 153,662.40	\$ 12,805.20	\$ 18.92
YEAR 7		\$ 156,735.72	\$ 13,061.31	\$ 19.30
YEAR 8		\$ 159,870.36	\$ 13,322.53	\$ 19.69
YEAR 9		\$ 163,067.76	\$ 13,588.98	\$ 20.08
YEAR 10		\$ 166,329.12	\$ 13,860.76	\$ 20.48

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Revenue Lease - 775 Addison Avenue in Rock Hill

The rent includes all maintenance and operations costs and full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord is providing an upfit allowance of \$20/SF for renovations.

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

Tenant	Location	Rate
DMV	3071 Highway 21, Fort Mill	\$18.00/SF
Vacant	300 Technology Way, Rock Hill	\$22.50/SF
Vacant	01 Riverwalk Parkway, Rock Hill	\$25.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on April 25, 2018.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Department of Revenue at 775 Addison Avenue in Rock Hill.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; DOR letter dated March 13, 2018

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 1, 2018

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: SC Department of Revenue Lease - 775 Addison Avenue in Rock Hill

3. Summary Background Information:

The SC Department of Revenue (DOR) is requesting approval to lease 8,120 SF of space located at 775 Addison Avenue in Rock Hill from Gary L. Williams. The agency currently leases 5,422 SF at 454 S. Anderson Road. That lease expires June 30, 2018, and the agency is in need of a larger space to accommodate increased staffing of auditors, taxpayer assistance officers, and other employees based on population growth. Additionally, new DOR security protocols require space for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors. The agency will still be in compliance with the state space standards with a density of 180 SF/person.

A solicitation was conducted and five (5) proposals were received. One proposal was eliminated due to security concerns. Of the remaining four (4) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning on July 1, 2018 at a rate of \$17.14 for the first year. Thereafter, basic rent increases by two (2%) percent annually. The Landlord has also agreed to provide three and one-half (3 ½) months of free rent for a maximum amount over the term of \$1,482,277.36 as follows:

<u>TERM</u>	<u>ABATED RENT MONTH</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	First Month	\$ 127,578.66	\$ 11,598.06	\$ 17.14
YEAR 2	First Month	\$ 130,109.43	\$ 11,828.13	\$ 17.48
YEAR 3	First Month	\$ 132,732.93	\$ 12,066.63	\$ 17.83
YEAR 4	½ of First Month	\$ 141,541.54	\$ 12,307.96	\$ 18.19
YEAR 5		\$ 150,649.44	\$ 12,554.12	\$ 18.55
YEAR 6		\$ 153,662.40	\$ 12,805.20	\$ 18.92
YEAR 7		\$ 156,735.72	\$ 13,061.31	\$ 19.30
YEAR 8		\$ 159,870.36	\$ 13,322.53	\$ 19.69
YEAR 9		\$ 163,067.76	\$ 13,588.98	\$ 20.08
YEAR 10		\$ 166,329.12	\$ 13,860.76	\$ 20.48

The rent includes all maintenance and operations costs and full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord is providing an upfit allowance of \$20/SF for renovations.

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

Tenant	Location	Rate
DMV	3071 Highway 21, Fort Mill	\$18.00/SF
Vacant	300 Technology Way, Rock Hill	\$22.50/SF
Vacant	01 Riverwalk Parkway, Rock Hill	\$25.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form. The lease was approved by JBRC on April 25, 2018.

4. What is the Authority asked to do? Approve the proposed lease for the Department of Revenue at 775 Addison Avenue in Rock Hill.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Revenue at 775 Addison Avenue in Rock Hill.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DOR Letter Dated March 13, 2018

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

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

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

March 13, 2018

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

RE: Lease for 775 Addison Avenue, Rock Hill

Dear Ms. Lancaster:

The South Carolina Department of Revenue (DOR) requests approval by the Joint Bond Review Committee of a 10-year lease with Gary L. Williams for approximately 8,000 square feet of office space at 775 Addison Avenue, Rock Hill, SC. This space is required as our current lease at 454 South Anderson Road expires on June 30, 2018. Our current office space is too small and prohibits the required level of security mandated for all DOR locations, and the office layout segregates the employees into two separate suites.

DOR's security program requires an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors of DOR and ensure that taxpayers and DOR employees are protected and safe. In addition, DOR protects highly sensitive State and Federal Taxpayer Information with a sophisticated badge access and camera surveillance system and an intruder detection system to achieve maximum-security protection and cyber-attack prevention.

We received five proposals in response to our solicitation and conducted site visits to each location. After evaluations, we concluded the 775 Addison Avenue property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, interior office design, and building accessibility for the taxpayers.

Ms. Lancaster
March 13, 2018
Page Two

In the Rock Hill District Office, DOR has a business need to increase employee staffing of auditors, taxpayer assistance officers, and other employees based upon South Carolina's growing population. Our request includes an increase of 2,578 square feet of rentable space.

We request the maximum lease period of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information from intruders and fraudsters. Moving the DOR highly sophisticated security systems is a significant cost. A longer lease provides a consistent location for taxpayers and minimizes office re-location costs.

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

Yours very truly,

A handwritten signature in blue ink, appearing to read "W. Hartley Powell", with a stylized flourish at the end.

W. Hartley Powell
Director

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

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

Establish Project for A&E Design

- (a) Summary 6-2018: JBRC Item 2. (H27) University of South Carolina - Columbia
Project: 6125, Swearingen Roof Replacement
Included in Annual CPIP: Yes – CPIP Priority 8 of 9 in FY18 (estimated at \$2,000,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/5/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Institutional Capital Project	0.00	0.00	0.00	30,000.00	30,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>30,000.00</u>	<u>30,000.00</u>

Funding Source: \$30,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

Request: Establish project and budget for \$30,000 (Other, Institutional Capital Project Funds) to remove and replace the existing original roof on the 31 year old Swearingen Engineering Center which was constructed in 1987. The project will provide a new PVC roof membrane, new rigid insulation and include the replacement of all associated roof flashing at parapets, skylights, and roof-mounted mechanical equipment and piping. The new roof system will provide a 20 year warranty. The Swearingen Engineering Center roof is approximately 71,000 gross square feet. The facility is utilized by an estimated 850 College of Engineering and Computing students and has classrooms, faculty offices, and administrative space. The agency estimates that the completed project will cost approximately \$2,000,000.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Summary 6-2018: JBRC Item 3. (H29) University of South Carolina - Aiken
 Project: 9552, USC Aiken Maintenance Building
 Included in Annual CPIP: Yes – CPIP Priority 2 of 2 in FY20 (estimated at \$2,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 3/1/18

<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, USC Aiken Institutional	0.00	0.00	0.00	30,000.00	30,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>30,000.00</u>	<u>30,000.00</u>

Funding Source: \$30,000 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Establish project and budget for \$30,000 (Other, USC Aiken Institutional Funds) to construct a new building for the Facilities Maintenance and Supply staff and their associated equipment at the periphery of campus. Currently, these offices and equipment areas are adjacent to an academic building in the core of campus. Due to its prime location in the core of campus, the university has plans to repurpose the existing maintenance facility for a Scholars Academy and other academic programs. The new maintenance facility will be located away from the main campus in accordance with the campus master plan. The facility will be similar in size but will be able to be expanded as future needs may demand. The new 13,225 square foot pre-engineered metal facility will accommodate approximately 25 staff. The agency estimates that the completed project will cost approximately \$2,000,000. (See attachment 1 for additional annual operating costs.)

- (c) Summary 6-2018: JBRC Item 4. (H29) University of South Carolina - Aiken
 Project: 9553, USC Aiken Penland HVAC Renovation
 Included in Annual CPIP: Yes – CPIP Priority 1 of 2 in FY19 (estimated at \$4,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 3/1/18

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, USC Aiken Institutional	0.00	0.00	0.00	22,500.00	22,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>22,500.00</u>	<u>22,500.00</u>

Funding Source: \$22,500 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Establish project and budget for \$22,500 (Other, USC Aiken Institutional Funds) to replace a significant portion of the HVAC system in the Penland Administration Building which was constructed in 1973. The project will replace the original four air handlers and install limited new variable air volume units which will provide reliability and maintain desirable humidity levels in the building. The existing ductwork, controls, piping and fire alarms will remain. The building will be required to remain occupied and operational throughout the project so the project includes the cost of providing temporary equipment to maintain operations. The HVAC system is original to the 58,447 square foot, 45 year old building and has reached the end of its useful life. There have been increasing issues related to moisture and humidity in the building which a new air handler will ameliorate. If the existing air handlers were to suddenly fail, the building, or a portion of the building, would be uninhabitable. This campus administration and academic programs facility accommodates approximately 100 faculty and staff and 675 students. The scope of this project has been reduced from the FY17-18 CPIP submission due to funding constraints. The CPIP was prepared on the basis that the project would utilize \$3,500,000 in state funding and \$500,000 in USC Aiken Institutional funds. The implications of a potential air handler unit failure compels USC Aiken to address this most essential portion of the work with available institutional funds immediately. If additional funds become available in the future, USC Aiken will increase the scope of work, as funding permits, to address the other necessary work. The agency estimates that the completed project will cost approximately \$1,500,000. (See attachment 2 for additional annual operating cost savings.)

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Summary 6-2018: JBRC Item 5. (H51) Medical University of South Carolina
 Project: 9844, Hollings Cancer Center 3rd Floor Renovations
 Included in Annual CPIP: Yes – CPIP Priority 3 of 4 in FY18 (estimated at \$4,500,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/5/18

<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, Clinical Revenue	0.00	0.00	0.00	67,500.00	67,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>67,500.00</u>	<u>67,500.00</u>

Funding Source: \$67,500 Other, Clinical Revenue Funds, which are revenues generated from hospital patient services.

Request: Establish project and budget for \$67,500 (Other, Clinical Revenue Funds) to begin Phase I schematic design to renovate approximately 14,500 square feet of existing lab space on the 3rd floor of the Hollings Cancer Center. The renovation will create a central core lab facility consisting of lab spaces to be used by all research investigators housed on the 3rd floor. The renovation will rearrange the existing lab space to provide for increased investigator capacity and increased efficiencies of lab operation. The project will be implemented in two or three stages to limit disruption to the ongoing research operation. Once the design is completed, the exact number of stages required will be determined. The university states that the current lab layout is outdated and does not lend itself to the research operation required by the new HCC Director nor the number of personnel expected to join existing and newly recruited principal investigators. The goal of the project is to realize research operational efficiencies and collaboration by consolidating the core lab functions into one centralized space. The 214,037 square foot Hollings Cancer Center is 24 years old and the renovated lab space in the center will be utilized by 12-15 faculty and 22-30 staff after the renovation is completed. The agency estimates that the completed project will cost approximately \$4,500,000.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Summary 6-2018: JBRC Item 8. (E24) Office of the Adjutant General
 Project: 9811, Training Sites TT Enlisted Barracks Replacement
 Included in Annual CPIP: Yes – CPIP Priority 10 of 21 in FY18 (estimated at \$1,404,000)
 JBRC/SFAA Phase I Approval: N/A
 CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, National Guard Bureau	0.00	0.00	0.00	88,000.00	88,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>88,000.00</u>	<u>88,000.00</u>

Funding Source: \$88,000 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau

Request: Establish project and budget for \$88,000 (Federal, National Guard Bureau Funds) to demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). The Phase I pre-design budget is requested at 6.27% of the estimated project cost because the design costs exceed the standard 1.50% pre-design amount due to the size of the project. The standard 1.50% would be sufficient for a larger project on a multi-million dollar scale, but due to the fact that this project is less, a larger percentage of costs are needed for design upfront. The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet. The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards. Each of the five (5) new barracks buildings at McCrady Training Center will be approximately 3,200 to 4,600 square feet. Each of the five (5) new barracks buildings at Clarks Hill Training Site will be approximately 3,200 square feet. The final size for the

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

replacement buildings will not be determined until 35% of the design has been completed. The intent is to develop a modular concept that can be incorporated into a final design for both a 20 man barracks (3,200 SF) and a 40 man barracks (4,600 SF). Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. Installation of utilities and the extensions of utilities to the nearest service lines are also included. Approximately 300 Army National Guard soldiers use these facilities. The agency estimates that the completed project will cost approximately \$1,404,000. (See attachment 3 for additional annual operating cost savings.)

- (f) Summary 6-2018: JBRC Item 12. (N04) Department of Corrections
 Project: 9743, Deterrent Systems at Property Borders of Correctional Institutions
 Included in Annual CIP: Yes – CIP Priority 5 of 6 in FY18 (estimated at \$1,830,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY17 Carryforward	0.00	0.00	0.00	28,500.00	28,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28,500.00</u>	<u>28,500.00</u>

Funding Source: \$28,500 Appropriated State, FY17 Carryforward Funds.

Request: Establish project and budget for \$28,500 (Appropriated State, FY17 Carryforward Funds) to furnish and install deterrent systems around the property borders at the high level 2 and all level 3 correctional institutions to assist in the efforts to deter contraband from entering the institutions. For level 3 institutions, this border protection will be installed at Broad River, Lee, Lieber, McCormick and Perry. For level 2 institutions, this border protection will be installed at Evans, Kershaw, Ridgeland, and Turbeville. The deterrent systems will consist of multi-rows of razor wire on a fence stabilizer in close proximity to the institutions' property lines. The security perimeter fences surrounding the actual institutional complexes will remain unchanged. All of these

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

institutions will also have the perimeter netting once the netting project is completed. This project will aid in ensuring the safety of employees and the inmates. This project was reflected in the FY17-18 CPIP with an estimated cost of \$1,830,000. The Phase I request is \$70,000 higher than the FY17-18 CPIP because there has been at least a 5% increase in material costs for razor wire since the CPIP was established. The agency estimates that the completed project will cost approximately \$1,900,000.

- (g) Summary 6-2018: JBRC Item 17. (R60) Department of Employment and Workforce Project: 9528, David Building – VAV and DDC Controls Upgrade
Included in Annual CPIP: Yes – CPIP Priority 2 of 2 in FY19 (estimated at \$400,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, DEW Contingency Assessment	0.00	0.00	0.00	11,662.00	11,662.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,662.00</u>	<u>11,662.00</u>

Funding Source: \$11,662 Other, DEW Contingency Assessment Funds, which was established by the Legislature in 1986 in response to federal budget cuts which would have forced office closing and reductions in staff. The contingency assessment portion of the taxes accounted for in the special revenue fund which is used primarily to fund administrative costs and employment services.

Request: Establish project and budget for \$11,662 (Other, DEW Contingency Assessment Funds) to obtain the preliminary design and cost estimate for the replacement of 154 HVAC variable air volume (VAV) cabinets and pneumatic controls in the Robert E. David Building. The VAV's are failing and are at the end of their service life. The pneumatic controls will be replaced with more efficient current technology digital controls. The building will not be habitable for most of the year should the VAV's and controls fail. Some asbestos abatement is required prior to VAV replacement. The building was constructed in 1975, making it 43 years old, and is 104,076 square feet. The building houses

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

approximately 350 staff on a regular basis. The FY17-18 CPIP reflects the total estimated cost of the project at \$400,000 but the estimated cost to complete the project is higher due to an increase in the scope of work. The original estimate was an in-house estimate based on utilizing a less costly retrofit in lieu of replacing the VAV's. It was discovered the retrofit kits would not work because of space limitations. As such, a feasibility study was commissioned, and it was determined the VAV's must be changed. The agency estimates that the completed project will cost approximately \$1,013,835. (See attachment 4 for additional annual operating cost savings.)

Phase I Increase

- (h) Summary 6-2018: JBRC Item 18. (J12) Department of Mental Health
Project: 9737, State Veterans' Nursing Home Construction Central Region
Included in Annual CPIP: Yes – CPIP Priority 10 of 12 in FY20
JBRC/SFAA Phase I Approval: January 2015 (estimated at \$58,000,000)

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes</u>		<u>Current</u> <u>Budget</u>	<u>Current</u> <u>Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
		<u>Since</u> <u>Original</u> <u>Budget</u>	<u>Current</u> <u>Budget</u>			
Other, Capital Improv. & Maint.	500,000.00	0.00	500,000.00	500,000.00	500,000.00	1,000,000.00
All Sources	<u>500,000.00</u>	<u>0.00</u>	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>	<u>1,000,000.00</u>

Funding Source: \$1,000,000 Other, Capital Improvement & Maintenance Funds, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to \$1,000,000 (add \$500,000 Other, Capital Improvement & Maintenance Funds) to increase the Phase I funding in order to complete all requirements necessary to receive a conditional funding letter from VA. The FY18 Veterans Affairs Appropriations Bill contained a record amount of funding, sufficient to provide federal

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

grant funding for the construction of all three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in August 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments and a letter of approval from the state historical preservation officer. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility will adapt the design to the Northeast and Northwest South Carolina region sites. Back in FY15 Proviso 35.13, directed the Department of Mental Health, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state. The study revealed a need for additional beds specifically for veterans, and therefore, this project was established for the construction of a 108 bed veterans nursing home in the Central South Carolina Region. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 158,000 gross square feet and house 108 veterans and approximately 110 contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. The agency estimates that the completed project will cost approximately \$40,300,000. (See attachment 5 for additional annual operating costs.)

- (i) Summary 6-2018: JBRC Item 19. (J12) Department of Mental Health
Project: 9739, State Veterans' Nursing Home Construction Northeast Region
Included in Annual CPIP: Yes – CPIP Priority 8 of 12 in FY20
JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes</u>	<u>Current</u> <u>Budget</u>	<u>Current</u> <u>Budget</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
		<u>Since</u> <u>Original</u> <u>Budget</u>		<u>Adjustment</u> <u>Requested</u>	
Other, Capital Improv. & Maint.	250,000.00	0.00	250,000.00	1,000,000.00	1,250,000.00
All Sources	<u>250,000.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>

Funding Source: \$1,250,000 Other, Capital Improvement & Maintenance Funds, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to \$1,250,000 (add \$1,000,000 Other, Capital Improvement & Maintenance Funds) to increase the Phase I funding in order to complete all requirements necessary to receive a conditional funding letter from VA. The FY18 Veterans Affairs Appropriations Bill contained a record amount of funding, sufficient to provide federal grant funding for the construction of all three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in August 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments and a letter of approval from the state historical preservation officer. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility will adapt the design to the Central and Northwest South Carolina region sites. Back in FY15 Proviso 35.13, directed the Department of Mental Health, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state. The study revealed a need for additional beds specifically for veterans, and therefore, this project was established for the construction of a 108 bed veterans nursing home in the Northeast Region. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

and electrical equipment. The facility will be approximately 158,000 gross square feet and house 108 veterans and approximately 110 contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. The agency estimates that the completed project will cost approximately \$39,900,000. (See attachment 6 for additional annual operating costs.)

- (j) Summary 6-2018: JBRC Item 20. (J12) Department of Mental Health
Project: 9740, State Veterans' Nursing Home Construction Northwest Region
Included in Annual CIP: Yes – CIP Priority 9 of 12 in FY20
JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improv. & Maint.	250,000.00	0.00	250,000.00	1,000,000.00	1,250,000.00
All Sources	<u>250,000.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>

Funding Source: \$1,250,000 Other, Capital Improvement & Maintenance Funds, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to \$1,250,000 (add \$1,000,000 Other, Capital Improvement & Maintenance Funds) to increase the Phase I funding in order to complete all requirements necessary to receive a conditional funding letter from VA. The FY18 Veterans Affairs Appropriations Bill contained a record amount of funding, sufficient to provide federal grant funding for the construction of all three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in August 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

environmental assessments and a letter of approval from the state historical preservation officer. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility will adapt the design to the Central and Northeast South Carolina region sites. Back in FY15 Proviso 35.13, directed the Department of Mental Health, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state. The study revealed a need for additional beds specifically for veterans, and therefore, this project was established for the construction of a 108 bed veterans nursing home in the Northwest Region. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 158,000 gross square feet and house 108 veterans and approximately 110 contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. The agency estimates that the completed project will cost approximately \$41,100,000. (See attachment 7 for additional annual operating costs.)

Establish Construction Budget

- (k) Summary 6-2018: JBRC Item 21. (H12) Clemson University
Project: 9934, Child Care Facility Construction
Included in Annual CPIP: Yes – CPIP Priority 2 of 7 in FY18 (estimated at \$5,000,000)
JBRC/SFAA Phase I Approval: October 2017 (estimated at \$5,000,000)

CHE Recommended Approval: 4/5/18

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Prudential Settlement Funds	100,000.00	0.00	100,000.00	4,400,000.00	4,500,000.00
Other, Operating Revenue	0.00	0.00	0.00	500,000.00	500,000.00
All Sources	<u>100,000.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>4,900,000.00</u>	<u>5,000,000.00</u>

Funding Source: \$4,500,000 Other, Prudential Settlement Funds, which are settlement proceeds and related earnings from a settlement with a private insurance company. \$500,000 Other, Operating Revenue Funds, which are from self-generated revenues for this project.

Request: Increase budget to \$5,000,000 (add \$4,900,000 Other, Prudential Settlement & Operating Revenue Funds) to establish Phase II to construct an approximately 13,000 square foot child care facility that will serve Clemson faculty, staff and students. The center will be managed and operated through a third-party vendor and provide a safe, secure and stimulating learning environment for infants, toddlers and preschool-aged children, ages six weeks to five years old. The facility will include classrooms, outdoor play areas, laundry, office spaces, storage, parking and appropriate fencing and lighting to promote safety. The location on the periphery of campus will be easily accessible by using campus transit services and allows for convenient parent drop off and pick up. The facility will be constructed and managed to meet National Association for the Education of Young Children (NAEYC) accreditation standards. Currently, there are no nationally accredited child care facilities within 25 miles of Clemson, with the exception of Head Start and other at-risk programs. Further, Clemson is the only Top 25 public university in the United States and the only major university in South Carolina that does not offer child care services. Faculty and staff have consistently listed child care as a top priority for the University. Child care services will aid in the recruitment and retention efforts of top faculty, staff and doctoral students, and the university reports that it will save approximately \$965,000 in lost productivity annually because of missed work due to child care arrangements. The facility is expected to serve a maximum of 130 children on a first come, first serve basis and approximately 30

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

full-time staff at full capacity provided by the third party vendor. The project will be certified to green Globes, 2 globes certification standards with a projected energy savings of \$1,260,480 over a 30 year period. The agency estimates that the completed project will cost approximately \$5,000,000. (See attachment 8 for additional annual operating costs.) The agency also reports the projects date for execution of the construction contract is September 2018 and for completion of construction is February 2020.

- (I) Summary 6-2018: JBRC Item 22. (H17) Coastal Carolina University
 Project: 9614, Williams Brice Renovation and Repair
 Included in Annual CIP: Yes – CIP Priority 1 of 1 in FY18 (estimated at \$2,500,000)
 JBRC/SFAA Phase I Approval: December 2017 (estimated at \$2,500,000)

CHE Recommended Approval: 3/1/18

<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>
		<u>Original</u>	<u>Current</u>			
Other, Renovation Reserve/Plant Expansion	37,500.00	0.00	37,500.00	2,462,500.00	2,500,000.00	
All Sources	<u>37,500.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>2,462,500.00</u>	<u>2,500,000.00</u>	

Funding Source: \$2,171,360 Other, Renovation Reserve/Plant Expansion Funds, which are funds used for renovations, repairs, and additions to existing facilities and for acquisitions for plant expansion. This is in compliance with section 59-136-130(10) of the SC Code of Laws. \$150 per full-time student per semester is charged as part of the Tuition and Required fees. This fee has been in place since fiscal year 2007 at the same amount.

Request: Increase budget to \$2,500,000 (add \$2,462,500 Other, Renovation Reserve/Plant Expansion Funds) to renovate the HVAC system and life safety system at the Williams Brice Physical Education Center. The project includes the installation of a new chilled water/hot water 4-pipe system and VAV air handling system which will enhance the building's dehumidification and the occupant's comfort levels. Additional renovations include removing the existing ceiling and replacing it with a suspended ceiling and associated lighting and installation of a new mass notification system. The existing HVAC

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

system has expired its anticipated life expectancy. The 46 year old, 65,794 square foot Williams Brice Building was built in 1971, and has since had changes to the original design. This has resulted in equipment locations being difficult to access for maintenance, and the system not dehumidifying properly. The hot water heating boiler is inefficient and starting to require frequent repairs. The existing alarm system does not include a mass notification function. The planned renovation will address these issues. Williams-Brice houses approximately 260 students and contains 23 administrative offices housing 38 employees of the university. The agency estimates that the completed project will cost approximately \$2,500,000. (See attachment 9 for additional annual operating cost savings.) The agency also reports the projects date for execution of the construction contract is June 2018 and for completion of construction is June 2019.

- (m) Summary 6-2018: JBRC Item 23. (H27) University of South Carolina - Columbia
Project: 6122, Speech and Hearing Upfit for the Dept. of Communication Sciences and Disorders
Included in Annual CIP: Yes – CIP Priority 4 of 9 in FY18 (estimated at \$2,000,000)
JBRC/SFAA Phase I Approval: December 2017 (estimated at \$2,000,000)

CHE Recommended Approval: 4/5/18

<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, Gifts	30,000.00	0.00	30,000.00	1,770,000.00	1,800,000.00	
Other, Institutional	0.00	0.00	0.00	600,000.00	600,000.00	
All Sources	<u>30,000.00</u>	<u>0.00</u>	<u>30,000.00</u>	<u>2,370,000.00</u>	<u>2,400,000.00</u>	

Funding Source: \$30,000 Other, Gifts, which are funds received from a private donor. In this case, they are reserved specifically for this project.

Request: Increase budget to \$2,400,000 (add \$2,370,000 Other, Gifts & Institutional Funds) to renovate and upfit approximately 23,000 square feet of available space in the Close-Hipp academic building to accommodate the Speech and Hearing Department of Communication Science and Disorders. The Speech and Hearing Department currently resides in private lease space on Lady Street in the City of Columbia and their lease term ends in the summer of 2019. The renovation and

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

upfit will create academic space, computer labs, clinical exam rooms, faculty offices and allow for needed growth in the program. The project will enable the Speech and Hearing Department to avoid future lease payments and improve connectivity with the campus benefiting the students and faculty in the academic program. The Close Building was built in 1973 and the Hipp Building was built in 1983. The total square footage of the Close-Hipp Building is 341,000 square feet.

Approximately 80 students will use the space with an additional 135 students involved through distance education. 25 faculty members will also use the space. Clients who visit the clinic will make an estimated 6,000 visits annually based on previous data. The FY17-18 CPIP reflected this project with a total estimated cost of \$2,000,000.

However, due to the increase in renovated area, the total projected cost of the project has increased by \$400,000. The agency estimates that the completed project will cost approximately \$2,400,000. (See attachment 10 for additional annual operating cost savings.) The agency also reports the projects date for execution of the construction contract is October 2018 and for completion of construction is May 2019.

- (n) Summary 6-2018: JBRC Item 24. (H51) Medical University of South Carolina
Project: 9840, Basic Science Building Exterior Envelope Repairs
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: October 2017 (estimated at \$7,000,000)

CHE Recommended Approval: 4/5/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes</u>		<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
		<u>Since Original Budget</u>	<u>Current Budget</u>			
Other, Institution Capital Project	105,000.00	0.00	105,000.00	6,895,000.00		7,000,000.00
All Sources	<u>105,000.00</u>	<u>0.00</u>	<u>105,000.00</u>	<u>6,895,000.00</u>		<u>7,000,000.00</u>

Funding Source: \$7,000,000 Other, Institution Capital Project Funds, which are excess debt service funds and remaining balances from closed projects.

Request: Increase budget to \$7,000,000 (add \$6,895,000 Other, Institution Capital Project Funds) to proceed with Phase II final design and construction to make exterior building envelope repairs to the Basic Science Building. The building had significant water intrusion during Hurricane Joaquin and Hurricane Matthew. The building is also prone

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

to water intrusion during heavy rain storms. The work will include masonry repairs/modifications, complete window replacement, wet sealing of all existing fenestrations, complete cleaning of exterior building envelope, complete sealant replacement, prefabricated joint replacements, complete clear water repellent to exterior walls, sheet metal for roof and exterior walls, stucco repairs, and exterior waterproofing. The work also includes complete removal of the roof system down to structural deck and replacement, including all related sheet metal accessories and related work. The existing 20+ year old roof will be replaced with modified bitumen and will come with a 20 year warranty. The 47 year old building is 335,663 square feet and is utilized by 300 to 400 faculty and staff that are permanently housed in the building. In addition, this building is a major academic building with 400 to 500 students entering daily. The agency estimates that the completed project will cost approximately \$7,000,000. The agency also reports the projects date for execution of the construction contract is August 2018 and for completion of construction is September 2019.

- (o) Summary 6-2018: JBRC Item 25. (H51) Medical University of South Carolina
Project: 9841, Storm Eye Institute Chiller Replacement
Included in Annual CIP: Yes – CIP Priority 1 of 4 in FY18 (estimated at \$4,000,000)
JBRC/SFAA Phase I Approval: October 2017 (estimated at \$2,500,000)

CHE Recommended Approval: 4/5/18

<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>
		<u>Original Budget</u>	<u>Current Budget</u>			
Other, Institution Deferred Maintenance	37,500.00	0.00	37,500.00	2,012,500.00		2,050,000.00
All Sources	<u>37,500.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>2,012,500.00</u>		<u>2,050,000.00</u>

Funding Source: \$37,500 Other, Institution Deferred Maintenance Funds, which are funds allocated to this account based on the Responsibility Centered Management (RCM) budgeting model adopted in 2013. State appropriations, tuition/fees and grant indirect cost recoveries are allocated to this fund. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Fund retained by central administration is used to fund facilities and deferred maintenance.

Request: Increase budget to \$2,050,000 (add \$2,012,500 Other, Institution Deferred Maintenance Funds) to replace two existing 20+ year old failing air cooled chillers on the roof of the Storm Eye Institute. One existing 200 ton chiller has completely failed and the second existing 350 ton chiller has partially failed and currently can only operate at 50% capacity. These chillers will be replaced with one 600 ton water cooled chiller including associated cooling towers and pumps. The new chiller and tower water pumps will be located in an enclosure to protect them from outside elements. The 42 year old building is 92,605 square feet and is utilized by 100 faculty, staff, and students plus 200 patients. This project was included in the FY17-18 CPIP combined with other maintenance items utilizing funding approved by MUSC for its "Investment Fund – Deferred Maintenance" account. At the time of the CPIP submittal, the Sightlines Building condition assessment was in the process of being updated and not complete at the time of CPIP submittal. Once the assessment was completed, facilities identified the highest priority items to match the \$4,000,000 funding available. The agency estimates that the completed project will cost approximately \$2,050,000. The agency also reports the projects date for execution of the construction contract is September 2018 and for completion of construction is March 2019.

- (p) Summary 6-2018: JBRC Item 28. (D50) Department of Administration
 Project: 6003, State House Escalator Replacement
 Included in Annual CPIP: CPIP Priority 6 of 9 in FY19 (estimated at \$2,800,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Non- Departmental	0.00	0.00	0.00	1,500,000.00	1,500,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$1,500,000 Other, Non-Departmental Funds, which are funds from the South Carolina General Assembly.

Request: Establish and fully fund a combined Phase I and Phase II project and budget for the replacement of the existing escalator at the SC State House Building. Since January 1, 2018, the escalators at the State House have been out of service more than 10 times for multiple weeks due to significant failures. The escalator is 43 years old and replacement parts are no longer made which makes it very difficult and expensive to repair the existing structure. Finding or repairing parts results in extended delays in restoring use. Continued outages severely impact the functioning of state government as there are limited options for access to the facility and this is the only access point from the garage. When the escalators are not working, it is a code compliance and safety issue for adequate egress as the only available elevator is insufficient for the number of people entering and exiting. As such, the escalators must be replaced prior to the beginning of the 2019 legislative session and the only way to accomplish that is through the procurement of emergency design build services and combined Phase I and 2 project approval. The agency estimates total project costs at \$1,500,000 with [no] additional annual operating costs. The agency also expects execution of the construction contract in June 2018 and for completion in December 2018.

Phase II Increase

- (q) Summary 6-2018: JBRC Item 31. (H15) College of Charleston
Project: 9663, McConnell Residence Hall HVAC System Replacement and Renovation
Included in Annual CIP: No
JBRC/SFAA Phase II Approval: March 2016 (estimated at \$3,442,180)

CHE Recommended Approval: 2/28/18

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Housing Revenue	3,442,180.00	0.00	3,442,180.00	174,000.00	3,616,180.00
All Sources	<u>3,442,180.00</u>	<u>0.00</u>	<u>3,442,180.00</u>	<u>174,000.00</u>	<u>3,616,180.00</u>

Funding Source: \$3,616,180 Other, Housing Revenue, which is a self-supporting auxiliary enterprise. Housing revenue is generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

Request: Increase budget to \$3,616,180 (add \$174,000 Other, Housing Revenue Funds) to continue working on the most critical components of the remaining scope of the project. The McConnell Residence Hall is 71,603 gross square feet and is approximately 36 years old. The HVAC piping and pump system is original to the building, and the chiller and roof top unit are 16 years old. This project was established in response to an urgent need to address significant HVAC system distribution pipe deterioration within the McConnell Residence Hall. In addition to the pipe replacement, the facility was in need of new HVAC equipment, lighting, and plumbing fixtures. There was a long lead time for the HVAC equipment, therefore the work was broken into stages so that the pipe situation could be remedied immediately. The project is currently in the second of three stages. Due to the thriving Charleston construction market, the number of contractors bidding is extremely low and bid amounts have increased significantly. The project has gone out to bid four times thus far with only two successful bids. An independent cost estimation was conducted to reassess the cost of the remaining work. This budget increase request reflects the amount the cost estimate determined would be necessary to complete the remaining scope. This phase of the project was not included in the FY17-18 CPIP because the change in cost and Phase II increase did not occur until after the FY17-18 CPIP had been submitted. The agency estimates that the completed project will cost approximately \$3,616,180. The agency also reports the projects anticipated date of completion is October 2018.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase, Revise Scope & Change Project Name

- (r) Summary 6-2018: JBRC Item 33. (N04) Department of Corrections
Project: 9738, Security Upgrades to Housing Unit Inmate Cells at Level 2 & 3
Correctional Institutions
Included in Annual CPIP: Yes – CPIP Priority 4 of 4 in FY18 (estimated at \$2,500,000)
JBRC/SFAA Phase I Approval: March 2017 (estimated at \$1,000,000)
JBRC/SFAA Phase II Approval: May 2017 (estimated at \$1,000,000)
CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY16 & FY17 Carryforward	15,000.00	985,000.00	1,000,000.00	5,000,000.00	6,000,000.00
Other, Agency Service	0.00	0.00	0.00	4,500,000.00	4,500,000.00
All Sources	<u>15,000.00</u>	<u>985,000.00</u>	<u>1,000,000.00</u>	<u>9,500,000.00</u>	<u>10,500,000.00</u>

Funding Source: \$6,000,000 Appropriated State, FY16 & FY17 Carryforward Funds, which are from general fund personnel and fringe lines of the last two budget years. \$4,500,000 Other, Agency Service Funds.

Request: Increase budget to \$10,500,000 (add \$5,000,000 FY17 Carryforward and \$4,500,000 Agency Service Funds), Revise Scope and Change Project Name, to furnish and install several Security Upgrades to Housing Unit Inmate Cells at Level 2 & Level 3 Correctional Institutions. The original scope of work included renovations at Level 3 correctional institutions but the revised scope of work will include renovations in an additional eleven (11), Level 2 correctional institutions. Additionally, door lock upgrades will be added to this project. These upgrades will include adding, replacing and repairing locks as required by the security level and operation of the existing locking system. Per the agency, it takes a constant effort to maintain locks in the institutions, most of which are dated and technologically deficient. Inmates have learned how to compromise and defeat some of the locks in some housing units. This problem directly contributes to cell phone contraband issues. The original scope of work, which will

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

still be completed includes the installation of additional security measures for window frames and glazing, opaque glazing, food flaps, cuff ports, etc. The window coverings are designed to block the view of the inmate to the outside perimeter. Inmates watch the roving officers and determine when contraband (including cell phones), can be retrieved from the yard. This scope of work will provide additional security to the inmate cells, housing units and correctional facility, but will also directly impact SCDC's efforts to deter contraband from entering the institutions. There are approximately 18,351 inmates and 3,750 staff located at these institutions. The agency estimates that the completed project will cost approximately \$10,500,000. The agency also reports the projects anticipated date of completion is October 2020.

Final Land Acquisition

- (s) Summary 6-2018: JBRC Item 34. (H59) Trident Technical College
 Project: 6138, Trident – Workforce Development Center
 Included in Annual CIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/5/18

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY17-18 Capital Reserve, Ready SC	0.00	0.00	0.00	2,500,000.00	2,500,000.00
Other, Deal Closing	0.00	0.00	0.00	2,550,000.00	2,550,000.00
Other, Local	0.00	0.00	0.00	1,000,000.00	1,000,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,050,000.00</u>	<u>6,050,000.00</u>

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$2,500,000 Other, Ready SC Funds, which are FY17-18 Capital Reserve Funds appropriated for readySC training projects. \$2,550,000 Other, Deal Closing Funds, which are appropriated annually by the legislature for the purpose of supporting companies that bring jobs and new investments to the state. \$1,000,000 Other, Local Funds, which are Trident Technical College operating funds.

Request: Establish a combined Phase I preliminary land acquisition and Phase II final acquisition project and budget for \$6,050,000 (Other, Governor's Closing, Ready SC and Local Funds) to purchase the former LaFrance Building, including 5 acres of property, at 1090 Newton Way located in Berkeley County in Summerville, SC. The 11 year old 61,316 square foot facility was constructed in 2007 and will be used by readySC for workforce training and the title to the property will be held by Trident Technical College. In September 2017, the Department of Commerce, in collaboration with State Tech, originated the idea of acquiring the building. Initially, the acquisition cost was expected to be joint funded by the Department of Commerce, State Tech, Trident Tech, and Berkeley, Charleston, and Dorchester Counties. In late February 2018, the SBTCE President came to the realization that county funding was not feasible due to certain untenable stipulations made by council members. Trident Technical College is essentially facilitating a Commerce/State Tech developed proposal that requires the acquisition of this building in order to implement. The college could not bring the request before JBRC and SFAA earlier this fiscal year because they were still working to obtain county funding approval. Phase I and Phase II are being combined together as one request to eliminate further delays, as the planned timeline has already been extended due to the various meetings with the counties. The building is needed to support workforce initiatives in South Carolina. The former American LaFrance building will be used as a permanent readySC training facility. The building is currently under lease and is used by readySC to facilitate training needs for the Mercedes and Volvo projects. Fulfillment of the requirements for these projects, as well as other anticipated economic development projects in the surrounding area, necessitates the need for a permanent training facility. In addition to the cost of leasing the building, significant funds are often needed for modification (i.e. upfit) of leased space. Therefore, the long-term cost of acquisition is expected to be significantly less than would be the cost of continuing to lease and significantly modify facilities owned by others, only to abandon the modifications upon lease expiration. The property is needed because suitable space is not available on the Main Campus of Trident Technical College. This property is currently offered to Trident Technical College by RT Jedburg Commerce Park, LLC for the

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

purchase price of \$6,000,000. An appraisal conducted by Valbridge Property Advisors on March 12, 2018, valued the property at \$7,500,000. A Phase I Environmental Site Assessment was completed by S&ME on April 17, 2017 and revealed no evidence of recognized environmental conditions in connection with the subject property. An update to this document was completed March 26, 2018 and that update also revealed no evidence of recognized environmental conditions in connection with the subject property. A building condition assessment was completed by Terracon on March 21, 2018 and the report did include some items to be ameliorated if the building is anticipated to be occupied in the future but it was noted that no further assessment of the building is recommended. This acquisition was not included in the FY17-18 CPIP because Trident Technical College was not involved in discussions relevant to this facility until after the CPIP was submitted. The agency estimates that the land acquisition will cost approximately \$6,050,000. (See attachment 11 for additional annual operating cost savings.) The agency also reports the estimated date to complete the land acquisition is June 2018.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

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

1. AGENCY
Code H29 Name USC Aiken

2. PROJECT
Project # 9552 Name USC Aiken Maintenance Building

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

☒ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018-19	\$18000	\$	\$	\$ 18000.00
2) 2019-20	\$18000	\$	\$	\$ 18000.00
3) 2020-21	\$18000	\$	\$	\$ 18000.00

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

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

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. <u>Energy Costs</u>		<u>13,000</u>
2. <u>Maintenance</u>		<u>5,000</u>
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		<u>18,000</u>

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

9. Submitted By:  Director, Planning and Programming
Signature of Authorized Official and Title

1/16/13
Date

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

1. AGENCY
Code H29 Name USC Aiken

2. PROJECT
Project # 9553 Name USC Aiken Penland HVAC 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) 2018-19	\$2000	\$	\$	\$ 2000.00
2) 2019-20	\$2000	\$	\$	\$ 2000.00
3) 2020-21	\$2000	\$	\$	\$ 2000.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Energy Costs</u>	<u>2,000</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>2,000</u>

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

9. Submitted By: [Signature] Director, Planning and Programming
Signature of Authorized Official and Title

11/6/19
Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code E24 Name Office of the Adjutant General

2. PROJECT Project # 9811 Name Traning Sites TT Enlisted Barracks Replacement

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	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00
2) 2020	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00
3) 2021	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00

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

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

☒

YES

☐

NO

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Utilities		(\$2,000.00)
2. Maintenance & Repairs		(5,000.00)
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		(\$7,000.00)

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

9. Submitted By: Michael J Young Michael J Young, State Contracting Officer
 Signature of Authorized Official and Title

1 Feb 2018
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code R60 Name SC Department of Employment and Workforce

2. PROJECT Project # 9528 Name David Building - VAV and DDC Controls Upgrade

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) FY19-20	\$	\$	\$ 14,000.00	\$ 14,000.00
2) FY20-21	\$	\$	\$ 28,000.00	\$ 28,000.00
3) FY-21-22	\$	\$	\$ 28,000.00	\$ 28,000.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Improved Equipment Efficiency, Better Technology</u>	<u>\$14,000.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$14,000.00</u>

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

9. Submitted By: Marsha R. Stephenson /Asst. Executive Director, ASO 3-14-18
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

- | | | | | |
|----|------------------------------------------------------------------------------------------|------|------|----------------------------------------------------------|
| 1. | AGENCY
Code | J12 | Name | South Carolina Department of Mental Health |
| 2. | PROJECT
Project # | 9737 | Name | State Veterans' Nursing Home Construction Central Region |
| 3. | ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or 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) 2022	\$ 4,901,715.00	\$ 6,172,934.00	\$ 1,055,306.00	\$ 12,129,955.00
2) 2023	\$ 5,048,767.00	\$ 6,358,122.00	\$ 1,086,965.00	\$ 12,493,854.00
3) 2024	\$ 5,200,229.00	\$ 6,548,866.00	\$ 1,119,574.00	\$ 12,868,669.00

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

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

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1.	Contractor Operation Costs	\$12,129,955.00
2.		
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$12,129,955.00

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
Signature of Authorized Official and Title

03/28/2018

Date _____

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

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

2. PROJECT Project # 9739 Name State Veterans' Nursing Home Construction Northeast Region

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) 2022	\$ 4,901,715.00	\$ 6,172,934.00	\$ 1,055,306.00	\$ 12,129,955.00
2) 2023	\$ 5,048,767.00	\$ 6,358,122.00	\$ 1,086,965.00	\$ 12,493,854.00
3) 2024	\$ 5,200,229.00	\$ 6,548,866.00	\$ 1,119,574.00	\$ 12,868,669.00

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

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

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Contractor Operation Costs		\$12,129,955.00
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$12,129,955.00

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
 Signature of Authorized Official and Title

03/28/2018
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

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

2. PROJECT Project # 9740 Name State Veterans' Nursing Home Construction Northwest Region

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) 2022	\$ 4,901,715.00	\$ 6,172,934.00	\$ 1,055,306.00	\$ 12,129,955.00
2) 2023	\$ 5,048,767.00	\$ 6,358,122.00	\$ 1,086,965.00	\$ 12,493,854.00
3) 2024	\$ 5,200,229.00	\$ 6,548,866.00	\$ 1,119,574.00	\$ 12,868,669.00

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.	Contractor Operation Costs	\$12,129,955.00
2.		
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$12,129,955.00

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 03/28/2018
 Signature of Authorized Official and Title Date

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

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9934 Name Child Care Facility Construction

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

XX ☐ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY 19-20	\$	\$	\$82,550.00	\$82,550.00
2) FY 20-21	\$	\$	\$84,201.00	\$84,201.00
3) FY 21-22	\$	\$	\$85,885.00	\$85,885.00

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

Child Care Center Operating Revenues

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Maintenance</u>	<u>\$41,275.00</u>
2. <u>Utilities</u>	<u>\$41,275.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$82,550.00</u>

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

9. Submitted By: Burt A. Daulton 2-23-18
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H17 Name Coastal Carolina University

2. PROJECT Project # 9614 Name Williams Brice Renovation and Repair

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) 2019/2020	\$	\$	\$ 10,000.00	\$ 10,000.00
2) 2020/2021	\$	\$	\$ 10,000.00	\$ 10,000.00
3) 2021/2022	\$	\$	\$ 10,000.00	\$ 10,000.00

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

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

☒

YES

☐

NO

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Estimated energy savings in utilities		\$10,000.00
2. _____		_____
3. _____		_____
4. _____		_____
5. _____		_____
6. _____		_____
7. _____		_____
8. _____		_____
TOTAL		\$10,000.00

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:  Provost and Executive Vice President
 Signature of Authorized Official and Title

1/16/2018

Date

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

1. AGENCY
Code 1127 Name University of South Carolina

2. PROJECT
Project # 6122 Name Speech and Hearing Upfit

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

☐ COSTS ☒ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020*	\$256,277	\$	\$	\$ 0.00
2) 2021*	\$256,277	\$	\$	\$ 0.00
3) 2022*	\$256,277	\$	\$	\$ 0.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Lease Cost</u>	<u>202,705</u>
2. <u>Waste Management</u>	<u>29,522</u>
3. <u>Utilities</u>	<u>24,050</u>
4. _____	_____
5. _____	_____
6. _____	_____
*FY 2019 lease cost is used for FY 20 through FY22, but in reality a new lease is expected to be a higher cost.	
TOTAL	<u>256,277</u>

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

9. Submitted By: [Signature] Director, Planning and Programming
Signature of Authorized Official and Title

2/22/18
Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H59 Name Trident Technical College
2. PROJECT Project # 6138 Name Trident - Workforce Development Center

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

☐ COSTS ☒ SAVINGS ☐ NO CHANGE

- 4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY 18-19	\$	\$	\$ (430,000.00)	\$ (430,000.00)
2) FY 19-20	\$	\$	\$ (430,000.00)	\$ (430,000.00)
3) FY 20-21	\$	\$	\$ (430,000.00)	\$ (430,000.00)

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 readySC operating funds
6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
 If no, how will additional funds be provided?

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Maintenance		\$170,000.00
2. Savings from lease payments		(600,000.00)
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		(\$430,000.00)

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: Scott Poelker Scott Poelker, Vice President for Finance
 Signature of Authorized Official and Title

March 16, 2018
 Date

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

Item (a) – University of South Carolina-Columbia – Swearingen Roof Replacement

The source of funds for pre-design is Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

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

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

Item (b) – University of South Carolina-Aiken – Maintenance Building

The source of funds for pre-design is Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

The source of funds for construction is anticipated to be Other, USC Aiken Institutional Funds.

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

Item (c) – University of South Carolina-Aiken – Penland HVAC Renovation

The source of funds for pre-design is Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

The source of funds for construction is anticipated to be Other, USC Aiken Institutional Funds.

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 – Hollings Cancer Center 3rd Floor Renov.

The source of funds for pre-design is Other, Clinical Revenue Funds, which are revenues generated from hospital patient services.

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

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

Item (k) – Clemson University – Child Care Facility Construction

The source of funds for construction is Other, Prudential Settlement Funds, which are proceeds and related earnings from a settlement with a private insurance company, and Other, Operating Revenue Funds, which are from self-generated revenues for this project.

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

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

Item (l) – Coastal Carolina University – Williams Brice Renovation and Repair

The source of funds for construction is Other, Renovation Reserve/Plant Expansion Funds, which are funds used for renovations, repairs, and additions to existing facilities and for acquisitions for plant expansion.

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

Item (m) – University of South Carolina-Columbia – Speech and Hearing Upfit for the Department of Communication Sciences and Disorders

The source of funds for construction is Other, Gifts, which are funds received from a private donor and Other, Institutional Funds, which are received from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources.

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

Item (n) – Medical University of South Carolina – Basic Science Building Exterior Envelope Repairs

The source of funds for construction is Other, Institution Capital Project Funds, which are excess debt service funds and remaining balances from closed projects.

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

Item (o) – Medical University of South Carolina – Storm Eye Institute Chiller Replacement

The source of funds for construction is Other, Institution Deferred Maintenance Funds, which are funds allocated to this account based on the Responsibility Centered Management (RCM) budgeting model adopted in 2013. State appropriations, tuition/fees and grant indirect cost recoveries are allocated to this fund.

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

Item (q) – College of Charleston – McConnell Residence Hall HVAC System Replacement and Renovation

The source of funds for construction is Other, Housing Revenue Funds, which is self-supporting auxiliary enterprise. Housing revenue is generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing.

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

Item (s) – Trident Technical College – Workforce Development Center

The source of funds for construction is Other, Ready SC Funds, which are FY17-18 Capital Reserve Funds appropriated for readySC training projects, Other, Deal Closing Funds, which are appropriated annually by the legislature for the purpose of supporting companies that bring jobs and new investments to the state and Other, Local Funds, which are Trident Technical College operating funds.

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

Permanent Improvement Project Information for May 1, 2018 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Included in CPIP	Total Projected Project Cost
		Approved Budget	Original Approval	Phase I Amount	Phase I Approval		
H27-6125	Swearingen Roof Replacement	N/A	N/A	\$30,000.00	N/A	Yes	\$2,000,000.00
H29-9552	USC Aiken Maintenance Building	N/A	N/A	\$30,000.00	N/A	Yes	\$2,000,000.00
H29-9553	USC Aiken Penland HVAC Renovation	N/A	N/A	\$22,500.00	N/A	Yes	\$1,500,000.00
H51-9844	Hollings Cancer Center 3rd Floor Renovations	N/A	N/A	\$67,500.00	N/A	Yes	\$4,500,000.00
E24-9811	Training Sites TT Enlisted Barracks Replacement	N/A	N/A	\$88,000.00	N/A	Yes	\$1,404,000.00
N04-9743	Deterrent Systems at Property Borders of Correctional Institutions	N/A	N/A	\$28,500.00	N/A	Yes	\$1,900,000.00
N04-9746	Ridgeland CI - Chiller Replacement	N/A	N/A	\$15,000.00	N/A	Yes	\$1,000,000.00
R60-9528	David Building - VAV and DDC Controls Upgrade	N/A	N/A	\$11,662.00	N/A	Yes	\$1,013,835.00
J12-9737	State Veteran's Nursing Home Construction Central Region	\$500,000.00	1/27/15	\$500,000.00	1/27/15	Yes	\$1,000,000.00
J12-9739	State Veteran's Nursing Home Construction Northeast Region	\$250,000.00	3/18/15	\$250,000.00	3/18/15	Yes	\$1,250,000.00
J12-9740	State Veteran's Nursing Home Construction Northwest Region	\$250,000.00	3/18/15	\$250,000.00	3/18/15	Yes	\$1,250,000.00
H12-9934	Child Care Facility Construction	\$100,000.00	10/23/17	\$100,000.00	10/23/17	Yes	\$5,000,000.00
H17-9614	Williams Brice Renovation and Repair	\$37,500.00	12/18/17	\$37,500.00	12/18/17	Yes	\$2,500,000.00
H27-6122	Speech and Hearing Upfit for the Department of Communication Sciences and Disorders	\$30,000.00	12/18/17	\$30,000.00	12/18/17	Yes	\$2,400,000.00
H51-9840	Basic Science Building Exterior Envelope Repairs	\$105,000.00	10/23/17	\$105,000.00	10/23/17	No	\$7,000,000.00
H51-9841	Storm Eye Institute Chiller Replacement	\$37,500.00	10/23/17	\$37,500.00	10/23/17	Yes	\$2,050,000.00
D50-6003	State House Escalator Replacement	N/A	N/A	\$1,500,000.00	N/A	Yes	\$1,500,000.00
H15-9663	McConnell Residence Hall HVAC System Replacement and Renovation	\$3,442,180.00	3/11/16	\$3,442,180.00	3/11/16	Yes	\$3,616,180.00
N04-9738	Security Upgrades to Housing Unit Inmate Cells at Level 2 & 3 Correctional Institutions	\$15,000.00	3/10/17	\$15,000.00	3/10/17	Yes	\$2,500,000.00
H59-6138	Trident - Workforce Development Center	N/A	N/A	\$6,050,000.00	N/A	No	\$6,050,000.00

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF May 1, 2018

REGULAR SESSION
ITEM NUMBER 8

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, June 19, 2018, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, June 19, 2018, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: