

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, May 2, 2017 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A.	MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY	
B.	ADOPTION OF PROPOSED AGENDA	
C.	MINUTES OF PREVIOUS MEETING	
D.	BLUE AGENDA	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Department of Administration, Facilities Management and Property Services	Easements
3.	Department of Administration, Facilities Management and Property Services	Real Property Conveyances
4.	Division of Procurement Services	Procurement Audits and Certifications
5.	Insurance Reserve Fund	Insurance Rates
6.	Executive Director	Revenue Bonds
7.	Executive Director	HarborChase Senior Living Volume Cap Ceiling Allocation Reinstatement
8.	Executive Director	Economic Development (2017 Ceiling Allocations)
E.	REGULAR SESSION	
1.	Department of Administration, Executive Budget Office	Permanent Improvement Products
2.	Department of Administration, Facilities Management and Property Services	Medical University of South Carolina Lease - 165 Cannon Street in Charleston
3.	Department of Administration, Facilities Management and Property Services	Medical University of South Carolina Lease - 22 WestEdge in Charleston

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, May 2, 2017 -- 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	Clemson University Lease at 934 Old Clemson Highway in Seneca
5.	Division of Procurement Services	Exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to Acquire Engineering, Construction, and Related Services for the South Carolina Dams and Reservoirs Safety Program
6.	Clemson University	Not Exceeding \$84,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017, of the State of South Carolina
7.	State Fiscal Accountability Authority	Future Meeting

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

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

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$80,000,000 Economic Development Bonds	CareAlliance Health Services d/b/a Roper St. Francis Healthcare Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$21,000,000 Economic Development Bonds	Hammond School Conduit: JEDA	Nexsen Pruet	Parker Poe Adams & Bernstein
\$7,500,000 Special Source Refunding Revenue Bonds	Newberry County Memorial Hospital Conduit: Newberry County	Pope Flynn	Jay Tothacer, Esq, County Attorney

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$ 84,000,000 State Institution Bond	Clemson University	Pope Flynn

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 2, 2017 State Fiscal Accountability Authority
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$80,000,000 Economic Development Bonds	CareAlliance Health Services d/b/a Roper St. Francis Healthcare Conduit: JEDA	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
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OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$ 84,000,000 State Institution Bond	Clemson University	Pope Flynn

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:** Spartanburg and Laurens
From: Department of Administration
To: Dominion Carolina Gas Transmission, LLC
Consideration: \$700
Description/Purpose: To grant a 0.155 acre easement for the construction, installation, operation and maintenance of a 12-inch natural gas transmission line beneath the Enoree River. The easement is part of the Moore to Chappells Pipeline for Dominion Carolina's Transco to Charleston Project to meet the increasing demand for natural gas for local commercial, industrial and power generation customers. 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:** Laurens
From: Department of Administration
To: Dominion Carolina Gas Transmission, LLC
Consideration: \$700
Description/Purpose: To grant a 0.055 acre easement for the construction, installation, operation and maintenance of a 12-inch natural gas transmission line beneath the Little River. The easement is part of the Moore to Chappells Pipeline for Dominion Carolina's Transco to Charleston Project to meet the increasing demand for natural gas for local commercial, industrial and power generation customers. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

- (c) **County Location:** Horry
From: Department of Administration
To: Grand Strand Water & Sewer Authority
Consideration: \$1

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

Description/Purpose: To grant a 0.06 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, inspecting, operating, replacing, cleaning, repairing and maintaining pumps, tanks, sewer lines, electrical lines, controls, valves and any other sewer services facilities appurtenant on property of the Department of Parks Recreation and Tourism. The easement is needed to provide sewer service to an additional facility at Myrtle Beach State Park. The easement is being sought by the Department of Parks, Recreation and Tourism for the benefit of the property. Real Property Services has determined that SCPRT 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.

- (d) County Location: Chester
From: Department of Administration
To: Duke Energy Carolinas, LLC
Consideration: \$1
Description/Purpose: To grant a 0.28 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, reconstructing, operating, patrolling, maintaining, inspecting, repairing, replacing, relocating, adding, modifying and removing underground electric lines and facilities on property of the Department of Parks, Recreation and Tourism. The easement is needed to provide upgraded electrical service to the campground at Chester State Park. The easement is being sought by the Department of Parks, Recreation and Tourism for the benefit of the property. Real Property Services has determined that SCPRT 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

- (e) County Location: Charleston
From: Medical University of South Carolina
To: Charleston Horizon Devco, LLC
Consideration: \$1
Description/Purpose: To grant non-exclusive perpetual easements of 0.081 acres, 0.402 acres, and 0.034 acres for the construction of a roadway, pedestrian walkway and associated utilities across three parcels owned by MUSC and the MUSC Foundation located within the Horizon District. Following completion of construction, the easements will be dedicated to the City of Charleston. The grant also includes a temporary easement for construction and development of the road and pedestrian walkway. The easements will be of mutual benefit to MUSC and Charleston Horizon Devco. Real Property Services has determined that MUSC 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.

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 2, 2017

Blue Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Div. of Facilities Mgmt. and Prop. Services



(b) Authorized Official Signature:

Ashlie Lancaster, Director

2. Subject:

EASEMENTS

3. Summary Background Information:

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From: Department of Administration
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Description/Purpose: To grant a 0.06 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, inspecting, operating, replacing, cleaning, repairing and maintaining pumps, tanks, sewer lines, electrical lines, controls, valves and any other sewer services facilities appurtenant on property of the Department of Parks Recreation and Tourism. The easement is needed to provide sewer service to an additional facility at Myrtle Beach State Park. The easement is being sought by the Department of Parks, Recreation and Tourism for the benefit of the property. Real Property Services has determined that SCPRT 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.
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- (e) **County Location:** Charleston
From: Medical University of South Carolina
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Consideration: \$1
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4. What is the Authority asked to do? Approve the referenced easements.

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

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) Dominion Carolina Gas Transmission, LLC
 - (b) Dominion Carolina Gas Transmission, LLC
 - (c) Grand Strand Water & Sewer Authority
 - (d) Duke Energy Carolinas, LLC
 - (e) Charleston Horizon Devco, LLC (MUSC)

SOUTH CAROLINA CODE OF LAWS

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

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

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

Effect of Amendment

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

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

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

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

Effect of Amendment

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

SOUTH CAROLINA CODE OF LAWS

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

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

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

Effect of Amendment

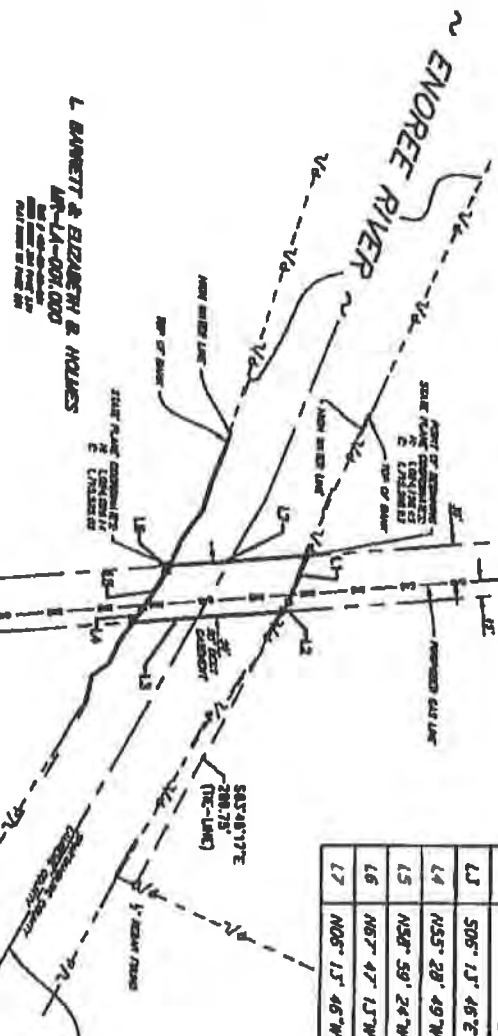
2014 Act No. 121, Section 7.K, rewrote the section, substituting the Department of Administration and the State Fiscal Accountability Authority for the State Budget and Control Board.

(a)

10/10/2010 10:27 AM

CAPP'S BROTHERS CONTRACTING INC
 ART-SP-148.000
 10/10/2010 10:27 AM

CAPP'S BROTHERS CONTRACTING INC
 ART-SP-148.000
 10/10/2010 10:27 AM



LINE	BEARING	DISTANCE
L1	S69° 44' 21\"/>	
L2	S61° 49' 07\"/>	
L3	S05° 13' 46\"/>	
L4	N55° 29' 49\"/>	
L5	N58° 59' 24\"/>	
L6	N67° 47' 13\"/>	
L7	N05° 13' 46\"/>	

REFERENCE IS MADE TO THE FOLLOWING:

1. SURVEY FOR ART-SP-148.000
2. PLAT FOR ART-SP-148.000
3. PLAT FOR ART-SP-148.000
4. LAMBERT COUNTY MAP # 148-20-148-20

DISCLAIMER:
 THE DRAWING IS THE PROPERTY OF THE ENGINEER AND IS NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN CONSENT OF THE ENGINEER. THE ENGINEER ASSUMES NO LIABILITY FOR ANY DAMAGE OR LOSS OF ANY KIND ARISING FROM THE USE OF THIS DRAWING.

50' WIDE DIRT EASEMENT AREA - 0.155 ACRE OR 8,706 SQUARE FEET



LEGEND
 - - - - - PROPOSED EASEMENT LINE
 - - - - - EXISTING EASEMENT LINE

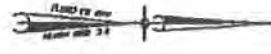
NOTES:

1. PROPERTY LINES SHOWN ON THIS PLAN ARE BASED ON THE SURVEY FOR ART-SP-148.000 AND THE PLAT THEREFOR. THE ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF ANY ENCROACHMENTS OR OTHER VIOLATIONS OF ANY APPLICABLE LAWS OR REGULATIONS.
2. ALL PROPERTY OWNERS HAVE BEEN ADVISED BY THE ENGINEER OF THE LOCATION OF THE PROPOSED EASEMENT LINE AND HAVE GIVEN THEIR CONSENT TO THE SAME.
3. THE DATE OF FIELD SURVEY COMPUTATION: APRIL 28, 2010

APPROVED:
 [Signature]
 [Signature]

<p>EASEMENT EXHIBIT FOR DOMINION CAROLINA GAS TRANSMISSION, LLC</p>	<p>LOCATION OF 50' EASEMENT ON LANDS OF THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION</p>	<p>URS 101 Research Drive Columbia, South Carolina 29203 Telephone: 803.732.4000 www.urscorp.com</p>	<p>REVISION</p> <table border="1"> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	NO.	DATE	DESCRIPTION			
NO.	DATE	DESCRIPTION							

(b)



FLYING CREEK TRACT LANDS UP
 MAP-1A-124,000
 100' x 100' x 100' x 100'
 100' x 100' x 100' x 100'

- REFERENCE IS MADE TO THE FOLLOWING:**
1. PROPERTY SUBJECT FOR ACQUISITION IS DESCRIBED AS: A. 100' x 100' x 100' x 100' B. 100' x 100' x 100' x 100' C. 100' x 100' x 100' x 100'
 2. FULL ADDRESS FOR SUBJECT OF LAND BEING ACQUIRED IS: 100' x 100' x 100' x 100'
 3. LOCATION COUNTY DIST # 100-03-00-000
 4. LOCATION COUNTY DIST # 100-03-00-000

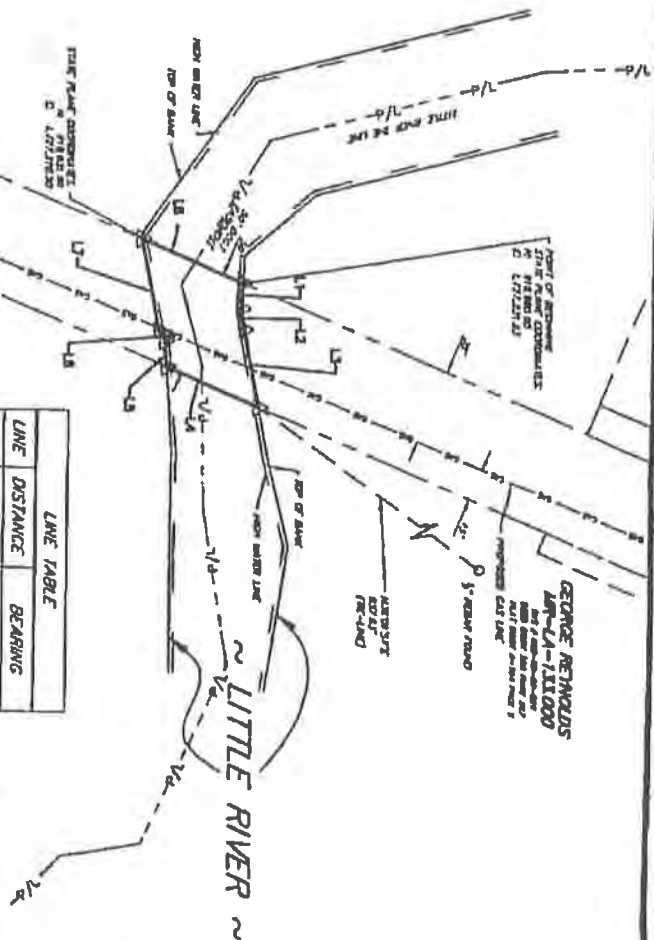
DISCLAIMER NOTICE

NOT DRAWING OF THE PROPERTY OF LAND AND IS NOT TO BE APPROVED OR CORRECTED IN ANY MANNER. IT IS THE USER'S RESPONSIBILITY TO VERIFY THE ACCURACY OF THE DATA AND TO OBTAIN ANY NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.



50' WIDE DOCK EASEMENT AREA - 0.035 ACRE OR 2,408 SQUARE FEET

LINE	DISTANCE	BEARING
L1	11.83	S86° 13' 46" E
L2	9.70	N82° 12' 20" E
L3	36.91	N79° 15' 17" E
L4	42.40	S23° 20' 46" W
L5	12.11	S86° 13' 38" W
L6	5.61	S60° 46' 43" W
L7	41.49	S78° 47' 17" W
L8	52.30	N23° 20' 46" E



- NOTES:**
1. PROPERTY LINES SHOWN ON THIS DRAWING WERE DERIVED FROM AERIAL PHOTOGRAPHS AND FIELD SURVEY. THE USER IS RESPONSIBLE FOR VERIFYING THE ACCURACY OF THE DATA AND OBTAINING ANY NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
 2. THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT TO BE USED AS A BASIS FOR ANY LEGAL ACTION.
 3. THE DATE OF FIELD SURVEY COMPLETION IS: 08/20/09

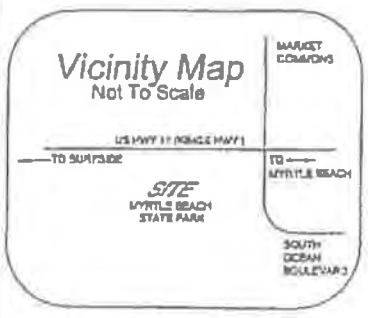
DISCLAIMER NOTICE

NOT DRAWING OF THE PROPERTY OF LAND AND IS NOT TO BE APPROVED OR CORRECTED IN ANY MANNER. IT IS THE USER'S RESPONSIBILITY TO VERIFY THE ACCURACY OF THE DATA AND TO OBTAIN ANY NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.



<p>EASEMENT EXHIBIT FOR DOMINION CAROLINA GAS TRANSMISSION, LLC</p>	<p>LOCATION OF 50' EASEMENT ON THE LANDS OF THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION</p>	<p>URS 101 Research Drive Columbia, South Carolina 29203 Phone: 803-799-6600 Fax: 803-799-6601 www.urscorp.com</p>	<p>REVISION</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	NO.	DATE	BY									
				NO.	DATE	BY									
<p>DATE: 10/20/09</p>	<p>SCALE: 1" = 2,000'</p>	<p>PROJECT NO: 09020</p>													

(C)



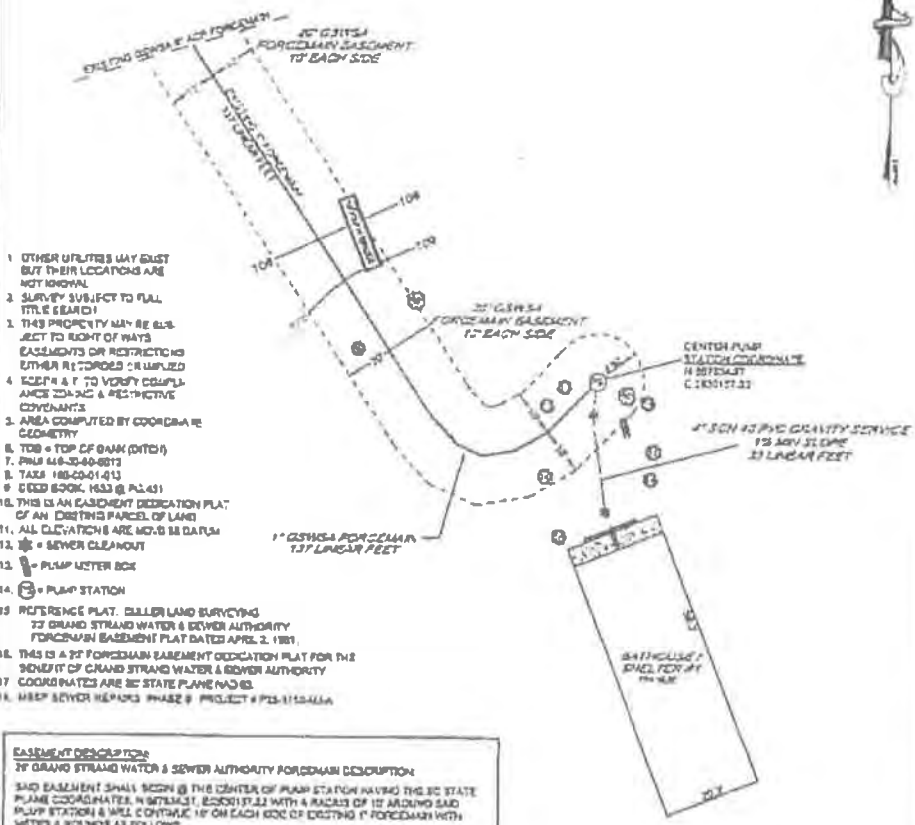
TREE LEGEND

①	MAPLE
②	CYP
③	PINE
④	MANGROVE

I hereby state to the best of my knowledge, information, and belief that 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 more or exceeds the requirements for a Class "A" survey as specified therein; that there are no visible encroachments or projections upon this survey that the professional ratio of accuracy is 1:10,000; that the property is subject to any assessments of record that may be shown on an up-to-date title search not furnished on this date; that the area was determined by the coordinates method of area calculation. Date: SEPTEMBER 17 2016

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

ALSO NOTE:
 THE SUBJECT PROPERTY SHOWN
 HEREON LIES IN FLOOD ZONE
 2% PER FEMA MAP # 43551 C0
 AND 1% CATED AUGUST 23, 1981



1. OTHER UTILITIES MAY EXIST BUT THEIR LOCATIONS ARE NOT KNOWN.
2. SURVEY SUBJECT TO FULL TITLE SEARCH.
3. THIS PROPERTY MAY BE SUBJECT TO EIGHT OF WAYS EASEMENTS OR RESTRICTIONS EITHER AS TO ROWS OR UTILIZED.
4. KEEP A & F TO VERIFY COMPLIANCE TO 304.20 & 482 RESTRICTIVE COVENANTS.
5. AREA COMPUTED BY COORDINATE GEOMETRY.
6. TOB = TOP OF BANK (DATED)
7. PINS 616-30-80-8873
8. TAXS 185-00-01-413
9. GRID BOOK 1633 @ PL 431
10. THIS IS AN EASEMENT DEDICATION PLAT OF AN EXISTING PARCEL OF LAND.
11. ALL ELEVATIONS ARE MVD. 83 DATUM.
12. Ⓢ = SEWER CLEANOUT
13. Ⓜ = PUMP METER BOX
14. Ⓜ = PUMP STATION
15. REFERENCE PLAT: CALLER LAND SURVEYING 77 GRAND STRAND WATER & SEWER AUTHORITY FORCEMAIN EASEMENT PLAT DATED APRIL 2, 1981.
16. THIS IS A 20' FORCEMAIN EASEMENT DEDICATION PLAT FOR THE BENEFIT OF GRAND STRAND WATER & SEWER AUTHORITY.
17. COORDINATES ARE SC STATE PLANE NAD 83.
18. KEEP SEWER RECORDS PHASE # PROJECT # P13-1115444A

EASEMENT DESCRIPTION
 20' GRAND STRAND WATER & SEWER AUTHORITY FORCEMAIN DEDICATION
 SAID EASEMENT SHALL BEGIN @ THE CENTER OF PUMP STATION HAVING THE SC STATE PLANE COORDINATES N 878343.1, E 230017.32 WITH A RADIUS OF 10' AROUND SAID PUMP STATION & WILL CONTINUE 10' ON EACH SIDE OF EXISTING 17' FORCEMAIN WITH WIDTH & BOUNDS AS FOLLOWS:
 BEGINNING @ THE CENTER OF SAID PUMP STATION 84154.72W 14.89', THENCE S30°27'12"W 6.18', THENCE S85°32'31"W 8.78', THENCE N64°32'31"W 8.02', THENCE N02°37'49"W 8.25', THENCE CONTINUING 102' 42.31"W 30.82' ALONG CENTERLINE OF EXISTING 17' FORCEMAIN CONNECTING TO EXISTING 6" ACP FORCEMAIN TOTALING 137' LINEAR FEET. SAID EASEMENT IS 20' W 10 FT. 10' EACH SIDE, RUNNING THE CENTERLINE OF SAID 17' FORCEMAIN.



Harry F. Bruton & Associates
 Professional Land Surveying & Design
 RESIDENTIAL & COMMERCIAL IN S.C.
 805-2 Sea Mountain Hwy
 North Myrtle Beach, SC 29582
 hbruton@gmail.com
 OFFICE (843) 281-8122
 FAX (843) 280-0920

A 20' GSWSA FORCEMAIN EASEMENT OF BATHHOUSE / SHELTER #1 AREA MYRTLE BEACH STATE PARK
 SOCASTEE TOWNSHIP, Horry County, SOUTH CAROLINA
 SCALE: 1"=20'
 THE PROPERTY OF SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION & TOURISM
 MAP REFERENCE IN BOOK 441 PAGE 1078 019
 GRID REFERENCE IN BOOK 1633 PAGE 41
 JOB NO. 0000 ACAD: 582P-BEACH CASE 3-11-16

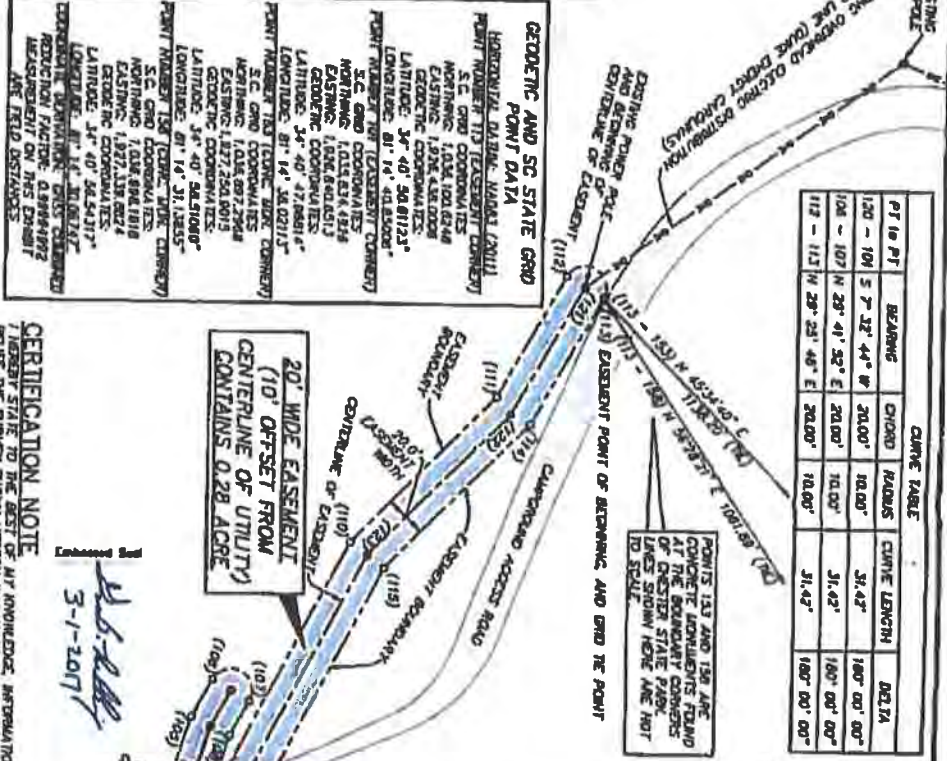
HARRY F. BRUTON
 S.C. REG.# 24275

(D)

PT TO PT	BEARING	DISTANCE
121 to 122	S89° 34' 12" E	48.43'
122 to 123	S45° 02' 53" E	81.67'
123 to 124	S87° 08' 53" E	178.97'
124 to 125	S48° 54' 48" E	131.21'
125 to 126	S39° 53' 54" E	136.04'
126 to 127	S83° 33' 43" E	47.18'
127 to 128	S84° 27' 18" E	42.94'
128 to 129	N71° 37' 47" W	110.14'
129 to 131	N69° 18' 08" W	18.16'

PT TO PT	BEARING	DISTANCE
112 to 114	S 00° 34' 12" E	87.70'
114 to 119	S 45° 24' 33" E	82.70'
119 to 118	S 82° 08' 39" E	128.37'
118 to 117	S 48° 34' 48" E	35.16'
117 to 118	S 39° 53' 54" E	22.59'
118 to 119	S 45° 33' 43" E	42.43'
119 to 120	S 82° 27' 18" E	41.48'
120 to 101	SEE CURVE TABLE	
101 to 102	N 62° 27' 18" W	44.42'
102 to 103	N 63° 55' 43" W	50.89'
103 to 104	N 20° 53' 54" W	18.23'
104 to 105	N 71° 37' 47" W	102.59'
105 to 106	N 60° 18' 08" W	20.14'
106 to 107	SEE CURVE TABLE	
107 to 108	S 60° 18' 08" E	18.18'
108 to 109	S 73° 27' 47" E	40.08'
109 to 110	N 82° 08' 33" W	144.20'
110 to 111	N 45° 24' 33" W	82.98'
111 to 112	N 60° 34' 12" W	62.04'
112 to 113	SEE CURVE TABLE	

PT TO PT	BEARING	CHORD RADUS	CHORD LENGTH	DELTA
120 - 101	S 7° 32' 44" W	30.00'	18.00'	160° 00' 00"
108 - 107	N 29° 41' 22" E	20.00'	10.00'	160° 00' 00"
112 - 113	N 29° 23' 48" E	20.00'	10.00'	160° 00' 00"



1. TOTAL ACRES FOR THE EASEMENT IS 0.28 ACRES.
2. THE EASEMENT CORNER MONUMENTED WITH 3" REBAR SURVEY COMPLETED 04/28/2017.
3. THE BOUNDARY SHOWN HEREON WAS BASED ON ALL INTERPOLATED FEET (2011) AS DETERMINED BY GNSS SURVEY.
4. THIS EASEMENT IS LOCATED IN ZONE "X", NOT A SPECIAL FLOOD HAZARD AS INDICATED ON FLOOD RESISTANCE PLANS FILED AS 1502020228K, DATED SEPTEMBER 16, 2011.
5. ANYTHING SHOWN OUTSIDE OF DEFINED EASEMENT BOUNDARY IS FOR INFORMATION PURPOSES ONLY.

SOUTH CAROLINA STATE GRID NORTH BY GNSS VIA SOUTH CAROLINA STATE PLANE COORDINATES

LOCATION MAP

GEODETIC AND STATE GRID POINT DATA

HORIZONTAL DATUM: NAD83 (2011)
POINT NUMBER THIS EASEMENT CORNER
STATE GRID COORDINATES
 NAD83 EASING 1,024,402.014
 NAD83 EASING 1,024,402.014
 GEODETIC COORDINATES
 LATITUDE: 34° 40' 56.01123"
 LONGITUDE: 81° 14' 54.83309"
POINT NUMBER FOR EXISTING CORNER
 S.C. GRID COORDINATES
 NORTHING: 1,024,402.014
 EASTING: 1,024,402.014
 GEODETIC COORDINATES
 LATITUDE: 34° 40' 56.01123"
 LONGITUDE: 81° 14' 54.83309"
POINT NUMBER FOR EXISTING CORNER
 S.C. GRID COORDINATES
 NORTHING: 1,024,402.014
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 EASTING: 1,024,402.014
 GEODETIC COORDINATES
 LATITUDE: 34° 40' 56.01123"
 LONGITUDE: 81° 14' 54.83309"

- SURVEY REFERENCES**
1. REFERENCE PLAT OF CHESTER STATE PARK DATED FEBRUARY 1958
 2. COUNTY AND FIRE SURVEYS PLAT FORMED BY SOUTH CAROLINA PARKS, RECREATION AND TOURISM
 3. BOOK 323 PAGE 342 CHESTER LAKEVIEW CORPORATION, BOOK 303 PAGE 144, MARY A. LONG, BOOK 303 PAGE 141, JOHN WHITE.

CERTIFICATION NOTE

I HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND LETS ON THESE THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED HEREIN.

[Signature]
 3-1-2017

GRAPHIC SCALE
 1" = 50'

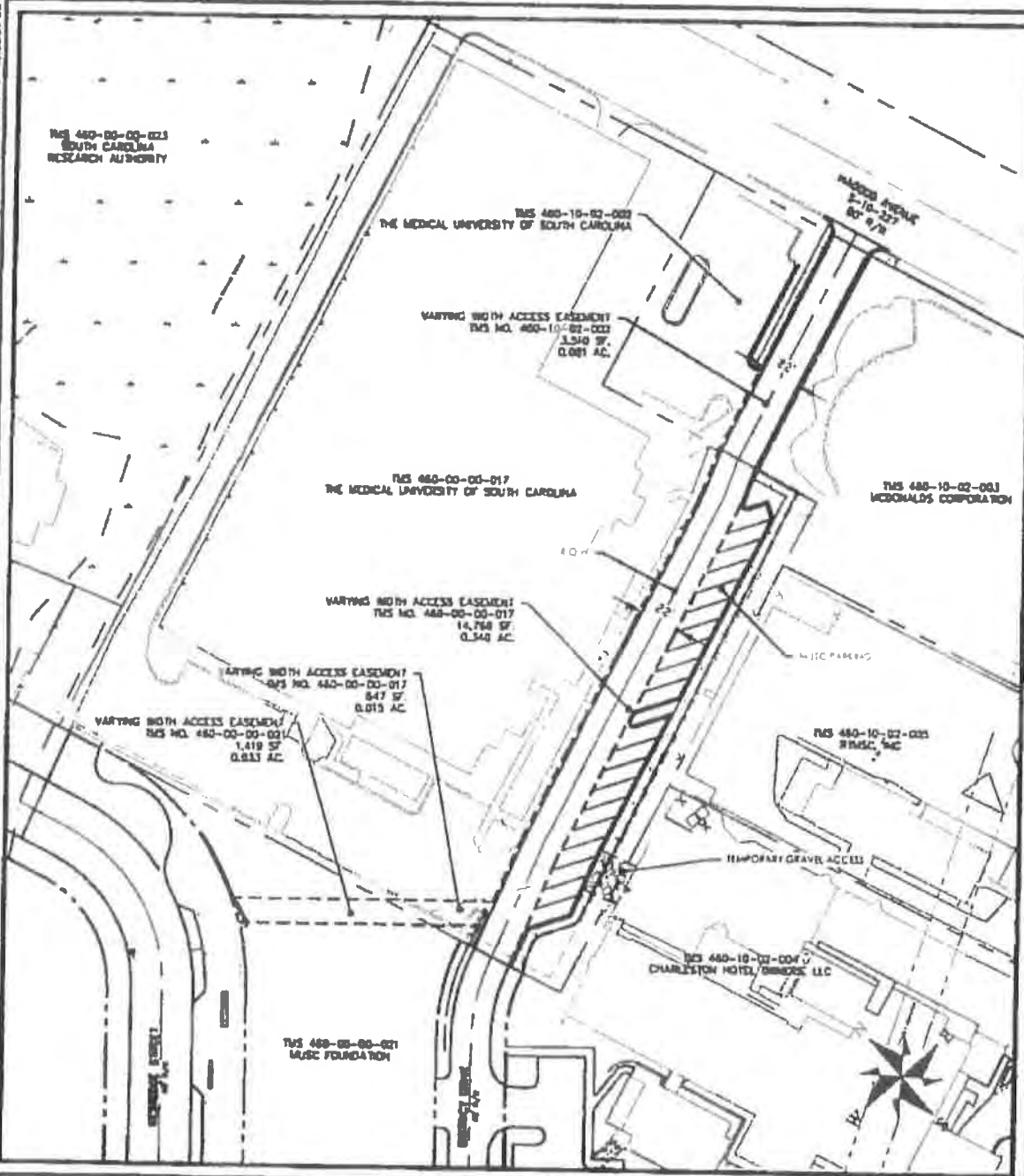
UTILITY EASEMENT EXHIBIT OF DUKE ENERGY CAROLINAS, LLC FOR SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION AND TOURISM AT CHESTER STATE PARK CHESTER COUNTY, SOUTH CAROLINA

Engineering LLC
 1401 WEST 8th Street, Suite 100
 Columbia, SC 29204
 Phone: 803.733.8888
 Fax: 803.733.8889
 Email: info@engr.com

Professional Engineer
 License No. 12345

Professional Surveyor
 License No. 67890

Z:\15427\15427 000\Comps\15427 000\15427 000 - Easement Exhibit.dwg - Date: 12/20/15 - 10:33:37 AM



(2)

WEST EDGE

DRAWING TITLE
EASEMENT EXHIBIT

CLIENT:
CHARLESTON HORIZON DEVCO, LLC

LOCATION CHARLESTON, SC
DATE June 10, 2015
JOB NUMBER J-24627 0001

DRAWN BY DJJ
REVIEWED BY, CFM

SHEET: 1 of 1
SCALE 1" = 80 000'

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

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

www.thomasandhutton.com

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyances

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

- (a) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 25.3 ± acres
Location: 1840 Reynolds Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Project: \$6,000,000/Project FLE
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

This rail-served property will not be marketed or sold publicly as it is an economic development transaction based on the company's intent to invest \$30M and create 30 jobs. The deed will not contain any recapture provision. The sale price for the property is \$300,000 below appraised value.

- (b) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 2.743 ± acres together with a 42,370 square foot warehouse building (Building 1079) and a 24,840 square foot shed (Building 1001)
Location: 2575 McRitchie Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 2, 2017

Blue Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Div. of Facilities Mgmt. and Prop. Services
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 25.3 ± acres
Location: 1840 Reynolds Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Project: \$6,000,000/Project FLE
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

This rail-served property will not be marketed or sold publicly as it is an economic development transaction based on the company's intent to invest \$30M and create 30 jobs. The deed will not contain any recapture provision. The sale price for the property is \$300,000 below appraised value.

- (b) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 2.743 ± acres together with a 42,370 square foot warehouse building (Building 1079) and a 24,840 square foot shed (Building 1001)
Location: 2575 McRitchie Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce's Division of Public Railways pursuant to Proviso 93.23.

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

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

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2016-2017 Appropriations Bill H.5001, Part 1B, Proviso 93.23
3. (a) Department of Commerce – Charleston County
(b) Department of Commerce – Charleston County

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

Editor's Note

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

Effect of Amendment

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

South Carolina General Assembly
121st Session, 2015-2016

H. 5001

General Appropriations Bill for fiscal year 2016-2017
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 93 – D50-DEPARTMENT OF ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

List of Supporting Documents:

1. Letter from Department of Commerce dated April 19, 2017
2. Plat/Map



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

April 19, 2017

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

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

Dear Delbert and Ashlie:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to seek the approval of the State Fiscal Accountability Authority ("SFAA"), and/or the Department of Administration ("DOA"), to dispose of and sell 25.3 acres of land at the former Navy Base in North Charleston in connection with an economic development project.

Palmetto Railways now knows that it does not require the subject property for implementation of its intermodal container transfer facility (n/k/a the Navy Base Intermodal Facility or "NBIF") and has been in discussions over several years with a proposed distribution project, code-named Project FLE, regarding the possible sale of the property. While the property recently appraised for \$6.3 million, the \$6 million sale price was equivalent to fair-market value at the time offered to Project FLE. Project FLE, which is competitive with the port cities of Savannah and Norfolk, will result in new capital investment in excess of \$30 million and the creation of over 30 new jobs as well as revenue-generating services for Palmetto Railways and the Ports Authority.

Palmetto Railways will not close the sale unless Project FLE commits to locate in North Charleston and meet these capital investment and job creation targets. Additionally, Commerce has not offered any discretionary incentives (e.g., grant or job development credits) to Project FLE. Being a heavy port user, Project FLE also can expect to benefit from port volume increase credits, but those credits will not be approved unless and until the project establishes operations in North Charleston and increases port usage.

Proceeds from the sale will fund rail-related projects, including, but not limited to the NBIF.

Palmetto Railways and Commerce will work with the DOA to finalize a Purchase and Sale Agreement with Project FLE and propose that the transactional documents be subject to staff review and approval.

ACTION REQUESTED

1. Approve the surplus of 25.3 acres of land at the former Navy Base in North Charleston.
2. Approve the sale of the 25.3 acres in conjunction with an economic development project, code named Project FLE, for \$6 million.

Sincerely,



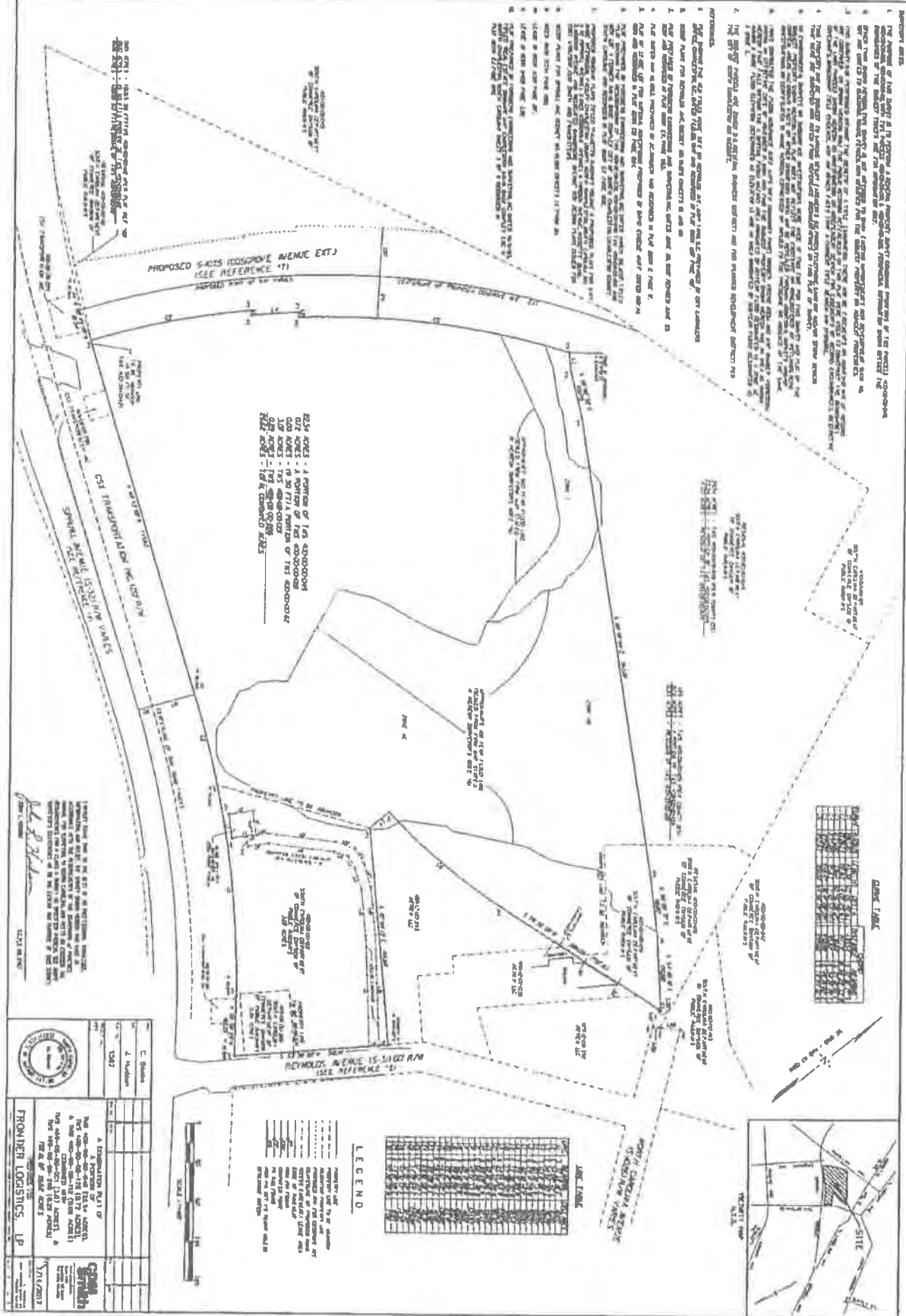
Chris Huffman
Chief Financial Officer

CH/km

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

Attachments:

1. Appraisal
2. Survey
3. Title
4. Real Property Transaction Submission and Approval Form



NOTES:

1. THE PROPOSED 5400 Rte 15100 Rte INTERCHANGE IS LOCATED WITHIN THE 15100 Rte 15100 Rte CONDUCTION...
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824 ACRES - A PORTION OF T&E 220-0000-004
 622 ACRES - A PORTION OF T&E 220-0000-006
 120 ACRES - A PORTION OF T&E 220-0000-007
 137 ACRES - T&E 220-0000-008
 822 ACRES - TOTAL EXISTING ACRES

EXISTING 15100 Rte 15100 Rte INTERCHANGE
 PROPOSED 5400 Rte 15100 Rte INTERCHANGE

1. THE PROPOSED 5400 Rte 15100 Rte INTERCHANGE IS LOCATED WITHIN THE 15100 Rte 15100 Rte CONDUCTION...
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LEGEND

PROPOSED 5400 Rte 15100 Rte INTERCHANGE	(Symbol)
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SCALE BAR

0 50 100 150 200 FEET

PROPOSED 5400 Rte 15100 Rte INTERCHANGE

EXISTING 15100 Rte 15100 Rte INTERCHANGE

PROPOSED 5400 Rte 15100 Rte INTERCHANGE

EXISTING 15100 Rte 15100 Rte INTERCHANGE

PROPOSED 5400 Rte 15100 Rte INTERCHANGE

EXISTING 15100 Rte 15100 Rte INTERCHANGE

APPROVED FOR THE STATE OF TEXAS

APPROVED FOR THE CITY OF FORT WORTH

APPROVED FOR THE COUNTY OF TARRANT

NO.	DESCRIPTION	DATE
1	C. Brown	
2	A. Hudson	
3		

PREMIER LOGISTICS, LP

11/1/2002

**(b) Department of Commerce
Charleston County**

List of Supporting Documents:

1. Letter from Department of Commerce dated March 31, 2017
2. Plat/Map



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

March 31, 2017

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

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

Dear Delbert and Ashlie:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to seek the approval of the State Fiscal Accountability Authority ("SFAA"), and/or the Department of Administration ("DOA") to dispose of a 42,370 square foot building, a 24,840 square foot shed contiguous to the building and the 2.743 acres associated with the buildings.

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

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

ACTION REQUESTED

1. Approve the surplus of a 42,370 square foot building, a 24,840 square foot shed contiguous to the building and the 2.743 acres associated with the buildings at the former Navy Base in North Charleston.

Sincerely,

A handwritten signature in black ink, appearing to read "CH", with a long horizontal flourish extending to the right.

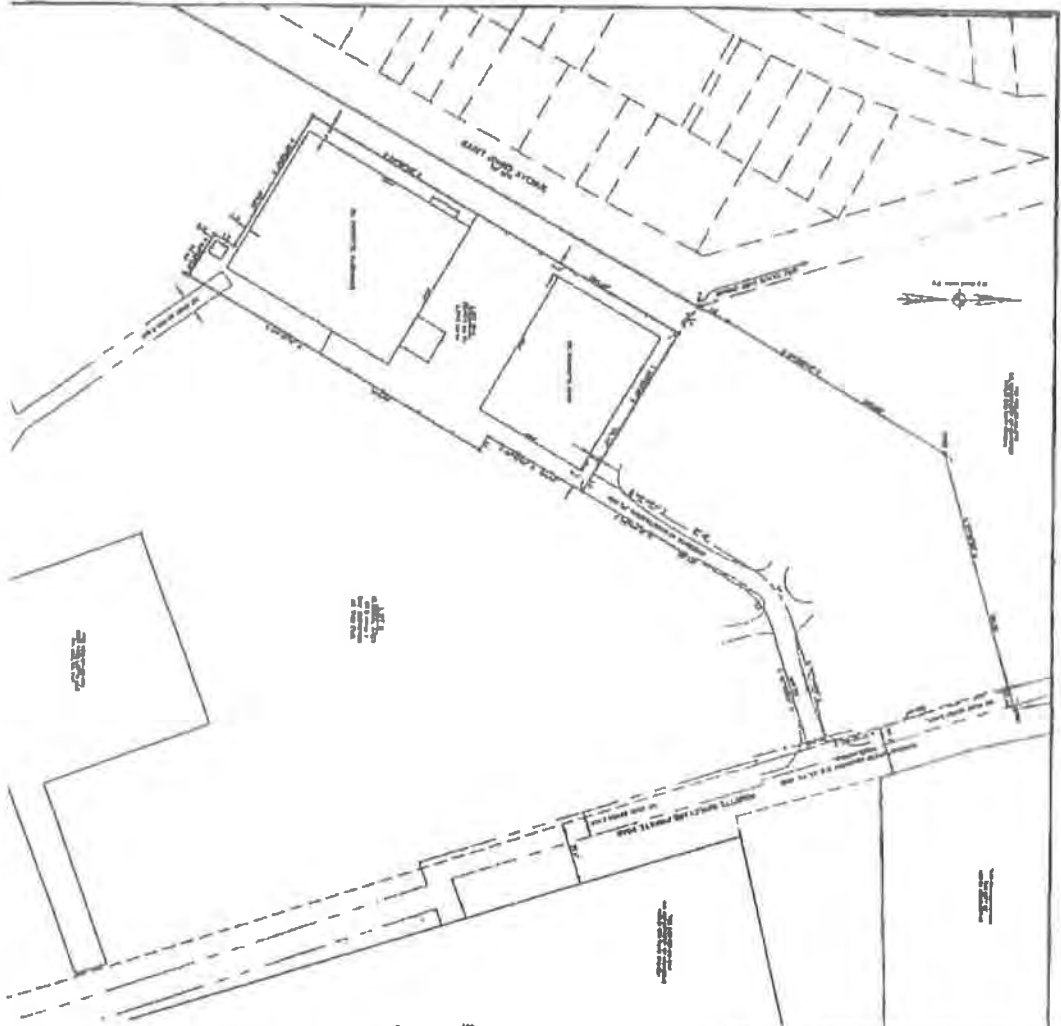
Chris Huffman
Chief Financial Officer

CH/km

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

Attachments:

1. Appraisal
2. Survey
3. Title
4. Real Property Transaction Submission and Approval Form



RECOMMENDATIONS

1. THE PROPOSED SUBDIVISION IS A RECOMMENDED PROJECT FOR THE CITY OF BOSTON.
2. THE PROPOSED SUBDIVISION IS A RECOMMENDED PROJECT FOR THE CITY OF BOSTON.
3. THE PROPOSED SUBDIVISION IS A RECOMMENDED PROJECT FOR THE CITY OF BOSTON.
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10. THE PROPOSED SUBDIVISION IS A RECOMMENDED PROJECT FOR THE CITY OF BOSTON.

NOTES

1. THE CITY OF BOSTON HAS REVIEWED THE PROPOSED SUBDIVISION AND HAS FOUND IT TO BE IN ACCORDANCE WITH THE CITY ZONING REGULATIONS AND THE CITY SUBDIVISION ACT.

2. THE CITY OF BOSTON HAS REVIEWED THE PROPOSED SUBDIVISION AND HAS FOUND IT TO BE IN ACCORDANCE WITH THE CITY ZONING REGULATIONS AND THE CITY SUBDIVISION ACT.

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10. THE CITY OF BOSTON HAS REVIEWED THE PROPOSED SUBDIVISION AND HAS FOUND IT TO BE IN ACCORDANCE WITH THE CITY ZONING REGULATIONS AND THE CITY SUBDIVISION ACT.

1	2	3	4	5	6	7	8	9	10
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61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

THOMAS S. HAYTON
 CIVIL ENGINEER
 100 STATE STREET, 10TH FLOOR
 BOSTON, MASSACHUSETTS 02109
 TEL: 552-4444
 FAX: 552-4444



**PLAN OF THE SUBDIVISION
 OF LOT D (24.6 AC. ±)
 TO CREATE
 LOT D-1 (2.743 AC. ±)
 FOR THE
 NAVAL BASE COMPLEX**

APPROVED BY THE BOARD OF SELECTMEN OF THE CITY OF BOSTON
 ON FEBRUARY 1, 1994
 AT A PUBLIC HEARING HELD AT THE CITY OF BOSTON, 100 STATE STREET, BOSTON, MASSACHUSETTS, ON JANUARY 27, 1994.

THOMAS S. HAYTON
 CIVIL ENGINEER
 100 STATE STREET, 10TH FLOOR
 BOSTON, MASSACHUSETTS 02109
 TEL: 552-4444
 FAX: 552-4444

THOMAS S. HAYTON
 CIVIL ENGINEER
 100 STATE STREET, 10TH FLOOR
 BOSTON, MASSACHUSETTS 02109
 TEL: 552-4444
 FAX: 552-4444

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

- a. The Citadel (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$500,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$150,000 per change order; Architect/Engineer Contract Amendment, \$25,000 per amendment.

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

Based on The Citadel's response to the findings in the audit report, the Division believes adequate corrective action has been implemented that will ensure compliance with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects. The Division recommends the State Fiscal Accountability Authority grant The Citadel the certification limits noted above.

- b. On August 23, 2016, the State Fiscal Accountability Authority suspended Florence-Darlington Technical College's sole source authority for one year and did not authorize procurement certification above the basic \$50,000 limit allowed by Law. The Division performed this audit in accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code to determine if the sole source authority and procurement certification should be restored. The Division recommends Florence-Darlington Technical College's sole source authority and its procurement certification be restored within the parameters described in the audit report for the following limits for a period of three years:

Florence-Darlington Technical College (for a period of three years): supplies and services, \$150,000* per commitment; consultant services, \$100,000* per consultant; information technology, \$100,000* per commitment; construction contract change order, \$25,000 per change order; Architect/Engineer Contract Amendment, \$5,000 per amendment.

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

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

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- c. SC Law Enforcement Division (for a period of three years): supplies and services, \$250,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

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

- d. Department of Public Safety (for a period of three years): supplies and services, \$500,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment; construction contract change order, \$25,000 per change order; Architect/Engineer Contract Amendment, \$5,000 per amendment.

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

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

AUTHORITY ACTION REQUESTED:

As recommended by the Division of Procurement Services, grant procurement certifications, in accord with Section 11-35-1210, for the following agency within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

- a. The Citadel (for a period of three years): supplies and services, \$500,000* per commitment; consultant services, \$500,000* per commitment; information technology, \$500,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$150,000 per change order; Architect/Engineer Contract Amendment, \$25,000 per amendment.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

- b. Florence-Darlington Technical College (for a period of three years): supplies and services, \$150,000* per commitment; consultant services, \$100,000* per consultant; information technology, \$100,000* per commitment; construction contract change order, \$25,000 per change order; Architect/Engineer Contract Amendment, \$5,000 per amendment; and restore the College's sole source authority.

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

- c. SC Law Enforcement Division (for a period of three years): supplies and services, \$250,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

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

- d. Department of Public Safety (for a period of three years): supplies and services, \$500,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment; construction contract change order, \$25,000 per change order; Architect/Engineer Contract Amendment, \$5,000 per amendment.

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

ATTACHMENTS:

Agenda item worksheets and attachments


STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: May 2, 2017

Blue Agenda

1. Submitted by:

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


 John S. C. White, Materials Management Officer

2. Subject: Procurement Certification for The Citadel

3. Summary Background Information:

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 500,000 Per Commitment	*\$ 500,000 Per Commitment
II. Consultant Services	*\$ 500,000 Per Commitment	*\$ 500,000 Per Commitment
III. Information Technology	*\$ 100,000 Per Commitment	*\$ 500,000 Per Commitment
IV. Construction Contract Award	\$ 250,000 Per Commitment	\$ 500,000 Per Commitment
V. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 150,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 15,000 Per Amendment	\$ 25,000 Per Amendment

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

Based on The Citadel's response to the findings in the audit report, we believe adequate corrective action has been implemented that will ensure compliance with the South Carolina Consolidated Procurement Code, State regulations, and the College's procurement policies and procedures in all material respects. We recommend the State Fiscal Accountability Authority grant The Citadel the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for The Citadel by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: May 2, 2017

Blue Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for Florence-Darlington Technical College

3. Summary Background Information:

On August 23, 2016, the State Fiscal Accountability Authority suspended Florence-Darlington Technical College's sole source authority for one year and did not authorize procurement certification above the basic \$50,000 limit allowed by Law. We performed this audit in accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code to determine if the sole source authority and procurement certification should be restored. The Division of Procurement Services recommends Florence-Darlington Technical College's sole source authority and its procurement certification be restored within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 50,000 Per Commitment	*\$ 150,000 Per Commitment
II. Consultant Services	*\$ 50,000 Per Commitment	*\$ 100,000 Per Commitment
III. Information Technology	*\$ 50,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Construction Contract Change Order	\$ 0 Per Change Order	\$ 25,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 0 Per Amendment	\$ 5,000 Per Amendment

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

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

4. What is Authority asked to do?

Restore sole source authority and grant procurement certification for Florence-Darlington Technical College by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

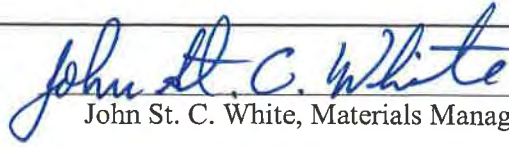
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: May 2, 2017

Blue Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Law Enforcement Division

3. Summary Background Information:

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 250,000 Per Commitment
II. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment

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

The South Carolina Law Enforcement Division complies with the South Carolina Consolidated Procurement Code, State regulations, and the Division'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 South Carolina Law Enforcement Division the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Law Enforcement Division by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

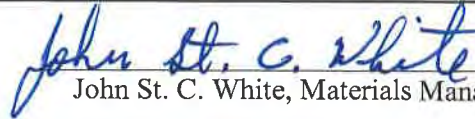
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: May 2, 2017

Blue Agenda

1. Submitted by:

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



John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Public Safety

3. Summary Background Information:

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

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 300,000 Per Commitment	*\$ 500,000 Per Commitment
II. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Construction Contract Change Order	\$ 25,000 Per Change Order	\$ 25,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 5,000 Per Amendment

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

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

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Public Safety by approval of the Blue Agenda.

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

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

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

§ 11-35-1210. Certification

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

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

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

(b) responsiveness to user needs;

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

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

AGENCY: Insurance Reserve Fund

SUBJECT: Insurance Rates

The Insurance Reserve Fund (IRF) has as its mission the provision of property and liability insurance coverage at the lowest possible cost for its insureds. The IRF has worked diligently to avoid rate increases and not increased its rates since 2006.

The IRF's actuaries, at the most recent actuarial rate review, determined that the IRF's rates need to be increased. The actuaries have recommended in the first phase to implement a property rate increase for the Seacoast and Beach areas beginning July 1, 2017. They also recommended taking rate increases in Property, Tort Liability and Medical Professional Liability in the future to be phased in over a 4 year period.

IRF staff will be available to brief the Authority on the rate increase status. No action is required by the Authority.

AUTHORITY ACTION REQUESTED:

Receive the briefing as information only.

ATTACHMENTS:

Smith April 3, 2017, Memo to insureds

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 2, 2017

Blue Agenda

1. Submitted By:

(a) Agency: Insurance Reserve Fund

(b) Authorized Official Signature:



2. Subject: Insurance Rates

3. Summary Background Information:

The Insurance Reserve Fund (IRF) has as its mission the provision of property and liability insurance coverage at the lowest possible cost for its insureds. The IRF has worked diligently to avoid rate increases and not increased its rates since 2006.

The IRF's actuaries, at the most recent actuarial rate review, determined that the IRF's rates need to be increased. The actuaries have recommended in the first phase to implement a property rate increase for the Seacoast and Beach areas beginning July 1, 2017. They also recommended taking rate increases in Property, Tort Liability and Medical Professional Liability in the future to be phased in over a 4 year period.

IRF staff will be available to brief the Authority on the rate increase status. No action is required by the Authority.

4. What is Authority asked to do?

Receive the briefing as information only.

5. What is recommendation of the Agency involved?

Receive the briefing as information only.

6. Recommendation of other Division/Agency (as required)

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of Supporting Documents:

(a) Smith April 3, 2017, Memo to insureds

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



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

W. BRIAN WHITE
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

INSURANCE RESERVE FUND

POST OFFICE BOX 11066
COLUMBIA, SOUTH CAROLINA 29211
(803) 737-0020
FAX: (803) 737-0042

MEMORANDUM

TO: All Insureds

FROM: Anne Macon Smith, Director
Insurance Reserve Fund

SUBJECT: Insurance Rates

DATE: April 3, 2017

The mission of the Insurance Reserve Fund (IRF) is to provide property and liability insurance coverage at the lowest possible cost. In recognition of the budgetary challenges faced by our insureds, the IRF has worked hard to avoid rate increases and not increased its rates since 2006.

At the most recent actuarial rate review, our actuaries determined that the IRF's rates need to be increased, and recommended taking rate increases in Property, Tort Liability and Medical Professional Liability. These rate increases will be phased in over a 4 year period.

In the first phase, there will be a property rate increase only. The property rate increase is related to catastrophe and non-catastrophe losses.

Starting with the July 1, 2017 renewals, a rate increase of 30% will be applied to property in the Seacoast and Beach areas. Across all lines of insurance, this represents only a 5% increase. These parts of the state are subject to the greatest catastrophe loss exposure. The property policies impacted will include: Building and Contents, Builders Risk, Data Processing, and Business Income. Even after the rate increase, recent actuarial studies show SCIRF's rates will still be substantially lower than other providers in the industry, especially along the coast.

To lessen the budgetary impact of this increase, we recommend that you consider choosing a higher deductible. You may also consider making coverage changes or self-insuring appropriate risks. We will be glad to discuss these options with you.

We regret that these rate increases have become necessary, but adequate rates are necessary in order for the IRF to continue its mission. Should you have questions, please contact the IRF underwriting staff. We appreciate the opportunity to work through these changes with you.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Newberry County
Amount of Issue: Not Exceeding \$7,500,000 Special Source Refunding Revenue Bonds (\$7,500,000 refunding involved)
Allocation Needed: -0-
Name of Project: Refunding of Series 2005 and Bonds and Series 2008 Bond (Newberry County Memorial Hospital)
Employment Impact: none
Project Description: the refunding of all or a portion of the outstanding principal amount of the originally issued (i) \$10,985,000 Special Source Refunding Revenue Bonds (Newberry County Memorial Hospital), Series 2005 of Abbeville County, and Iii) \$1,400,000 Hospital Revenue Bond (Newberry County Memorial Hospital), Series 2008
Bond Counsel: Josiah C. T. Lucas, Pope Flynn, LLC
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$80,000,000 Economic Development Revenue Bonds (\$58,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: CareAlliance Health Service d/b/a/ Roper St. Francis Healthcare
Employment Impact: maintain 5,600
Project Description: (i) refunding the outstanding Series 2012B and Series 2014D bonds to provide for a bank-held period through maturity; (ii) financing the costs of acquiring, constructing and equipping capital assets and improvements throughout the health care system of Roper St. Francis, and (iii) paying certain fees and expenses incurred in connection with the issuance of the Series 2017 bonds.
Note: *negotiated sale*
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P.A.
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$21,000,000 Economic Development Revenue Bonds (\$5,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Hammond School

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

Employment Impact: maintaining 111 jobs

Project Description: construction, renovation, equipping and improving certain facilities of Hammond School as part of Hammond School's 50 Forward Capital Campaign initiative, including, but not limited to (a) construction and equipping of a new Innovation Center, (b) renovation of the Upper School Gym, (c) construction and equipping of a new Lower School playground, and (d) construction and equipping of a new Lower School Innovation Center and refunding all or a portion of the \$5,000,000 Variable Rate Demand Purchase Revenue Bonds, Series 2005, currently outstanding in the principal amount of \$5,000,000.

Note: *negotiated private sale*
Bond Counsel: Alan M. Lipsitz, Nexsen Pruet LLC

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolution with attachments

SOUTH CAROLINA STATE FISCAL
ACCOUNTABILITY AUTHORITY RESOLUTION
NEWBERRY COUNTY, SOUTH CAROLINA
SPECIAL SOURCE REFUNDING REVENUE BOND

RESOLUTION APPROVING THE ISSUANCE BY NEWBERRY COUNTY, SOUTH CAROLINA, OF ITS SPECIAL SOURCE REFUNDING REVENUE BOND (NEWBERRY COUNTY MEMORIAL HOSPITAL) IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$7,500,000, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

WHEREAS, the County Council of Newberry County, the governing body of Newberry County, South Carolina (the "**County**"), has, pursuant to the provisions of Title 44, Chapter 7, Article 11 of the Code of Laws of South Carolina 1976, as amended (the "**Act**"), requested the approval by the South Carolina State Fiscal Accountability Authority (the "**Authority**") of the issuance by the County, on behalf of the Board of Trustees of Newberry County Memorial Hospital (the "**Board**"), the governing body of Newberry County Memorial Hospital (the "**Hospital**"), of its Special Source Refunding Revenue Bond (Newberry County Memorial Hospital Project), Series 2017 in an aggregate principal amount of not exceeding \$7,500,000 (the "**Bond**"); and

WHEREAS, the County has, pursuant to an ordinance enacted on April ____, 2017 (the "**Bond Ordinance**"), authorized the issuance of the Bond in order to assist the Board in the refinancing of all or a portion of the outstanding principal amount of the County's originally issued (i) \$10,985,000 Special Source Refunding Revenue Bonds (Newberry County Memorial Hospital), Series 2005, and (ii) \$1,100,000 Hospital Revenue Bond (Newberry County Memorial Hospital), Series 2008 (the "**Refunding**"), all pursuant to the authorizations of the Act; and

WHEREAS, the Bond will be issued pursuant to a Bond Purchase and Loan Agreement, dated on or about the date of issuance of the Bond (the "**Bond Purchase and Loan Agreement**"), among the County, the Hospital, and the purchaser of the Bond, pursuant to which the Bond will be issued and sold to a financial institution, the proceeds from the sale of the Bond will be loaned by the County to the Hospital, and the Hospital will agree to make payments at the time and in the amounts necessary to pay principal of and interest on the Bond when due; and

WHEREAS, as additional security for the payment of the Hospital's payment obligations with respect to the Bond, the Hospital will grant a mortgage on certain real property of the Hospital and will enter into a Mortgage, Security Agreement and Assignment of Leases, Rents and Profits dated on or about the date of issuance of the Bond.

NOW, THEREFORE, BE IT RESOLVED by the South Carolina State Fiscal Accountability Authority, in meeting duly assembled:

1. Acceptance of Petition. The Authority has made such review of the matters set forth in the Petition as it deems appropriate, and on the basis of such review, it is hereby found, determined and declared:

a. The Petition contains all matters required by law and the rules of the Authority to be set forth therein, and that in consequence thereof, the jurisdiction of the Authority has been properly invoked under and pursuant to the Act; and

b. The consummation of the Refunding is intended to promote the purposes of the Act and is reasonably anticipated to affect such result.

2. Approval of Petition and Issuance of Bond. In light of the foregoing, the Authority accepts the provisions of the Petition and hereby authorizes and approves the execution and delivery of the Bond. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power.

3. Notice of Authority's Action. Notice of the action taken by the Authority in approving the above-described undertaking of the County shall be published in the Newberry Observer, a newspaper of general circulation in the County (the "*Notice*").

4. Form of Notice. The Notice shall be in substantially the form set forth in Exhibit A of this Resolution.

Adopted: May 2, 2017

EXHIBIT A

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

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11 of the Code of Laws of South Carolina 1976, as amended (the “*Act*”), that the South Carolina State Fiscal Accountability Authority (the “*Authority*”), pursuant to a Petition filed by the County Council of Newberry County (the “*County Council*”), as the governing body of Newberry County, South Carolina (the “*County*”), has given its approval to the following undertakings by the County:

The issuance by the County of its Special Source Refunding Revenue Bond (Newberry County Memorial Hospital), Series 2017 in an aggregate principal amount of not exceeding \$7,500,000 (the “*Bond*”) on behalf of the Newberry County Memorial Hospital (the “*Hospital*”) for the purposes of (A) providing for the refinancing of all or a portion of the outstanding principal amount of (i) the County’s originally issued \$10,985,000 Special Source Refunding Revenue Bonds (Newberry County Memorial Hospital), Series 2005, and (ii) the County’s originally issued \$1,100,000 Hospital Revenue Bond (Newberry County Memorial Hospital), Series 2008 (the “*Refunding*”), and (B) paying the costs of issuing the Bond.

The County has, pursuant to an ordinance enacted on April ___, 2017 (the “*Bond Ordinance*”), authorized the issuance and delivery of the Bond to a financial institution (the “*Purchaser*”). The Bond will be issued pursuant to the provisions of the Act, the Bond Ordinance, and a Bond Purchase and Loan Agreement, dated on or about the date of issuance of the Bond (the “*Bond Purchase and Loan Agreement*”), among the County, the Hospital, and the Purchaser, pursuant to which the proceeds from the sale of the Bond will be loaned by the County to the Hospital to effect the Refunding. The Hospital will irrevocably covenant and agree pursuant to the Bond Purchase and Loan Agreement to pay to the County when due all sums required to pay the principal of and interest on the Bond. The obligations of the Hospital will additionally be secured by a mortgage on certain real property of the Hospital.

Pursuant to a resolution adopted on April 5, 2017, the County Council has previously found that:

(a) There is a need for the consummation of the Refunding to assist the Hospital in continuing to provide adequate healthcare coverage to the citizens of the County and lower debt service costs related to its indebtedness;

(b) The Hospital is a public agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the Bond Purchase and Loan Agreement, and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the Bond Purchase and Loan Agreement; and

(c) Adequate provisions shall be made for the payment of principal of and interest and premium, if any on the Bond, and any necessary reserves therefor, and for the operation, repair and maintenance of the Hospital Facilities (as defined in the Act) refinanced with the proceeds of the Bond at the expense of the Hospital.

Notice is further given that any interested party may, within 20 days after the date of the publication of this notice but not afterwards, challenge the validity of the Authority's approval of this undertaking, and the issuance of the Bond by the County, by action *de novo* instituted in the Court of Common Pleas for Newberry County, South Carolina.

SOUTH CAROLINA STATE FISCAL
ACCOUNTABILITY AUTHORITY

By: Delbert H. Singleton, Jr.
Authority Secretary

Dated: _____, 2017



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/02/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: N/A Issuer: Newberry County, South Carolina Series: 2017
 Borrower (if not Issuer): Newberry County Memorial Hospital
 Bond Caption: Special Source Refunding Revenue Bonds (Newberry County Memorial Hospital), Series 2017
 Bond Resolution Amount: \$7,500,000.00 Est. Production/Par Amt: \$7,080,000.00

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

Submitted By:

ENTITY: Newberry County Memorial Hospital
 BY: Robert G. Hetrick
 ITS: Chief Financial Officer
 Tel: 803-405-7137
 Email: bob.hetrick@newberryhospital.net

Final Production/Par Amt: \$7,080,000.00

Transaction Type/Method of Sale:

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

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

2. FINANCING (NEW PORTION)

Project #: N/A Project Name: N/A
 Project Address/Location: N/A Amount: N/A
 Project Type: N/A County: N/A
 Projected Avg Interest Rate: N/A Final Maturity: N/A

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svs. (% of Ref. Bds)
Series 2005	2017-2029	\$ 7,165,000.00	4.125% - 5.25%	3.40%	\$ 549,481.16 7.27%
Series 2008	2017-2020	\$ 395,000.00	3.93%	3.40%	\$ (10,387.30) -0.14%
Total		\$ 7,560,000.00	*****	*****	\$ 539,093.86 7.13%

4. FINANCING WORKING GROUP

Financial Advisor: PFM Financial Advisors, LLC Disclosure Counsel: N/A
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: Jay Tothacer, Esq., County Attorney
 Underwriter: N/A Trustee: N/A
 Paying Agent: N/A Other:

5. FINANCING/PROJECT DESCRIPTION

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

See Attachment.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>04/19/17</u>	<u>County Approval</u>
JBRC Approval: <u>N/A</u>	
SFAA Approval: <u>05/02/17</u>	<u>Proposed</u>

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

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

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - See Attachment
Cost Estimate - \$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 7,080,000.00	00/00/00	COI, Bond Redemptions, Escrow
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 7,080,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 7,080,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$ 762,012.50	\$ 7,720,512.50	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 121,500.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$	Accrued Interest
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 7,842,012.50	\$ 7,842,012.50	Total Project Uses
Surplus/Deficit		\$	-

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PFM Financial Advisors			\$ 39,000.00	\$	\$ 39,000.00
Bond Counsel	Pope Flynn, LLC			\$ 45,000.00	\$	\$ 45,000.00
Disclosure Counsel	N/A			\$	\$	\$
Issuer's Counsel	Jay Tothacer, Esq.			\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Hospital Counsel				\$ 10,000.00	\$	\$ 10,000.00
Bank Counsel (If Any)	TBD - Est. Fee			\$ 10,000.00	\$	\$ 10,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 10,000.00	\$	\$ 10,000.00
Registrar / Paying Agent	N/A			\$	\$	\$
Trustee				\$ 2,500.00	\$	\$ 2,500.00
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 5,000.00	\$	\$ 5,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 121,500.00	\$	\$ 121,500.00

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

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

0.55%	0.00%
0.64%	0.00%
0.92%	0.00%
0.00%	0.00%

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

0.14%	0.00%
0.11%	0.00%
1.72%	0.00%



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

***05.02.17 – Newberry County – Newberry County Memorial Hospital
(NCMH) - Special Source Refunding Revenue Bonds - \$7,500,000***

In Response to Section 5:

Newberry County, on behalf of Newberry County Memorial Hospital (the "Hospital"), seeks approval of not exceeding \$7,500,000 in Special Source Refunding Revenue Bonds, Series 2017 (the "Bonds") to provide funds to defray the costs of refunding all or a portion of one or both series of bonds listed above and to pay the costs of issuance of such Bonds. The Series 2008 Bonds will only be refunded in the event that the Bond may be sold at a rate at which savings will be attained. The Hospital is evaluating various financing structures which may include an interest rate swap or other credit enhancement arrangements. If savings or more favorable terms would be achieved through such an arrangement then additional professional fees (estimated to be approximately \$60,000) may be incurred, but only in the event that additional savings outweigh any such additional fees.

In Response to Section 7:

Section 7(a):

Attached is an executed copy of an Agreement for Hospital Administrative Services with respect to the provision of management services to Newberry County Memorial Hospital by Quorum Health Resources, LLC. Bond Counsel will review this Agreement in connection with its tax diligence and will ensure that it complies with provisions of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations for the purposes of delivering Bond Counsel's opinion that interest on the Bonds is excluded from gross income for federal income tax purposes.

Section 7(b):

The Borrower is an acute care hospital and, as such, a large portion of its revenues are provided by third-party payors, including health insurers and the federal government via programs such as Medicare and Medicaid, and such funds will be used for general operating purposes and payment of debt service on the Bond.

STATE FISCAL ACCOUNTABILITY AUTHORITY

A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$80,000,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE) SERIES 2017 IN ONE OR MORE SERIES (the "*Bonds*") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "*Act*").

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

WHEREAS, the proposed undertaking (the "*Undertaking*") consists of the issuance and delivery of the Bonds for the benefit of CareAlliance Health Services d/b/a Roper St. Francis Healthcare (the "*Borrower*"), a South Carolina nonprofit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, in an aggregate amount not exceeding \$80,000,000 pursuant to the Act to (i) refund certain outstanding bonds of the Borrower; (ii) finance the costs of acquiring, constructing and equipping capital assets and improvements throughout the Borrower's health care system (collectively, the "*Project*"), and (iii) pay certain fees and expenses incurred in connection with the issuance of the Bonds, all pursuant to a resolution (the "*Bond Resolution*") adopted by the Board of Directors of the Authority; and

WHEREAS, it is anticipated that the Bonds will be sold to banks or other financial institutions selected by the Borrower (the "*Banks*") through a negotiated sale; and

WHEREAS, the Authority proposes to enter into a Loan Agreement and an Indenture or a Bond Purchase and Loan Agreement or one or more similar agreements (together, the "*Loan Agreement*") with the Borrower pursuant to which the Authority will lend the proceeds of the Bonds to the Borrower to finance the costs of the Undertaking; and

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

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

WHEREAS, the Authority has heretofore determined that:

(a) the Borrower is a responsible party which is in the business of operating hospital and other health care facilities in South Carolina;

(b) the Project constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$80,000,000 to finance the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

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

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

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

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

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

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

WHEREAS, in order to finance the Undertaking, the Authority proposes to provide for the issuance and delivery of the Bonds pursuant to the Act, to the Bond Resolution and to the Loan Agreement, payable by the Authority from the amounts derived from and secured by the Loan Agreement; and

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

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

2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$80,000,000 of the Authority's Economic Development Revenue Bonds, in one or more series, through a negotiated sale to the Banks pursuant to the Act, the Bond Resolution and the Loan Agreement, to be payable from the revenues to be derived by the Authority from the Loan Agreement, is hereby approved.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/02/17

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina JEDA Series: 2017
 Borrower (if not Issuer): CareAlliance Health Services d/b/a Roper St. Francis Healthcare
 Bond Caption: Economic Development Revenue Bonds
 Bond Resolution Amount: \$80,000,000.00 Est. Production/Par Amt: \$80,000,000.00

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

Final Production/Par Amt: \$80,000,000.00

Submitted By:

ENTITY: Roper St. Francis Healthcare
 BY: Christopher Glenn
 ITS: Director of Finance
 Tel: 843.789.1705
 Email: christopher.glenn@rsfh.com

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N

MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Roper St. Francis
 Project Address/Location: Berkeley and Charleston Counties Amount: \$21,761,167.00
 Project Type: New Money and Refunding County: Berkeley and Charleston
 Projected Avg Interest Rate: Fixed and Variable Rate Components Final Maturity: 08/15/27

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
Series 2012B	All	\$ 36,777,333.00	Variable	Variable	NA	NA
Series 2014D	All	\$ 21,105,000.00	2.04% (until 2019)	2.50%	(\$188,469)*	-0.90%
		\$			\$	
	Total	\$ 57,882,333.00	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Efficient Capital Disclosure Counsel: NA
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Howell Linkous & Nettles, LLC
 Underwriter: TBD Trustee: U.S. Bank, National Association
 Paying Agent: U.S. Bank National Association Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

The project consists of (i) refunding the outstanding Series 2012B and Series 2014D Bonds to provide for a bank-held period through maturity; (ii) financing the costs of acquiring, constructing and equipping capital assets and improvements throughout the health care system of Roper St. Francis, and (iii) paying certain fees and expenses incurred in connection with the issuance of the Series 2017 Bonds. *As noted above, the current interest rate on the Series 2014D Bond ends in 2019. The NPV savings assumes that the interest rate resets at 2.50% in 2019, although it is expected that the interest rate would likely be higher than that. A .25% increase in the adjusted interest rate in 2019 (above 2.50%) would have a PV cost of \$278,000.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>03/15/17</u>	
JBRC Approval: <u>00/00/00</u>	NA
SFAA Approval: <u>05/02/17</u>	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes	No
	x

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

Yes	No
	x

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

Sq. Footage -	
Cost Estimate -	\$0

B.

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 73,000,000.00	12/31/2017	2 refundings, COI and approximately 66% of new capital assets
\$ 7,000,000.00	6/30/2018	remaining capital assets
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 80,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 80,000,000.00	\$ 21,761,167.00	Project Fund
(b) Premium/Accr. Int.	\$	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 57,882,333.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 356,500.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Accrued Interest
Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other	\$	\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 80,000,000.00	\$ 80,000,000.00	Total Project Uses
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	Efficient Capital		1/1/2017	\$ 60,000.00	\$	\$ 60,000.00
Bond Counsel	Haynsworth Sinkler Boyd		1/1/2017	\$ 100,000.00	\$	\$ 100,000.00
Disclosure Counsel	NA			\$	\$	\$
Issuer's Counsel	Howell Linkous & Nettles		3/1/2017	\$ 15,000.00	\$	\$ 15,000.00
Underwriter's Counsel	TBD (Bank Counsel)			\$ 90,000.00	\$	\$ 90,000.00
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent				\$ 5,000.00	\$	\$ 5,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 30,000.00	\$	\$ 30,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 56,500.00	\$	\$ 56,500.00
				\$ 356,500.00	\$	\$ 356,500.00

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

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

0.08%	0.00%
0.13%	0.00%
0.26%	0.00%
0.00%	0.00%

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

0.00%	0.00%
0.11%	0.00%
0.45%	0.00%

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$21,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (HAMMOND SCHOOL PROJECT), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED, AND SPECIFICALLY SECTION 41-43-110 THEREOF.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Title 41, Chapter 43 of the South Carolina Code of Laws 1976, as amended, and specifically Section 41-43-110 thereof, (the "Act") requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Hammond School Project), from time to time in one or more series in the aggregate principal amount of not exceeding \$21,000,000 (the "Bonds") through a negotiated private sale, which may include a public or private reoffering thereafter; and

WHEREAS, the Authority represents to the State Fiscal Accountability Authority that the Bonds will be limited obligations of the Authority payable solely from loan repayments received by the Authority from Hammond School, a nonprofit corporation organized and existing under the laws of the State of South Carolina, and that a financial institution acceptable to the Authority shall purchase the Bonds in a negotiated private sale, which may include a public or private reoffering thereafter.

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale or sales, which may include a public or private reoffering thereafter, be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/02/17

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina Jobs-Economic Development Authority Series: 2017
 Borrower (if not Issuer): Hammond School
 Bond Caption: Economic Development Revenue Bonds
 Bond Resolution Amount: \$21,000,000.00 Est. Production/Par Amt: \$21,000,000.00

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

Submitted By:

ENTITY: SCJEDA
 BY: Harry Huntley
 ITS: Executive Director
 Tel: 803-737-0627
 Email: hhuntley@scjeda.com

Final Production/Par Amt: \$0.00

Transaction Type/Method of Sale:

	Public Offering:	Competitive:	Negotiated:
x	Direct Placement:	Competitive:	Negotiated: <u>X</u>
	Governmental Loan/Governmental Purchaser		
	Other: _____		

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Hammond School 50 Forward Project
 Project Address/Location: 854 Galway Lane, Columbia, SC 29209 Amount: \$16,000,000.00
 Project Type: _____ County: Richland
 Projected Avg Interest Rate: variable (see attachment) Final Maturity: 06/01/47

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
Series 2005	06/01/30	\$ 5,000,000.00	variable	variable	See attachment	See attachment
		\$	(see attachment)	(see attachment)	\$	
		\$			\$	
		\$			\$	
Total		\$ 5,000,000.00	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: <u>George K. Baum & Company</u>	Disclosure Counsel: <u>N/A</u>
Bond Counsel: <u>Nexsen Pruet, LLC</u>	Issuer's Counsel: <u>Parker Poe Adams & Bernstein</u>
Underwriter: <u>N/A</u>	Trustee: <u>N/A</u>
Paying Agent: <u>N/A</u>	Other: <u>Nexsen Pruet, LLC</u>

5. FINANCING/PROJECT DESCRIPTION

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

Please see attachment.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>03/15/17</u>	<u>Preliminary</u>
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>05/02/17</u>	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.	Sq. Footage -	<input type="text"/>
	Cost Estimate -	<input type="text" value="\$0"/>

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

Bond Proceeds	FY1	Spend/Down Schedule/Notes
\$ 6,897,083.00	6/30/2018	Draw down facility; only proceeds needed are drawn (includes
\$ 14,102,917.00	6/30/2018	Draw down facility; only proceeds needed are drawn
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 21,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$	\$ 17,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 21,000,000.00	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 1,325,000.00	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 5,000,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 325,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify Type -	\$	\$	Accrued Interest
	\$	\$	Other
	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 22,325,000.00	\$ 22,325,000.00	Total Project Uses
Surplus/Deficit		\$	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	George K. Baum			\$ 138,750.00	\$	\$ 138,750.00
Bond Counsel	Nexsen Pruet, LLC			\$ 40,000.00	\$	\$ 40,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Parker Poe			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel				\$	\$	\$
Transaction Counsel	Nexsen Pruet, LLC			\$ 17,500.00	\$	\$ 17,500.00
Legal Expenses				\$	\$	\$
Bank Counsel	TBA			\$ 40,000.00	\$	\$ 40,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent				\$	\$	\$
Swap Advisor	George K. Baum			\$ 8,500.00	\$	\$ 8,500.00
Bank Commitment Fee	TBA			\$ 15,000.00	\$	\$ 15,000.00
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 36,450.00	\$	\$ 36,450.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 21,300.00	\$	\$ 21,300.00
				\$ 325,000.00	\$	\$ 325,000.00

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

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

0.66%	#DIV/0!
0.19%	#DIV/0!
0.50%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.39%	#DIV/0!
1.55%	#DIV/0!



South Carolina Office of State Treasurer
New Debt Information Form Attachment
05.02.17 – SC JEDA – Hammond School - Economic Development
Revenue Bonds - \$21,000,000

The purpose of the proposed financing is two-fold, as follows: (1) to defray the costs of construction, renovation, equipping and improving certain facilities of Hammond School (the “Borrower”) as part of the Borrower’s *50 Forward Capital Campaign* initiative, including, but not limited to (a) construction and equipping of a new Innovation Center, (b) renovation of the Upper School Gym; (c) construction and equipping of a new Lower School playground; and (d) construction and equipping of a new Lower School Innovation Center (collectively, the “Projects”); and (2) to refund all of the \$5,000,000 South Carolina Jobs - Economic Development Authority’s Variable Rate Demand Purchase Revenue Bonds (Hammond School Project), Series 2005 (the “Refunded Bonds”), currently outstanding in the principal amount of \$5,000,000.

It is not possible to calculate net present value savings given that the Refunded Bonds accrue interest at a weekly variable rate and the proposed bonds are expected to accrue interest at a variable rate based on a rate index and a reset date different than those of the Refunded Bonds. As of March 17, 2017, the “all in” interest rate on the Refunded Bonds was 1.24% and the anticipated yield on the proposed bonds was 1.49%, resulting in a net present value loss of approximately \$120,500 and a net present value loss (as a % of the Refunded Bonds) of approximately 2.40%.¹ The proposed refinancing of the Refunded Bonds, however, (1) is necessary for the Borrower to proceed with the proposed financing of the Projects as the covenants and agreements related to the Refunded Bonds prohibit such financing, (2) revises the amortization schedule, thereby improving the cash flow of the Borrower, and (3) eliminates certain risks related to the Refunded Bonds, such as optional put risk and letter of credit renewal risk.

¹ Actual results almost certainly will differ materially.

AGENCY: Executive Director

SUBJECT: HarborChase Senior Living Volume Cap Ceiling Allocation Reinstatement

On January 31, 2017, the Authority granted a tentative ceiling allocation for the HarborChase Senior Living project in the amount of \$27,000,000 with an expiration date of May 1, 2017. The Jobs-Economic Development Authority (JEDA) has advised that the bonds for which the allocation was granted did not close before the May 1, 2017, expiration date. JEDA requests that the allocation be reinstated in the amount of \$27,000,000 pursuant to S.C. Code of Laws Section 1-11-560(D) for a period of 31 consecutive calendar days from May 2, 2017. Section 1-11-560(D) provides, in part, that the Authority “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”. JEDA also certifies that the authorized request previously submitted in connection with the allocation is still true and correct. If the request to reinstate the allocation is granted by the Authority, the reinstated allocation will expire on Friday, June 2, 2017, if the bonds are not issued on or before that date.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-560(D), grant the Jobs-Economic Development Authority’s request for a 31-day reinstatement of the ceiling allocation to HarborChase at Riverwalk, from May 2, 2017, through June 2, 2017, in the amount of \$27,000,000.

ATTACHMENTS:

Huntley 3/20/17 letter with attachment; Code Section 1-11-560(D)

MICHAEL W. NIX, CFA

March 20, 2017



HARRY A. HUNTLEY, CPA

Executive Director

Via Email and US Mail

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

***South Carolina Jobs-Economic Development Authority
Not exceeding \$27,000,000
Economic Development Revenue Bonds
(HarborChase Senior Living Project)
Series 2017***

Dear Delbert:

On January 31, 2017, the State Fiscal Accountability Authority ("Authority") granted state ceiling allocation to the above-referenced Bonds ("Allocation"). Per Section 1-11-560(B) of the Code of Laws of South Carolina 1976, as amended ("Code"), a state ceiling allocation will expire automatically if the bonds for which the allocation was made are not issued within 90 consecutive calendar days from the date the allocation was approved by the Authority. The expiration date for the Allocation is May 1, 2017.

Based on information given to South Carolina Jobs-Economic Development Authority ("JEDA") from RockBridge Community One, LLC, the borrower for the above-referenced Bonds ("Borrower"), it is possible, but not certain that the Bonds will be issued prior to the expiration of the Allocation. Accordingly, to ensure that the Allocation is available to the Borrower for the Bonds at the time the Bonds are issued, please accept this letter as a written request, made in my capacity as Executive Director of JEDA, to kindly reinstate the Allocation on May 2, 2017, for a period of 31 consecutive calendar days.

This request is made as a request for reinstatement because Section 1-11-560(C) of the Code only permits an extension to be made by the Authority "during the period an approved allocation is valid." Because the Authority does not meet until May 2, 2017, which date is subsequent to the Allocation's May 1, 2017, expiration date, an extension is not possible. Therefore, JEDA accordingly makes this request pursuant to Section 1-11-560(D) of the Code and requests the Authority reinstate the Allocation on May 2, 2017, for a period of 31 consecutive calendar days.

In accordance with Section 1-11-560(D), we certify that the Allocation has not been the subject of an extension previously granted and that the authorized request previously submitted in connection with the Allocation is still true and correct.

Thank you for your assistance and please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry A. Huntley". The signature is fluid and cursive, written over a white background.

Harry A. Huntley

PPAB 3626956v1

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.

AGENCY: Executive Director

SUBJECT: Economic Development (2017 Ceiling Allocations)

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

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

The recommendation from the Department of Commerce for allocations for this cycle totals \$9,302,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

Greenville Housing Authority, Elements West End (City of Greenville), \$9,302,000;

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

AUTHORITY ACTION REQUESTED:

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

Greenville Housing Authority, Elements West End (City of Greenville), \$9,302,000

ATTACHMENTS:

2017 Ceiling Allocation Requests; Young 04/12/17 Memo; Code Section 1-11-500 et seq.

2017 South Carolina State Ceiling

Balance remaining as of January 31, 2017, if ceiling allocation granted

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

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

<u>198,444,760</u>	<u>0</u>	<u>198,444,760</u>	<u>0</u>
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LOCAL POOL

01/03/17	G'ville Housing Authority	Elements West End	297,667,140	0		Howell		
01/31/17	JEDA	HarborChase of Riverwalk		27,000,000		Luther		
01/31/17	JEDA	River Park Senior Living		25,000,000		Luther		
05/02/17	G'ville Housing Authority	Elements West End		9,302,000		Howell		

TOTAL, LOCAL POOL

<u>297,667,140</u>	<u>61,302,000</u>	<u>236,365,140</u>	<u>0</u>
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GRAND TOTAL

<u>496,111,900</u>	<u>61,302,000</u>	<u>434,809,900</u>	<u>0</u>
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2017 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request		Location	NOTES
						Alloc	SLaw		
1	01/02/17 Gville Housing Authority	Elements West End	9,302,000	9,302,000	Howell				
2	01/05/17 JEDA	HarborChase of Riverwalk	27,000,000	36,302,000	Emily Luther	x	x	Greenville	
3	01/05/17 JEDA	River Park Senior Living	25,000,000	61,302,000	Emily Luther			Rock Hill	
4	03/28/17 Gville Housing Authority	Elements West End	9,302,000	70,604,000	Howell	x	x	Little River	
								Greenville	

Summary, CY 2017

2017 South Carolina State Ceiling Allocations

Balance Available: 434,809,900

2017 State Ceiling **496,111,900**
 Initial Allocations 70,604,000
 Expired/Relinquished 9,302,000
 Actual Allocations **61,302,000**
 Certified for Issue 0
 Carried Forward 0

Issuer	Name of Project	Expiration	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 1/31/17							
G'ville Housing Authority	Elements West End	5/1/17	9,302,000	9,302,000		expired	Howell
JEDA	HarborChase of Riverwalk		27,000,000				Luther
JEDA	River Park Senior Living		25,000,000				Luther
Allocation: 5/2/17							
G'ville Housing Authority	Elements West End	7/31/17	9,302,000				Howell



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *ADY*

Date: April 12, 2017

Re: May 1, 2017 meeting

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

After reviewing information provided by and Howell Linkous & Nettles, LLC, regarding three housing projects the Department of Commerce recommends approval of all three at the May 1, 2017, meeting of the State Fiscal Accountability Authority. The company is committing to create 90 new jobs within 24 months.

Name	Amount	Score	County
Elements End West	\$9,302,000	2	Greenville

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

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

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the 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, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Project for A&E Design

- (a) **Summary 7-2017:** JBRC Item 1. (H59) Greenville Technical College
Project: 6131, Greenville – Bldg. 801 Roof Replacement & HVAC Upgrades
Included in Annual CPIP: Yes – CPIP Priority 2 of 3 in FY17
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/10/17

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Local Govt. Contrib. to Plant Maint. Fund	0.00	0.00	0.00	21,367.50	21,367.50
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>21,367.50</u>	<u>21,367.50</u>

Funding Source: \$21,367.50 Other, Local Government Contributions to Plant

Maintenance Fund, which is an accumulation of appropriated funds from Greenville County that are used to perform maintenance and renovations to physical facilities of Greenville Technical College.

Request: Establish project and budget for \$21,367.50 (Other, Local-College's Plant Maintenance Fund) to establish a project to replace the largest portion, Section C, on Bldg. 801, McKinney Automotive Center at Greenville Technical College as identified in a roof evaluation report prepared by ADC Engineering. In conjunction with the roof replacement, the roof mounted HVAC units are in need of replacement. Facilities maintenance personnel as well as contractors, have attempted to repair leaks in the roof but excessive deterioration, as identified in ADC Engineering's report, pounding of water and major leaks occurring with each rain event, are exposing equipment and materials inside the building to potential damage. Water saturated roof insulation may also be developing a potential health risk hazard for occupants. Consultation with Peritus Mechanical Engineers regarding the existing roof mounted HVAC units that will be affected by the roof replacement, revealed the need for replacing these units. As part of Phase I, a study of the HVAC system for the affected interior space will be conducted to ensure the essential needs of heating, ventilation, and air conditioning are being met to current air quality standards. This project includes a total of 56,000 square feet (Section "C"), of the total 91,000 square foot building. The building, constructed in 1965, is 52 years old. The existing roof is estimated to be 16-20 years old and the HVAC units are approximately 19+ years old. The facility is used to house the curriculum programs in automotive training in maintenance of motors, transmissions and body repair and it utilized by 246 students and faculty. The agency estimates that the completed project will cost approximately \$1,424,500. (See attachment 1 for additional annual operating cost savings.)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Summary 7-2017: JBRC Item 4. (N04) Department of Corrections
Project: 9740, Campbell – Renovate Housing Unit for Office Space
Included in Annual CPIP: No
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, FY16 Carryforward Funds	0.00	0.00	0.00	25,100.00	25,100.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>25,100.00</u>	<u>25,100.00</u>

Funding Source: \$25,100 Appropriated State, FY16 Carryforward Funds, which are from the remaining FY16 Personnel Services funds.

Request: Establish project and budget for \$25,100 (Appropriated State, FY16 Carryforward Funds) to establish a project to renovate the inmate housing unit at Campbell Pre-Release Center for use as office space. The housing unit has not been used for housing inmates since the Pre-Release Center closed in 2015. The scope of work converts the institutional housing structure to general office use which will facilitate procurement and human resource services outside the security fence boundary but still within the SCDC Broad River Complex. Approximately 26 to 30 staff members will be assigned to offices and standing cubicles. The 11,150 square foot facility is approximately 25 years old. The agency estimates that the completed project will cost approximately \$1,700,000.

Establish Construction Budget

- (c) Summary 7-2017: JBRC Item 9. (H12) Clemson University
Project: 9929, Business and Behavioral Sciences Building / Serrine Hall Replacement
Included in Annual CPIP: Yes – CPIP Priority 1 of 6 in FY16
JBRC/SFAA Phase II Approval: January 2016

CHE Recommended Approval: 4/6/17

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Institution Bonds	0.00	0.00	0.00	82,500,000.00	82,500,000.00
Capital Reserve Fund, FY16	5,000,000.00	0.00	5,000,000.00	0.00	5,000,000.00
All Sources	<u>5,000,000.00</u>	<u>0.00</u>	<u>5,000,000.00</u>	<u>82,500,000.00</u>	<u>87,500,000.00</u>

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$82,500,000 Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the university and are pledged to be repaid with tuition fees. \$5,000,000 FY16 Capital Reserve Funds.

Request: Increase budget to \$87,500,000 (add \$82,500,000 Institution Bonds) to establish the Phase II construction budget to construct an approximately 162,000 square foot building to relocate the College of Business (previously called the College of Business and Behavioral Sciences), from SIRRINE Hall, which was built in 1938. The facility will include a variety of classrooms and learning laboratories, faculty and administrative offices, study and gathering spaces, student services spaces and common areas that will encourage greater collaboration among students, faculty, staff and business partners. The new facility will provide enhanced interface between academics and industry, accommodate growth, and provide flexibility to adapt to advancements in technology and instructional methods. The antiquated SIRRINE Hall facility no longer provides adequate space for planned growth of modern instructional delivery methods. The College of Business is currently co-located with other academic programs in SIRRINE Hall. The new facility will become the dedicated, recognizable home for all business and related disciplines within the College of Business and will provide space for the college's administrative offices, outreach and research institutes. The facility will be constructed to meet LEED Silver Certification standards and \$3,438,395 in anticipated operating cost savings over a 30 year life are expected. Construction of the new facility will also allow SIRRINE Hall to be utilized as swing space to allow for major renovations. A floor-by-floor, phased renovation of SIRRINE Hall was considered as an alternative to this project. However, a phased renovation would take many years to complete, would create disruptions to academic activity, and would increase construction costs. Clemson University has requested \$25 million for this project from the General Assembly for 2017-18. If the request is funded, the \$82.5 million in institution bonds in the project budget will be reduced by the amount of the appropriation. The agency estimates that the completed project will cost approximately \$87,500,000. The agency also reports the projects date for execution of the construction contract is July 2017 and for completion of construction is August 2019. (See attachment 2 for additional annual operating costs.)

- (d) Summary 7-2017: JBRC Item 10. (H12) Clemson University
Project: 9931, IPTAY Center Expansion/Renovation
Included in Annual CPIP: Yes – CPIP Priority 6 of 6 in FY17
JBRC/SFAA Phase I Approval: September 2016

CHE Recommended Approval: 3/9/17

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Athletic Private Gifts	250,000.00	0.00	250,000.00	9,750,000.00	10,000,000.00
All Sources	<u>250,000.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>9,750,000.00</u>	<u>10,000,000.00</u>

Funding Source: \$10,000,000 Other, Athletic Private Gifts, which are contributions received from individuals, corporations, and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$10,000,000 (add \$9,750,000 Other, Athletic Private Gift funds) to establish the Phase II construction budget to renovate and expand facilities for IPTAY at Memorial Stadium. The IPTAY Center at Memorial Stadium is approximately 14,000 square feet, built in the late 1980's, and is approximately 28 years old. The current IPTAY space is not sufficient to house the increased and growing development staff, and has not had any major renovations since constructed in the late 1980's. The space will be expanded to include office space for staff working with major gifts, annual fund, gifts and estate planning, stewardship and ticketing, and will also include support spaces. The existing facilities will be updated to improve interior finishes and functionality to enhance the overall fundraising capabilities of IPTAY. In addition, the work will include the creation of premium lounge areas adjacent to and accessible from Memorial Stadium for use on football game days that will allow for new revenue generation for the Athletic Department. Currently, all premium spaces in the stadium are sold out with wait lists. The total square footage of the building to be renovated and expanded is 21,500 square feet. Of that, approximately 14,000 square feet is used for the IPTAY Center. The expansion for IPTAY will be approximately 9,600 square feet. Renovations will be made to approximately 18,000 square feet of the existing facility. The facility will be constructed to meet Green Globes Certification standards and \$457,511 in anticipated operating cost savings over a 30 year life are expected. The renovated space will house 20 fulltime IPTAY staff along with dozens of part-time and student workers. Additionally, up to 300 high level IPTAY members will be able to use the space for football game day functions, as meeting space throughout the year, and for other related events. The agency estimates that the completed project will cost approximately \$10,000,000. The agency also reports the projects date for execution of the construction contract is July 2017 and for completion of construction is July 2018. (See attachment 3 for additional annual operating costs.)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget & Change Source of Funds

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

CHE Recommended Approval: 3/16/17

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

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

Request: Increase budget to \$5,000,000 (add \$4,925,000 Other, Gifts) to establish the Phase II construction budget to begin construction of the new soccer complex to be located on the East Campus. There are two buildings planned for the site in addition to the land improvements for the soccer field. The first building will be 1,596 square feet and will be a single story building that will serve as a public restroom and storage. The second building will be 7,778 square feet and will have men's and women's locker rooms, coaches offices, team meeting rooms, press box areas, broadcast room, both a sound a video both and restrooms. There are 750 bleacher seats planned for this part of the project, as well as field lights for night games. In past years, the University has hosted NCAA soccer playoff events for their nationally ranked men's soccer team, but could only accommodate a total of 500 spectators. The current complex is lacking support facilities, including on-site locker rooms due to property constraints. The new facility will provide a better game day experience by incorporating fan-related amenities. Currently the men's soccer team has 26 players and 3 coaches. The women's soccer team list 18 players and 3 coaches. The agency estimates that the completed project will cost approximately \$5,000,000. The agency also reports the projects date for execution of the construction contract is December 2017 and for completion of construction is November 2018. (See attachment 4 for additional annual operating costs.)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (f) Summary 7-2017: JBRC Item 14. (N04) Department of Corrections
 Project: 9737, Security Perimeter Netting System at Level 2 & 3 Correctional Institutions
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: January 2017

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 Carryforward	113,400.00	0.00	113,400.00	7,446,600.00	7,560,000.00
All Sources	<u>113,400.00</u>	<u>0.00</u>	<u>113,400.00</u>	<u>7,446,600.00</u>	<u>7,560,000.00</u>

Funding Source: \$7,560,000 Appropriated State, FY16 Carryforward funds, which are from the remaining FY16 Personnel Services funds.

Request: Increase budget to \$7,560,000 (add \$7,446,600 FY16 Carryforward Funds) to furnish and install a Security Perimeter Netting System around the security fence perimeter of all the Level 3 and most of the Level 2 Correctional Institutions (total of 11 institutions), to reduce the extensive contraband that SCDC is receiving into the institutions from criminal elements by “throw-overs” of the perimeter fence disguised as footballs, packs, etc. This is another measure making the institutions a more secure environment for the security staff and the inmates. There are approximately 12,626 inmates and 2,346 staff at these institutions. The netting system will consist of fifty-feet (50’) high engineered poles with netting which is made of 1” polyester mesh with a breaking strength of 160lbs. and a 3/8” solid rope border with breaking strength of 5,500 lbs. The netting panels are custom built to meet each correctional institution’s requirements and come with a full 5 year warranty. The agency estimates that the completed project will cost approximately \$7,560,000. The agency also reports the projects date for execution of the construction contract is November 2017 and for completion of construction is December 2018.

- (g) Summary 7-2017: JBRC Item 15. (N04) Department of Corrections
 Project: 9738, Security Upgrades to Housing Unit Inmate Cells at Level 3 Correctional Inst.
 Included in Annual CPIP: Yes – CPIP Priority 1 of 7 in FY17
 JBRC/SFAA Phase I Approval: March 2017

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

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 Carryforward Funds	15,000.00	0.00	15,000.00	985,000.00	1,000,000.00
All Sources	<u>15,000.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>985,000.00</u>	<u>1,000,000.00</u>

Funding Source: \$1,000,000 Appropriated State, FY16 Carryforward Funds, which are from general fund personnel and fringe lines of the last two budget years.

Request: Increase budget to \$1,000,000 (add \$985,000 FY16 Carryforward Funds) to furnish and install several Security Upgrades to Housing Unit Inmate Cells at Level 3 Correctional Institutions. These renovations and upgrades will consist of security window frames and glazing, opaque glazing, food flaps, cuff ports, etc. 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 7,720 inmates, 540 non-uniformed and 1,060 uniformed positions located at these institutions. The agency estimates that the completed project will cost approximately \$1,000,000. The agency also reports that this work will be accomplished by in-house/inmate construction forces with the projected construction activities starting in October 2017 and for completion of construction is October 2019.

Preliminary Land Acquisition

(h) Summary 7-2017: JBRC Item 18. (N04) Department of Corrections

Project: 9741, Wateree River CI – Durai Property Acquisition

Included in Annual CPIP: No

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, Canteen	0.00	0.00	0.00	20,000.00	20,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$20,000 Other, Canteen Funds, which is revenue derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations.

Request: Establish project and budget for \$20,000 (Other, Canteen Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The agency is considering the acquisition of 192.85+/- (parcel # 073-0006-002), which is located at 400 Boykin Mill Road in Rembert, SC. This property includes irrigation, grain storage, and agricultural shop/sheds which are approximately 10,000 square feet. The buildings located on the property are usable in their current condition and will not need to be renovated. If acquired, the property will be utilized as farmland. The age of the buildings located on the property is unknown at this time but will be determined during the Phase I process. The agency is in need of additional irrigated land and grain storage. The present grain storage at Wateree River CI is antiquated and does not provide ample storage for harvested grain. The additional irrigated land and grain storage will enable SCDC to increase farming operations and reduce cattle and poultry food costs. The use of farm grown grain is a money saving investment in feeding Wateree River Farm's cattle and poultry. In addition, having the flexibility to store grain for future use enables SCDC to condition the grain for maximum dollar value as well as anticipate and take advantage of market forecasts when selling commodities. The goal of SCDC is to obtain irrigation on all productive lands; irrigated land is more productive than dry land and therefore provides a higher per acre yield. The agency estimates that the land acquisition will cost approximately \$1,500,000 and additional annual operating costs have not yet been determined.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

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

1. AGENCY Code H59 Name Greenville Technical College

2. PROJECT Project # 6131 Name Greenville - Bldg. 801 Roof Replacement and HVAC Upgrades

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 17-18	\$ 3,000.00	\$	\$	\$ 3,000.00
2) 18-19	\$ 5,000.00	\$	\$	\$ 5,000.00
3) 19-20	\$ 5,000.00	\$	\$	\$ 5,000.00

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? YES NO
If no, how will additional funds be provided?
N/A

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 of roof, e.g. roof leak repairs.</u>	<u>\$1,000.00</u>
2. <u>Energy efficient HVAC units, properly engineered.</u>	<u>2,000.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$3,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: Bill Tripp Bill Tripp, Eng /Assoc. Eng. III February 28, 2017
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 # 9929 Name Business and Behavioral Sciences Building / Sistine Hall 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) 2019-20	\$	\$	\$1,053,000.00	\$1,053,000.00
2) 2020-21	\$	\$	\$1,074,060.00	\$1,074,060.00
3) 2021-22	\$	\$	\$1,095,541.00	\$1,095,541.00

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

University Operating Funds

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> Utilities </u>	<u> \$526,500.00 </u>
2. <u> Maintenance </u>	<u> \$526,500.00 </u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u> \$1,053,000.00 </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: Brett A. Dalton _____
Signature of Authorized Official and Title Date

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

1. AGENCY
Code HI2 Name Clemson University

2. PROJECT
Project # 9931 Name IPTAY Center Expansion/Renovation

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

4. COSTS SAVINGS NO CHANGE

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018-19	\$	\$	\$62,400.00	\$62,400.00
2) 2019-20	\$	\$	\$63,648.00	\$63,648.00
3) 2020-21	\$	\$	\$64,921.00	\$64,921.00

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

Athletic Operating Revenues

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$31,200.00</u>
2. <u>Maintenance</u>	<u>\$31,200.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$62,400.00</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:  2-24-17
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 # 9609 Name Soccer Complex

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

COSTS SAVINGS NO CHANGE

4.

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

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

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

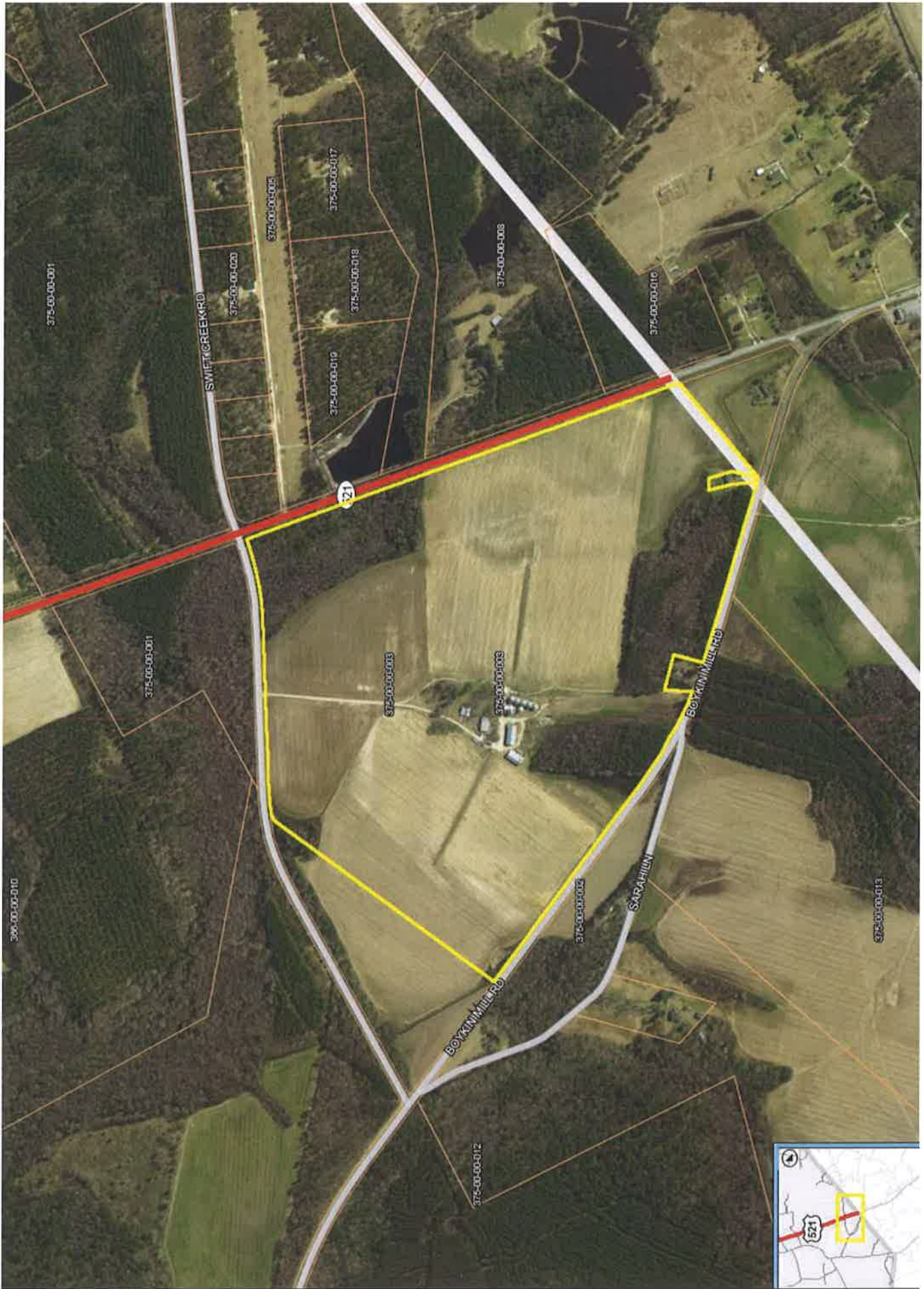
6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

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

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

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

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



H.

Permanent Improvement Project Information for May 2, 2017 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Phase I		Included in CPIP	Total Projected Project Cost
		Approved Budget	Approval	Original Approval	Approval	Amount	Approval		
H59-6131	Greenville - Bldg. 801 Roof Replacement & HVAC Upgrades	N/A	N/A	N/A	N/A	\$21,367.50	N/A	Yes	\$1,424,500.00
N04-9740	Campbell - Renovate Housing Unit for Office Space	N/A	N/A	N/A	N/A	\$25,100.00	N/A	No	\$1,700,000.00
H12-9929	Business and Behavioral Sciences Building / Sirrime Hall Replacement	1/7/16	1/7/16	1/7/16	1/7/16	\$5,000,000.00	1/7/16	Yes	\$87,500,000.00
H12-9931	IPTAY Center Expansion/Renovation	9/26/16	9/26/16	9/26/16	9/26/16	\$250,000.00	9/26/16	Yes	\$10,000,000.00
H17-9609	Soccer Complex	11/4/15	11/4/15	11/4/15	11/4/15	\$75,000.00	11/4/15	Yes	\$5,000,000.00
N04-9737	Security Perimeter Netting System at Level 2 & 3 Correctional Institutions	1/31/17	1/31/17	1/31/17	1/31/17	\$113,400.00	1/31/17	No	\$7,560,000.00
N04-9738	Security Upgrades to Housing Unit Inmate Cells at Level 3 Correctional Institutions	3/10/17	3/10/17	3/10/17	3/10/17	\$15,000.00	3/10/17	Yes	\$1,000,000.00
N04-9741	Waterree River Cl - Durai Property Acquisition	N/A	N/A	N/A	N/A	\$20,000	N/A	No	\$1,500,000

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

Item (a) – Greenville Technical College – Bldg. 801 Roof Replacement & HVAC Upgrades

The source of funds for pre-design is Other, Local Government Contributions to Plant Maintenance Fund, which is an accumulation of appropriated funds from Greenville County that are used to perform maintenance and renovations to physical facilities of Greenville Technical College.

The source of funds for construction is anticipated to be Other, Local Government Contributions to Plant Maintenance Fund.

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

Item (c) – Clemson University – Business and Behavioral Sciences Building/Sirrine Hall Replacement

The source of funds for construction is State Institution Bonds, which are long-term debt instruments issued by the State Treasurer's Office in the name of the university and are pledged to be repaid with tuition fees.

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

Item (d) – Clemson University – IPTAY Center Expansion/Renovation

The source of funds for construction is Other, Athletic Private Gifts, which are contributions received from individuals, corporations, and other entities that are to be expended for their restricted purposes.

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

Item (e) – Coastal Carolina University – Soccer Complex

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

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

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Medical University of South Carolina Lease - 165 Cannon Street in Charleston

The Medical University of South Carolina (“MUSC”) requests approval to lease from 165 Cannon Street Associates, LLC a 438,000 square foot parking garage consisting of 1,400 parking spaces and 10,672 square feet of office space to be built at 165 Cannon Street in Charleston.

At its meeting on January 26, 2016, the State Fiscal Accountability Authority approved a request from MUSC to sell the property at 165 Cannon Street, also known as the “M” Lot, to the MUSC Foundation (the “Foundation”) for the Foundation to construct a parking garage (the “Facility”) and lease parking spaces to the University’s Parking Management Services to support additional traffic at the Medical University Hospital Authority’s Shawn Jenkins Children’s Hospital, as well as future growth of MUSC’s clinical enterprise. The associated office space will accommodate MUSC Public Safety staff. The Foundation subsequently formed 165 Cannon Street Associates, LLC (Landlord), a single purpose entity whose sole member is the Foundation, to secure financing to construct the Facility. The lease terms obligate the Landlord to acquire all current and future construction and related design services associated with the facility in accordance with the SC Consolidated Procurement Code.

The term of the lease will be twenty (20) years beginning upon completion of the Facility and issuance of a certificate of occupancy. MUSC will pay monthly installments of \$220,786.67 for an annual amount of \$2,649,440.00 for the space, which is equivalent to the debt service and debt service reserve to be incurred by the Landlord. This equates to \$145/month per parking space and \$20/SF for the office space. Rent shall be fixed for the term of the lease; however, rent payments will cease if all debt on the property is paid in full. The estimated total rent to be paid over the term is \$52,988,800. In addition to rent, MUSC is responsible for all operating and maintenance costs. Operating costs are estimated to be \$200,000 annually.

The lease contains provisions for three (3) five (5) year extended terms, subject to any required governmental approvals at the time such terms are exercised.

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

Parking:

Location	Rate/Space
194 East Bay Street	\$225.00
159 Rutledge Avenue	\$165.00
55 Pitt Street	\$165.00
62 Gadsden Street	\$150.00

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Medical University of South Carolina Lease - 165 Cannon Street in Charleston

Office:

Tenant	Location	Rate
Clemson University	701 East Bay Street	\$34.59/SF
Vacant	550 King Street	\$34.00/SF
Vacant	205 King Street	\$39.00/SF

The lease contains an option for MUSC to purchase the property from Landlord at any time during the term of the lease for a price equal to the outstanding indebtedness owed on the property at the time MUSC exercises such option to purchase, subject to required governmental approvals.

Lease payments will be funded from parking management and public safety revenues. MUSC has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to a Budget Approval Form submitted by MUSC.

The lease was approved by the MUSC Board of Trustees on February 10, 2017, by the Commission on Higher Education on April 6, 2017, and by JBRC on April 26, 2017.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Medical University of South Carolina at 165 Cannon Street in Charleston from 165 Cannon Street Associates, LLC, of a 438,000 square foot parking garage consisting of 1,400 parking spaces and 10,672 square feet of office space to be built at 165 Cannon Street in Charleston.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC Letter Dated February 8, 2017

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 2, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: MUSC Lease- 165 Cannon Street in Charleston

3. Summary Background Information:

The Medical University of South Carolina ("MUSC") requests approval to lease from 165 Cannon Street Associates, LLC a 438,000 square foot parking garage consisting of 1,400 parking spaces and 10,672 square feet of office space to be built at 165 Cannon Street in Charleston.

At its meeting on January 26, 2016, the State Fiscal Accountability Authority approved a request from MUSC to sell the property at 165 Cannon Street, also known as the "M" Lot, to the MUSC Foundation (the "Foundation") for the Foundation to construct a parking garage (the "Facility") and lease parking spaces to the University's Parking Management Services to support additional traffic at the Medical University Hospital Authority's Shawn Jenkins Children's Hospital, as well as future growth of MUSC's clinical enterprise. The associated office space will accommodate MUSC Public Safety staff. The Foundation subsequently formed 165 Cannon Street Associates, LLC (Landlord), a single purpose entity whose sole member is the Foundation, to secure financing to construct the Facility. The lease terms obligate the Landlord to acquire all current and future construction and related design services associated with the facility in accordance with the SC Consolidated Procurement Code.

The term of the lease will be twenty (20) years beginning upon completion of the Facility and issuance of a certificate of occupancy. MUSC will pay monthly installments of \$220,786.67 for an annual amount of \$2,649,440.00 for the space, which is equivalent to the debt service and debt service reserve to be incurred by the Landlord. This equates to \$145/month per parking space and \$20/SF for the office space. Rent shall be fixed for the term of the lease; however, rent payments will cease if all debt on the property is paid in full. The estimated total rent to be paid over the term is \$52,988,800. In addition to rent, MUSC is responsible for all operating and maintenance costs. Operating costs are estimated to be \$200,000 annually.

The lease contains provisions for three (3) five (5) year extended terms, subject to any required governmental approvals at the time such terms are exercised.

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

Parking:

Location	Rate/Space
194 East Bay Street	\$225.00

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

Office:

Tenant	Location	Rate
Clemson University	701 East Bay Street	\$34.59/SF
Vacant	550 King Street	\$34.00/SF
Vacant	205 King Street	\$39.00/SF

The lease contains an option for MUSC to purchase the property from Landlord at any time during the term of the lease for a price equal to the outstanding indebtedness owed on the property at the time MUSC exercises such option to purchase, subject to required governmental approvals.

Lease payments will be funded from parking management and public safety revenues. MUSC has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to a Budget Approval Form submitted by MUSC.

The lease was approved by the MUSC Board of Trustees on February 10, 2017, by the Commission on Higher Education on April 6, 2017, and by JBRC on April 26, 2017.

4. What is the Authority asked to do? Approve the proposed lease for the Medical University of South Carolina at 165 Cannon Street in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Medical University of South Carolina at 165 Cannon Street in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated February 8, 2017

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

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

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

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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



Office of Institutional Resources &
Research
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
843-792-5996

February 8, 2017

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

RE: Request for Leased Space / 165 Cannon Street Garage

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to lease 1,400 parking spaces within the 165 Cannon Street Parking Garage from 165 Cannon Street, LLC. This lease is critical to several community initiatives taking place at the Medical University of South Carolina. This lease agreement will provide support for MUSC employee and guest parking associated with the new Shawn Jenkins Children's Hospital. This property shall also provide 10,672 square feet of office space for Public Safety needed to accommodate their move to facilitate the Greenway Project and 'activate' the street. In addition, it is expected that 700 parking spaces currently leased by CareAlliance Health at 21 Courtenay Drive shall transfer to this parking garage.

Please prepare this lease for the May 2017 SFAA meeting.

Number of spaces:	1,400 parking spaces
Cost per space:	\$145.00
Cost per SF/Public Safety:	\$20.00
Annual Rent:	\$2,649,440.00
Annual rent increase:	None
Estimated Start Date:	October 2018
Lease Term:	20 Years
Extended Term:	3 Terms, 5 Years Each
Total including Extensions:	\$92,730,400.00

Please let me know if you have any questions.

Sincerely,

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

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

The Medical University of South Carolina (MUSC) is requesting approval to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston from the HP1B Devco, LLC to provide space for MUSC Bioinformatics. MUSC Bioinformatics is currently located at 135 Cannon Street. Because 135 Cannon Street meets new Medicaid/Medicare insurance requirements that limit MUSC's ability to expand clinical space, it will be used for clinical purposes.

To combat community deterioration in and around the WestEdge Project Area, the MUSC campus and the Medical District, the Medical University of South Carolina Foundation, its affiliated nonprofit foundations and supported organizations, including MUSC, and the City of Charleston have partnered to create economic development opportunities and improve quality of life in its neighborhoods through the WestEdge Project.

While MUSC requested an exemption from the solicitation process, Real Property Services conducted a solicitation and the proposal from HP1B Devco, LLC was the only bid received. The lease will support the WestEdge partnership between the City of Charleston and MUSC for the development of the Hospital Medical District, as the Medical University Hospital Authority will sublease approximately half of this space from MUSC for its Hospital Analytics Office.

The Term of the lease shall be ten (10) years beginning following the completion of construction by the Landlord. The lease contains three (3) optional five (5) year Extended Terms; however, MUSC is not requesting approval for the Extended Terms at this time. Rent for the first year of the Term shall be \$36.00/SF, which includes all operating and maintenance costs. Thereafter, basic rent shall increase annually by two and one-half (2 ½) percent. As such, the maximum amount MUSC could pay over the Term is as follows:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
LEASE YEAR 1	\$ 900,000.00	\$75,000.00	\$36.00
LEASE YEAR 2	\$ 922,500.00	\$76,875.00	\$36.90
LEASE YEAR 3	\$ 945,562.50	\$78,796.88	\$37.82
LEASE YEAR 4	\$ 969,201.56	\$80,766.80	\$38.77
LEASE YEAR 5	\$ 993,431.60	\$82,785.97	\$39.74
LEASE YEAR 6	\$1,018,267.39	\$84,855.62	\$40.73
LEASE YEAR 7	\$1,043,724.08	\$86,977.01	\$41.75
LEASE YEAR 8	\$1,069,817.18	\$89,151.43	\$42.79
LEASE YEAR 9	\$1,096,562.61	\$91,380.22	\$43.86
LEASE YEAR 10	\$1,123,976.67	\$93,664.72	\$44.96
TOTAL	\$10,083,043.59		

AGENCY: Department of Administration, Facilities Management and Property Services

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

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

Tenant	Location	Rate
Clemson University	701 East Bay Street	\$34.59/SF
Vacant	550 King Street	\$34.00/SF
Vacant	205 King Street	\$39.00/SF

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

The Landlord is providing a tenant improvement allowance of \$1M. The lease also contains an option for MUSC to lease up to fifty (50) parking spaces at a rate of \$175/month. Should MUSC exercise this option, the additional cost would be \$1,050,000 over the Term.

The lease was approved by the MUSC Board of Trustees on February 10, 2017, the Commission on Higher Education on April 6, 2017, and JBRC on April 26, 2017.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for the Medical University of South Carolina to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston from HP1B Devco, LLC, to provide space for MUSC Bioinformatics.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC Letter Dated April 4, 2017

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 2, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

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

3. Summary Background Information:

The Medical University of South Carolina (MUSC) is requesting approval to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston from the HPIB Devco, LLC to provide space for MUSC Bioinformatics. MUSC Bioinformatics is currently located at 135 Cannon Street. Because 135 Cannon Street meets new Medicaid/Medicare insurance requirements that limit MUSC's ability to expand clinical space, it will be used for clinical purposes.

To combat community deterioration in and around the WestEdge Project Area, the MUSC campus and the Medical District, the Medical University of South Carolina Foundation, its affiliated nonprofit foundations and supported organizations, including MUSC, and the City of Charleston have partnered to create economic development opportunities and improve quality of life in its neighborhoods through the WestEdge Project.

While MUSC requested an exemption from the solicitation process, Real Property Services conducted a solicitation and the proposal from HPIB Devco, LLC was the only bid received. The lease will support the WestEdge partnership between the City of Charleston and MUSC for the development of the Hospital Medical District, as the Medical University Hospital Authority will sublease approximately half of this space from MUSC for its Hospital Analytics Office.

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The lease was approved by the MUSC Board of Trustees on February 10, 2017, the Commission on Higher Education on April 6, 2017, and JBRC on April 26, 2017.

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

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

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- MUSC Letter Dated April 4, 2017

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(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

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(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;

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(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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



Office of Institutional Resources &
Research
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
843-792-5996

April 4, 2017

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

RE: Request for Leased Space / 22 WestEdge

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to lease approximately 25,000 square feet of space at 22 WestEdge, Charleston, SC from the Horizon Project Foundation (HPF) for MUSC Bioinformatics.

MUSC Bioinformatics is a combined effort with the Medical University Hospital Authority Analytics Office and will co-locate at 22 WestEdge. MUSC Bioinformatics is currently located at 135 Cannon Street and MUHA Analytics located at Harborview Office Tower. Due to the new Medicaid/Medicare insurance requirements 135 Cannon Street will need to be used for clinical purposes. The lease payment for 22 WestEdge will be divided between MUSC and MUHA through a sublease agreement.

Current Lease Information:

135 Cannon Street

MUSC leases the entire building from the MUSC Foundation and subleases a portion to the Medical University Hospital Authority (MUHA). This lease will not be terminated. The sublease between MUSC and MUHA will be amended to include the additional 1st floor space.

Landlord: MUSC Foundation

Tenant: MUSC

Occupant: MUSC Bioinformatics

Lease Term: 4/1/2009-3/31/2039

Cost per RSF: \$24.15

Square Footage: 14,053 ASF [1st floor only space]

Annual Rent: \$339,355.10 [1st floor only]

Lease Type: NNN

Requested Lease Term:

Landlord: HPIB DEVCO, LLC
Tenant: Medical University of South Carolina
Occupant: MUSC Bioinformatics Department
Lease Term: 10 Years
Square Footage: 25,000
Annual Rent: \$900,000.00
Cost per SF: \$36.00
Annual Increase: 2.5%
Lease Type: Full Service
IT Allowance: \$1,000,000.00 (\$40.00 RSF)

Please let me know if you have any questions.

Sincerely,



Rachel Jones
Medical University of South Carolina
Leasing Manager

attachment:
Budget Approval Form

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease at 934 Old Clemson Highway in Seneca

Clemson University requests approval to continue leasing 17,588 square feet of office space located at 934 Old Clemson Highway in Seneca from Eagle Landing Properties I, LLC. The agency has leased this space since 1999 and it will continue to be used to accommodate Clemson Computing and Information Technology (CCIT) Medicaid IT Services Staff, which provides applications programming support for university systems, support for the contract with the SC Department of Health and Human Services (DHHS) to process Medicaid claims, and for the DHHS Medicaid Information Technology Architecture (MITA) project. The value of these contracts to Clemson University is approximately \$25M annually.

A solicitation was conducted, and the selected location was the only response received. The term of the lease will be three (3) years beginning on May 2, 2017 due to the nature of the underlying contractual work supporting this request. The rate will be \$15.75/SF for a total of \$829,615.50 over the term as shown in the table below. This rate represents a \$0.50/SF increase over the previous term.

Period	Annual Rent	Rent PSF
5/2/2017-5/1/2018	\$276,538.50	\$15.75
5/2/2018-5/1/2019	\$276,538.50	\$15.75
5/2/2019-5/1/2020	\$276,538.50	\$15.75
Total		\$829,615.50

The rate includes all operating costs with the exception of janitorial services, which are estimated at \$18,588 annually.

The following chart represents comparable lease rates of similar space near the Clemson University Campus:

Tenant	Location	Rate/SF
Clemson University	511 Westinghouse Road, Pendleton	\$16.50
Clemson University	135 Old Greenville Highway, Clemson	\$21.60
Vacant	111 Earle Street, Clemson	\$25.00

Lease payments will be funded through the DHHS contract. Clemson University has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to the Budget Approval Form submitted. The lease was approved by the Clemson University Board of Trustees on July 15, 2016, by the Commission on Higher Education on March 16, 2017, and by JBRC on April 26, 2017.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed lease for Clemson University to continue leasing 17,588 square feet of office space at 934 Old Clemson Highway in Seneca.

ATTACHMENTS: Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; Clemson University Letter Dated March 1, 2017

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 2, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Clemson University Lease at 934 Old Clemson Highway in Seneca

3. Summary Background Information:

Clemson University requests approval to continue leasing 17,588 square feet of office space located at 934 Old Clemson Highway in Seneca from Eagle Landing Properties I, LLC. The agency has leased this space since 1999 and it will continue to be used to accommodate Clemson Computing and Information Technology (CCIT) Medicaid IT Services Staff, which provides applications programming support for university systems, support for the contract with the SC Department of Health and Human Services (DHHS) to process Medicaid claims, and for the DHHS Medicaid Information Technology Architecture (MITA) project. The value of these contracts to Clemson University is approximately \$25M annually.

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4. **What is the Authority asked to do?** Approve the proposed lease for Clemson University at 934 Old Clemson Highway in Seneca.

5. **What is recommendation of the Department of Administration?** Approve the propose lease for Clemson University at 934 Old Clemson Highway in Seneca.

6. **List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56
- Clemson University Letter Dated March 1, 2017

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

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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



March 1, 2017

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

Finance and Operations

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

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

SUBJECT: Clemson University Lease for Space in Seneca, SC
934 and 936A Old Clemson Highway

Dear Ms. Lancaster:

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on April 26 and May 2, 2017, respectively, for the attached lease renewal between Eagles Landing Properties I, LLC and Clemson University for space located at 934 and 936A Old Clemson Highway in Seneca, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on July 15, 2016.

Clemson University requests approval to renew the current lease of office space consisting of 17,558 square feet at 934 and 936A Old Clemson Highway Eagles Landing Professional Park for a three-year term beginning on May 2, 2017. The University is seeking a three-year lease due to the nature of the underlying contractual work supporting this request.

Necessity has required that Clemson Computing and Information Technology (CCIT) lease office space off-campus to accommodate much of its Medicaid IT Services staff. This group provides applications programming support for university systems and support for the contract with the SC Department of Health and Humans Services (DHHS) for the DHHS Medicaid Information Technology (MIT) project.

A solicitation was conducted and the Eagles Landing Properties response was the only one received. Additionally, the data network required by the programmers is beyond standard needs due to the large volume of data to be processed for DHHS and moving to another facility would likely require AT&T or other service providers to lay additional cables to increase bandwidth to the building. This addition could cause a delay in the building being serviceable to the programmers, and not having the higher bandwidth would cause processing delays and increased costs to DHHS as it pertains to this project.

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

Thank you,

A handwritten signature in black ink that reads "Brett A. Dalton". The signature is written in a cursive style with a horizontal line extending to the right from the end of the name.

Brett A. Dalton
Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

AGENCY: Division of Procurement Services

SUBJECT: Exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to Acquire Engineering, Construction, and Related Services for the South Carolina Dams and Reservoirs Safety Program

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

The South Carolina Dams and Reservoirs Safety Act vests the South Carolina Dams and Reservoirs Safety Program (housed in the Department of Health and Environmental Control) with regulatory authority over certain dams in the State. This authority includes the power to conduct inspections and take enforcement actions among other things. When DHEC finds that the condition of a dam presents such a "danger to the safety of life or property as not to permit time for the issuance and enforcement of a repair order," Section 49-11-190 of the act allows DHEC to issue emergency orders. When DHEC cannot locate an owner or an owner fails to comply with an emergency order, DHEC may enter onto the property and take immediate action to protect life and property. Such actions include a wide range of potential activities up to and including removal of the dam. These activities typically require engineering and construction services.

In response to both the October 2015 flood and the October 2016 hurricane, the engineering and construction needs were met in accordance with the Emergency procurement procedures set forth in §11-35-1570. However, as expectations of the South Carolina Dams and Reservoirs Safety Program have evolved in light of these two events, there is now an ongoing expectation for DHEC to intervene when critical situations are identified, posing a threat to public safety, and where the dam owner will not or cannot implement corrective actions to make their dam safe.

Rather than continue to procure engineering and construction services on an emergency basis, DHEC would prefer to procure and contract for these services in advance to be prepared to respond to urgent situations as they arise. These contracts would provide for services on an as needed/as requested basis. However, Article 9 of the Consolidated Procurement Code, which governs the procurement of construction services, does not provide for contracts for services on an as needed/as requested basis. Article 9 also contains provisions intended to protect state property and mechanics performing work on state property. Even though this is a small percentage of total cost, DHEC does not believe the added cost to DHEC of these requirements is necessary for work ordered by the South Carolina Dams and Reservoirs Safety Program on dams that the State does not own. Especially since DHEC anticipates that in the majority, if not all cases, it will only make one payment to the contractor on any one project. Finally, Article 10 of the Consolidated Procurement Code, which does provide for contracts for construction

AGENCY: Division of Procurement Services

SUBJECT: Exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to Acquire Engineering, Construction, and Related Services for the South Carolina Dams and Reservoirs Safety Program

services on an as needed/as requested basis, places strict limits on the total expenditures allowed under any one contract for such services as well as strict limits on the amount of expenditures on any one project. DHEC's recent experience has shown that a single dam could exceed the per project limit.

For the foregoing reasons, DHEC requests an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program. DHEC will procure such engineering, construction, and related services pursuant to Article 5 of the Consolidated Procurement. Moreover, DHEC will acquire engineering services based on the qualifications of offerors using qualification based selection criteria similar to those set forth in Section 11-35-3220(5)(a).

AUTHORITY ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, approve an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program.

DHEC shall submit annual reports of its acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

ATTACHMENTS:

Agenda item worksheet; Sections 11-35-710; Request from the Department of Health and Environmental Control; Section 49-11-190

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: **May 2, 2017**

Green Agenda

1. Submitted by:

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


John St. C. White
Materials Management Officer

2. Subject:

Exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to acquire engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program.

3. Summary Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

The South Carolina Dams and Reservoirs Safety Act vests the South Carolina Dams and Reservoirs Safety Program (housed in the Department of Health and Environmental Control) with regulatory authority over certain dams in the State. This authority includes the power to conduct inspections and take enforcement actions among other things. When DHEC finds that the condition of a dam presents such a "danger to the safety of life or property as not to permit time for the issuance and enforcement of a repair order," Section 49-11-190 of the act allows DHEC to issue emergency orders. When DHEC cannot locate an owner or an owner fails to comply with an emergency order, DHEC may enter onto the property and take immediate action to protect life and property. Such actions include a wide range of potential activities up to and including removal of the dam. These activities typically require engineering and construction services.

In response to both the October 2015 flood and the October 2016 hurricane, the engineering and construction needs were met in accordance with the Emergency procurement procedures set forth in §11-35-1570. However, as expectations of the South Carolina Dams and Reservoirs Safety Program have evolved in light of these two events, there is now an ongoing expectation for DHEC to intervene when critical situations are identified, posing a threat to public safety, and where the dam owner will not or cannot implement corrective actions to make their dam safe.

Rather than continue to procure engineering and construction services on an emergency basis, DHEC would prefer to procure and contract for these services in advance to be prepared to respond to urgent situations as they arise. These contracts would provide for services on an as needed/as requested basis. However, Article 9 of the Consolidated Procurement Code, which governs the procurement of construction services, does not provide for contracts for services on an as needed/as requested basis. Article 9 also contains provisions intended to protect state property and mechanics performing work on state property. Even though this is a small percentage of total cost, DHEC does not believe the added cost to DHEC of these requirements is necessary for work ordered by the South Carolina Dams and Reservoirs Safety Program on dams that the State does not own. Especially since DHEC anticipates that in the majority, if not all cases, it will only make one payment to the contractor on any one project. Finally, Article 10 of the Consolidated Procurement Code, which does provide for contracts for construction services on an as needed/as requested basis, places strict limits on the total expenditures allowed under

any one contract for such services as well as strict limits on the amount of expenditures on any one project. DHEC's recent experience has shown that a single dam could exceed the per project limit.

For the foregoing reasons, DHEC requests an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program. DHEC will procure such engineering, construction, and related services pursuant to Article 5 of the Consolidated Procurement. Moreover, DHEC will acquire engineering services based on the qualifications of offerors using qualification based selection criteria similar to those set forth in Section 11-35-3220(5)(a).

4. What is Authority asked to do?

Under authority of S.C. Code Section 11-35-710, approve an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program.

DHEC shall submit annual reports of its acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

5. What is recommendation of Authority division involved?

Approve an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program.

6. Recommendation of other office (as required)?

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

7. Supporting Documents:

- A - Sections 11-35-710
B - Request from the Department of Health and Environmental Control
C - Section 49-11-190
-



Healthy People Healthy Communities

Catherine E. Heigel, Director

April 4, 2017

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

Dear Mr. White:

Under the SC Dams and Reservoirs Safety Act (S.C. Code of Laws, Title 49, Section 49-11-110, et seq.) and Dams and Reservoirs Safety Act Regulations (R.72-1, et seq.), the South Carolina Dams and Reservoirs Safety Program (housed in the Department of Health and Environmental Control) is vested with the authority and responsibility to enter and immediately take actions necessary to provide protection to life or property, including removal of the dam, where the dam owner, for any of over 2,400 regulated dams statewide, fails in their responsibility for maintaining the dam, reservoir and appurtenant works in a properly functioning and safe condition. To fulfill this obligation, DHEC must have at its disposal expertise and resources to render safe a dam that is in an unsafe condition.

The 2015 Flood highlighted DHEC's inadequacy - at the time - of fulfilling this responsibility. Necessary actions would be to first assess the dam and the hazards to downstream life and property, then create a plan to render the dam safe, and finally implement the plan. The expertise and resources necessary to accomplish this mission are as follows:

- 1) a SC-licensed Professional Engineer or engineering firm with expertise in dam design, hydraulics, hydrology, soils, structures, and surveying, not to mention liability protection, to assess the unsafe condition and determine the most prudent remedial/corrective actions to eliminate the unsafe condition, and;
- 2) a construction contractor that is licensed, bonded, and insured; is technically competent; can perform work safely; has the necessary heavy equipment for earth moving, grading, compaction, installing pipe, placing rip rap, etc.; and is a large enough firm to be able to respond to more than one situation simultaneously.

In response to both the October 2015 flood and the October 2016 hurricane, the engineering and construction needs were met in accordance with the Emergency procurement procedures set forth in §11-35-1570. However, as expectations of the South Carolina Dams and Reservoirs Safety Program have evolved in light of these two events, there is now an ongoing expectation for the

Department to intervene when critical situations are identified, posing a threat to public safety, and where the dam owner will not or cannot implement corrective actions to make their dam safe.

We believe that an ongoing strategy of using the Emergency procurements procedure to respond to each of these events is not prudent, nor does it promote competition. A preferred strategy is to procure and contract for these services in advance to be prepared to respond to urgent situations as they arise. We find, however, that Article 9 of the Consolidated Procurement Code, "Construction, Architect-Engineer, Construction Management, and Land Surveying Services," and Article 10, "Indefinite Delivery Contracts," are not conducive to these situations or this type of work because of the variability of each situation.

For example, under Article 10, indefinite delivery contracts (for construction) are limited to two years in duration, with individual project expenditures not to exceed \$150,000.00 and total expenditures during that time period limited to \$750,000.00. It is quite possible, if not likely, that actions taken to render safe just one dam would cost in excess of \$150,000.00.

We recognize that much of this work, by definition, would be defined as Construction and Engineering, but believe that it could be more efficiently procured using other procedures in the Consolidated Procurement Code for Goods and Services.

Therefore, we respectfully request that you initiate the process for obtaining an exemption from the procurement procedures of Articles 9 and 10 of the Consolidated Procurement Code for services and construction related to the Dams and Reservoirs Safety Program. Specifically, we propose and request the following:

Exemption – the following Exemption to the Consolidated Procurement Code be added:

The State Fiscal Accountability Authority, in accord with Code Section 11-35-710, exempts engineering, construction, and related services procured for the South Carolina Dams and Reservoirs Safety Program from Articles 9 and 10 of the Consolidated Procurement Code.

I would like to take this opportunity to thank you and Margaret Jordan for the help and guidance that you both have provided to DHEC generally, and to the Dams and Reservoirs Safety Program specifically. Thank you for your consideration of this request.

Sincerely,



Catherine E. Heigel

Attachment

Details regarding incidents and costs from 2015 floods

As a result of the 2015 Flood, 24 dams required DHEC intervention because the owners either could not or would not take actions to lower the water level and make their dam safe. Collectively, DHEC's emergency contractors (HDR and Phillips and Jordan) cost the Department \$1,410,150 on work performed between October 9, 2015, and February 4, 2017, in water level management (24 of the 24) and designs for engineered breaching (3 of the 24). This total does not account for the cost of actually implementing the permanent engineered breaching of any dam. The Department has an initial estimate from Phillips and Jordan for the permanent breaching of Mandel Park Dam in the amount of \$314,607. As this dam is in a very rural area, engineered breaches of other dams can be expected to cost as much or more. The Department is still uncertain if engineered breaches will be required for the other 2 dams damaged in 2015 as owners have voiced intentions to carry out the breaches themselves, although no commitments from owners have been received to date. The Department is proceeding on a path for permanent engineered breaching of these other two dams as a precaution in case the owners fail to put actions behind their words. Therefore, solely as a result of the 2015 flood, it is not unlikely that the Department could incur expenses totaling \$2,354,031 once all is said and done.

SECTION 11-35-710. Exemptions.

The board, upon the recommendation of the designated board office, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:

(1) the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by the Department of Transportation or the Department of Public Safety;

(2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;

(3) South Carolina State Ports Authority;

(4) Division of Public Railways of the Department of Commerce;

(5) South Carolina Public Service Authority;

(6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;

(7) livestock, feed, and veterinary supplies;

(8) articles for commercial sale by all governmental bodies;

(9) fresh fruits, vegetables, meats, fish, milk, and eggs;

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;

(11) published books, periodicals, and technical pamphlets;

(12) South Carolina Research Authority;

(13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;

(14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision.

HISTORY: 1981 Act No. 148, Section 1; 1984 Act No. 309, Section 4; 1993 Act No. 181, Section 94; 1995 Act No. 7, Part II, Section 51; 1996 Act No. 459, Section 7; 1997 Act No. 153, Section 1; 2000 Act No. 264, Section 4; 2006 Act No. 376, Section 13.

SECTION 49-11-190. Emergency orders; owner to notify department of emergency; action when owner is unknown or fails to comply with order.

(A) The department immediately shall order remedial measures necessary to protect life or property if the condition of a dam or reservoir is so dangerous to the safety of life or property as not to permit time for the issuance and enforcement of a repair order or passing or imminent floods threaten overtopping erosion or destruction of a dam or reservoir capable of danger to life or property.

(B) In applying emergency measures the department has the following limited powers to order the owner to:

(1) lower the water level by releasing water from the reservoir;

(2) empty the reservoir completely;

(3) take other steps essential to safeguard life and property.

(C) For an emergency where the owner finds repairs are necessary to safeguard life or property, he may start the repairs immediately but shall notify the department at once of the proposed repair and work underway.

(D) When the owner fails to comply with the emergency order or cannot be ascertained or found, the department or its authorized agents may enter and immediately take actions necessary to provide protection to life or property, including removal of the dam. The department may recover from the owner, in the name of the State, the expenses incurred in taking the action in the same manner debts are recoverable by law.

Senate Finance Version

34.55. (DHEC: Remedial Actions on Regulated Dams) With funds appropriated or authorized for the Department of Health and Environmental Control in Fiscal Year 2017-18, the department may enter into contracts with one or more contractors, and shall use competitive procedures for the selection of the contractor(s), to perform remedial actions on dams regulated under the SC Dams and Reservoir and Safety Act as necessary to protect life or property. Remedial actions may be implemented where the department has issued an emergency order for a dam to protect life or property. Remedial actions include, but are not limited to, lowering water levels, placing rip rap, and breaching dams. These contracts shall be exempt from the purchasing procedures of the South Carolina Consolidated Procurement Code.

House Ways and Means Version

34.55. (DHEC: Remedial Actions on Regulated Dams) With funds appropriated or authorized for the Department of Health and Environmental Control in Fiscal Year 2017-18, the department may enter into contracts with one or more contractors to perform remedial actions on dams regulated under the SC Dams and Reservoir and Safety Act as necessary to protect life or property. Remedial actions may be implemented where the department has issued an emergency order for a dam to protect life or property. Remedial actions include, but are not limited to, lowering water levels, placing rip rap, and breaching dams. These contracts shall be exempt from the purchasing procedures of the South Carolina Consolidated Procurement Code.

AGENCY: Clemson University

SUBJECT: Not Exceeding \$84,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017, of the State of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$84,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017, of the State of South Carolina.

The proceeds of the bonds will be used to: (i) defray the costs of constructing and equipping an academic facility to house the University's College of Business; (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds; and (iii) pay for expenses related to the issuance of such State Institution Bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$84,000,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017, of the State of South Carolina.

ATTACHMENTS:

Pope 3/21/17 letter; Resolution; NDIF



POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

Gary T. Pope, Jr. Pope Flynn, LLC
Member 1411 Gervais St., Suite 300
gpope@popeflynn.com Post Office Box 11509 (29211)
DIRECT 803 354.4917 Columbia, SC 29201
FAX 803 354.4899 www.popeflynn.com

March 21, 2017

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

Re Not Exceeding \$84,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017 of the State of South Carolina (the "Bonds")


Dear Delbert:

On behalf of Clemson University, in connection with the authorization of the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for May 2, 2017, we respectfully enclose the following for consideration by the Authority:

1. A copy of a resolution adopted by the Board of Trustees of Clemson University on February 3, 2017, making application to the Authority in connection with the Bonds;
2. A proposed form of opinion of Bond Counsel; and
3. A proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel Selection Form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,


Gary T. Pope, Jr.

c: Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Rick Petillo, Director of Debt and Capital Financing, Clemson University
Enclosures

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTY-FOUR MILLION DOLLARS (\$84,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted May 2, 2017

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTY-FOUR MILLION DOLLARS (\$84,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I
FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including Clemson University (the "University"), the proceeds of which may be used for any one or more of the following purposes:

- (i) to construct, reconstruct, maintain, improve, furnish and refurbish the buildings and other permanent improvements for the Institutions,
- (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,
- (iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or
- (iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on February 3, 2017 (the "Board Resolution"), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$84,000,000 to provide funds to: (i) defray the costs of constructing and equipping an academic facility to house the University's College of Business; (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Eighty-Four Million Dollars (\$84,000,000) principal amount General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South

Carolina (the “Bonds”), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$84,000,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

- (a) That a definite and immediate need for the Project exists;
- (b) There are presently outstanding \$156,830,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;
- (c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;
- (d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2016, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2016;
- (e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and
- (f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing

rates of interest authorized by the provisions of this Resolution, will not exceed \$240,830,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$84,000,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

As used in this Resolution unless the context otherwise requires, the following terms shall have the following respective meanings:

“Authority” means the South Carolina State Fiscal Accountability Authority.

“Authorized Investments” means and includes any securities that are at the time legal for investment of the State’s funds.

“Authorized Officer” means the Governor, the Secretary of State and the State Treasurer, a deputy or Assistant State Treasurer, and any other officer or employee of the State designated from time to time by the State Treasurer as an Authorized Officer, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or sign such document.

“BAN” or “BANs” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act.

“BAN Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of Clemson University), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds or BANs, any person who shall be registered as the owner of any Bond or BAN Outstanding.

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit H hereto, and delivered at or prior to the closing of the Bonds as required by United States Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof.

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds or BANs.

“Enabling Act” means Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended.

“Escrow Agent” means the entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of twelve (12) calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its

successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling Act and this Resolution.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” means the State of South Carolina.

“State Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Resolution.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and *vice versa*.

(d) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Resolution, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

ARTICLE III
ISSUANCE OF BONDS

Section 3.01 Direction to Governor and State Treasurer.

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$84,000,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding Eighty-Four Million Dollars (\$84,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017A." Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. The Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$84,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to: (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

Section 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount

of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon. Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the form of the Bond attached to this Resolution as Exhibit F, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.08 Exchange of Bonds.

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with

the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost

or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or redemption date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
 - (b) no rate of interest named shall be more than five (5.00) percentage points;
 - (c) a zero (0.0) percentage point rate of interest is not permitted;
 - (d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level

annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installments and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution if any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a "special debt service and reserve fund" within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the "special debt service and reserve fund" therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New

York (“DTC”), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) So long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment or Redemption Price of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment, Redemption Price and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC’s “FAST” closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New

York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

The form of the Bonds and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit F attached hereto and made a part of this Resolution.

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$84,000,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to "deem final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer's discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term "Bonds" as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State Treasurer, upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.02 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of the State Treasurer. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear

interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V
SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. Bids shall be received until such time and date to be selected by the State Treasurer. The form of the notice of sale shall be substantially similar to that set forth in Exhibit G attached hereto (the “Notice of Sale”) and made a part hereof. The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to “Bonds” throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer’s discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the Notice of Sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same preliminary official statement and same final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

 (i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

 (ii) the premium, if any, shall be applied as determined by the State Treasurer;

 (iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

 (iv) any remaining proceeds may be used for the payment of the costs of issuing the Bonds.

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.01 Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased.

If all of the Bonds issued pursuant to this Resolution, and all interest thereon shall have been paid and discharged, then the obligations of the State under this Resolution and all other rights granted herein shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

(a) An Escrow Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(b) The Escrow Agent shall hold in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds; or

(c) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Escrow Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

Neither the Government Obligations nor moneys deposited with the Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided, however, that any cash received from such principal or interest payments on Government Obligations deposited with the Escrow Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment or Redemption Price, and interest to become due on said Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the State, as received by the Escrow Agent, free and clear of any trust, lien or pledge.

Section 7.02 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Resolution any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

Any Fiduciary may become the Owner or underwriter of any Bonds, notes or other obligations of the State or conduct any banking activities with respect to the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 Resignation of Any Fiduciary.

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than 60 days written notice to the State and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the State pursuant to Section 8.08 hereof, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary.

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the State and such Fiduciary and, as the case may be, signed by an Authorized Officer or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the State.

Section 8.08 Appointment of Successor Fiduciaries.

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved; or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify the other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the "Regulations"). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof so long as the Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) five percent (5%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be "federally guaranteed" within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.03 Arbitrage Bonds.

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be “arbitrage bonds,” as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

Section 9.04 Taxable Series and Taxable BANS; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X
MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

Any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.02 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.03 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.05 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings filed for each Series of Bonds), and with the offices of each Paying Agent and Registrar for each Series of Bonds.

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.07 No Personal Liability.

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

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking

shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

Section 10.10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions.

All resolutions of the Authority, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2017	\$ 6,480,000	\$ 3,589,069	\$ 10,069,069
June 30, 2018	6,950,000	6,261,413	13,211,413
June 30, 2019	6,750,000	5,928,613	12,678,613
June 30, 2020	9,535,000	5,602,363	15,137,363
June 30, 2021	9,765,000	5,137,413	14,902,413
June 30, 2022	7,995,000	4,680,163	12,675,163
June 30, 2023	8,395,000	4,280,413	12,675,413
June 30, 2024	8,815,000	3,860,663	12,675,663
June 30, 2025	9,285,000	3,419,913	12,704,913
June 30, 2026	9,500,000	2,955,663	12,455,663
June 30, 2027	9,705,000	2,541,963	12,246,963
June 30, 2028	9,840,000	2,192,613	12,032,613
June 30, 2029	9,950,000	1,851,813	11,801,813
June 30, 2030	10,080,000	1,475,775	11,555,775
June 30, 2031	10,215,000	1,091,325	11,306,325
June 30, 2032	5,355,000	699,269	6,054,269
June 30, 2033	5,510,000	543,944	6,053,944
June 30, 2034	5,675,000	379,881	6,054,881
June 30, 2035	3,465,000	206,569	3,671,569
June 30, 2036	3,565,000	106,950	3,671,950
Total	<u>\$ 156,830,000</u>	<u>\$ 56,805,781</u>	<u>\$ 213,635,781</u>

CLEMSON UNIVERSITY
 SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
 SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
 SOUTH CAROLINA 1976, AS AMENDED

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	\$702	\$1,703
Matriculation ¹	\$5	\$5
Part-Time ²	\$63	\$150
Matriculation ¹	\$5	\$5
Graduate		
Full-Time ^{1,3}	\$702	\$1,703
Matriculation ¹	\$5	\$5
Part-Time ^{2,3}	\$63	\$150
Matriculation ¹	\$5	\$5
Graduate Assistant ¹	\$10	\$10
Matriculation ¹	\$5	\$5

¹ Per Semester.

² Per Credit Hour.

³ Graduate Tuition is an average of five different tuition fee tiers.

For the fiscal year ended June 30, 2016, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$33,682,064. The tuition and fees generated for the 2016 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$15,137,363, which occurs in the fiscal year ending June 30, 2020.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$20,851,783, which is anticipated to occur in the fiscal year ending June 30, 2020.

EXHIBIT C

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$84,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2018	\$ 3,415,000	\$ 2,302,034	\$ 5,717,034
June 30, 2019	3,450,000	2,267,201	5,717,201
June 30, 2020	3,490,000	2,224,421	5,714,421
June 30, 2021	3,545,000	2,172,420	5,717,420
June 30, 2022	3,600,000	2,113,218	5,713,218
June 30, 2023	3,670,000	2,046,618	5,716,618
June 30, 2024	3,740,000	1,973,952	5,713,952
June 30, 2025	3,820,000	1,893,916	5,713,916
June 30, 2026	3,905,000	1,807,584	5,712,584
June 30, 2027	4,000,000	1,715,036	5,715,036
June 30, 2028	4,100,000	1,616,236	5,716,236
June 30, 2029	4,210,000	1,504,716	5,714,716
June 30, 2030	4,335,000	1,381,363	5,716,363
June 30, 2031	4,470,000	1,246,544	5,716,544
June 30, 2032	4,615,000	1,100,822	5,715,822
June 30, 2033	4,770,000	944,374	5,714,374
June 30, 2034	4,940,000	777,424	5,717,424
June 30, 2035	5,115,000	599,584	5,714,584
June 30, 2036	5,305,000	410,840	5,715,840
June 30, 2037	5,505,000	210,842	5,715,842
Total	\$ 84,000,000	\$ 30,309,139	\$ 114,309,139

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY
INCLUDING THE PROPOSED ISSUE OF
EIGHTY-FOUR MILLION DOLLARS (\$84,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2017	\$ 6,480,000	\$ 3,589,069	\$ 10,069,069
June 30, 2018	10,365,000	8,563,446	18,928,446
June 30, 2019	10,200,000	8,195,813	18,395,813
June 30, 2020	13,025,000	7,826,783	20,851,783
June 30, 2021	13,310,000	7,309,832	20,619,832
June 30, 2022	11,595,000	6,793,381	18,388,381
June 30, 2023	12,065,000	6,327,031	18,392,031
June 30, 2024	12,555,000	5,834,615	18,389,615
June 30, 2025	13,105,000	5,313,829	18,418,829
June 30, 2026	13,405,000	4,763,247	18,168,247
June 30, 2027	13,705,000	4,256,998	17,961,998
June 30, 2028	13,940,000	3,808,848	17,748,848
June 30, 2029	14,160,000	3,356,528	17,516,528
June 30, 2030	14,415,000	2,857,138	17,272,138
June 30, 2031	14,685,000	2,337,869	17,022,869
June 30, 2032	9,970,000	1,800,091	11,770,091
June 30, 2033	10,280,000	1,488,317	11,768,317
June 30, 2034	10,615,000	1,157,305	11,772,305
June 30, 2035	8,580,000	806,152	9,386,152
June 30, 2036	8,870,000	517,790	9,387,790
June 30, 2037	5,505,000	210,842	5,715,842
Total	<u>\$ 240,830,000</u>	<u>\$ 87,114,920</u>	<u>\$ 327,944,920</u>

EXHIBIT E

CLEMSON UNIVERSITY
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2016	\$ 33,682,064
Multiplied by	90%
Produces	\$ 30,313,858
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Eighty-Four Million Dollars (\$84,000,000) General Obligation State Institution Bonds issued on behalf of the University)	<u>\$ 20,851,783</u>
Margin	\$ 9,462,075

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	___ 1, 20__	___ 1, 20__	

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to: the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on ___ 1 and ___ 1 of each year (the "Bond Payment Dates") beginning ___ 1, 20___. The interest payable on any Bond Payment Date for any Bond shall be paid to the

person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

Each Bond shall bear interest from _____, 20__, if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which Bond Payment Date is on or prior to the authentication date thereof.

Interest hereon will be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ dollars (\$____,____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying

Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ (please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

_____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

Additional abbreviations may be used though not in the list above.

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY)
SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series _____ of the State of South Carolina (the "Bonds"), will be received by the Governor of the State of South Carolina (the "Governor") and the State Treasurer of the State of South Carolina (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

PARITY® Only. All bids must be submitted through BiDCOMP/Parity Electronic Bid Submission System ("PARITY®"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of PARITY® may be obtained from IPREO, Municipal Services, telephone (212) 404-8102, or parity@ipreo.com.

Authorization and Security. The Bonds are issued pursuant to the constitution and laws of the State, including Article X, Section 13(6)(b) of the South Carolina Constitution and Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina 1976, as amended, and Section 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated and bear interest from _____ 1, 20__, at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__, at which time interest for ____ () months will be due. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 (the "Annual Principal Payment Date") in the years and principal amounts as follows:

* Subject to adjustment as set forth herein.

____ 1 Principal Amount*

____ 1 Principal Amount*

Optional Redemption. The Bonds maturing on and prior to ____, 20__, will not be subject to optional redemption prior to their maturity date. The Bonds maturing after ____, 20__ are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after ____, 20__, at par plus accrued interest to the date fixed for redemption.

Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.

Adjustments to Principal Amounts of the Bonds. As promptly as reasonably possible after the bids are received, the State will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the State of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). The Initial Reoffering Prices of the Bonds will be used to calculate the final maturity schedule and the final aggregate principal amount of the Bonds (the "Final Amounts") to accommodate objectives of the State, such as to limit net bond proceeds, maintain compliance with constitutional and statutory debt limitations, maintain level annual debt service within each fiscal year, achieve a more favorable interest rate at the sale of the Bonds, and achieve any savings objectives, as applicable. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 4:30 p.m. (Eastern Time) on the day of the sale.

* Subject to adjustment as set forth herein.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at _____ a.m. (Eastern Time) on _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

Disclaimer. Each prospective bidder shall be solely responsible to submit its bid via PARITY® as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the State nor PARITY® shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the State nor PARITY® shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The State is using PARITY® as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Bonds. The State is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Conditions of Sale" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the bidder should telephone PARITY® at (212) 404-8102 and notify the State's Financial Advisor, Public Resources Advisory Group, Inc., by telephone at (212) 566-7800. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 404-8102.

CONDITIONS OF SALE

Bidders are invited to name the rate or rates of interest which the Bonds are to bear, and unless all bids are rejected, they will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
 - (b) no rate of interest named shall be more than five (5.0) percentage points;
 - (c) a zero (0.0) percentage point rate of interest is not permitted;
 - (d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) any premium offered must be paid in cash as a part of the purchase price;

All bids must be for no less than 100 percent of the par value of the Bonds.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has

not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. No good faith deposit will be required.

Basis of Award. The Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____).

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Rights Reserved. The State reserves the right to reject any and all bids and to reject any bids not complying with this Official Notice of Sale. The State also reserves the right to waive any irregularity or informality with respect to any bid.

Right to Change this Official Notice of Sale and to Postpone Offering. The State reserves the right to make changes to this Official Notice of Sale and also reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement will be announced via TM3. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced via TM3 at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit an electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale and except for any changes announced over TM3 at the time the sale date and time are announced.

Delivery of the Bonds. The Bonds will be delivered through the facilities of DTC on or about _____, _____, against payment of the purchase price therefor in federal funds.

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Pope Flynn, LLC, Bond Counsel with respect to the Bonds. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

Tax Opinion. The opinion of Bond Counsel will state that (a) interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, it is taken into account in determining adjusted current earnings of certain corporations; and (b) the Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

Undertakings of the Successful Bidder. The successful bidder (hereafter, the “Purchaser”) agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. A Preliminary Official Statement dated _____, _____, with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the State for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement is available at <http://www.i-dealprospectus.com>. The State designates the Purchaser as its agent for purposes of distributing copies of the final Official Statement. The Purchaser agrees to (1) accept such designation, and (2) assure proper dissemination of the final Official Statement. The State will prepare and provide to the Purchaser, within 7 business days after the sale date, a mutually agreed upon number of printed copies of the final Official Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary.

Continuing Disclosure. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued and Continuing Disclosure Undertaking, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Kevin Kibler, Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, _____

CERTIFICATE AS TO ISSUE PRICE

The undersigned, a duly authorized officer of [Purchaser], as the purchaser (the "Purchaser") of the \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series _____, of the State of South Carolina (the "Bonds"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. The Purchaser has made a bona fide public offering of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "Public") at the initial public offering price (the "Initial Public Offering Price") set forth on the inside cover pages of the Official Statement, dated _____, _____, related to the Bonds.

2. The Purchaser reasonably expected to sell each maturity of the Bonds, and [, except as described in Section 3 hereof,] first sold at least 10% of each maturity of the Bonds to the Public as of _____, _____, the first day on which there was an acceptance of bid in writing for the sale of the Bonds (the "Sale Date"), at the applicable Initial Public Offering Price. The Initial Public Offering Prices for the Bonds were established by a bona fide public offering of each maturity of the Bonds to the Public. The Initial Public Offering Price of each maturity of the Bonds did not exceed the fair market value of each such maturity of the Bonds as of the Sale Date.

[3. Notwithstanding the Purchaser's reasonable expectations, the Purchaser was unable to sell the first 10% of the [list of undersold maturities] of the Bonds to the Public on the Sale Date at the Initial Public Offering Price.]

4. The Purchaser realized total selling compensation (the aggregate total anticipated compensation to the Purchaser expressed in dollars, based on the expectation that all of the Bonds are sold at prices or yields at which the Purchaser advised the State of South Carolina (the "State") that the Bonds were initially offered to the public) in the amount of \$ _____.

The Purchaser acknowledges that the State will rely on the information set forth in this Certificate with respect to certain representations made by the State in its Arbitrage and Tax Regulatory Certificate entered on the date hereof in connection with the issuance of the Bonds; and that Bond Counsel to the State will rely on the representations contained in this Certificate for certain purposes in connection with the issuance of the Bonds and its opinion as to the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including without limitation, the determination that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

Signed this ____ day of _____, _____.

[Purchaser]

By: _____
Name: _____
Title: _____

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ___ day of ____, 20___, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 20___ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on ____, 20___ (the “Resolution”), by the South Carolina State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means the annual report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means any person designated in writing by the State and which has filed with the State a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system described in SEC Release No. 34-59062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

“Listed Events” means any of the events listed in Section 5(a) or (b) of this Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Unless otherwise designated by MSRB or the SEC, filings with the MSRB are to be made through EMMA.

“Official Statement” means the Official Statement dated ____, 20___, prepared in connection with the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

Section 3. Provision of Annual Reports. (a) The State shall, not later seven (7) months after the end of the State’s fiscal year (which shall be January 31 of each year, so long as the State’s fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, 20__, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the State for the fiscal year ended June 30, 20__, and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the State’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

(b) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the State; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the State’s submitter.

(c) If the State is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the State shall, in a timely manner, send or cause to be sent to the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. In connection with this distribution of the Annual Report, the Dissemination Agent, if any, shall file a report with the State certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, and stating the date it was provided to the MSRB.

Section 4. Contents of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited Comprehensive Annual Financial Report of the State for the fiscal year ended on the previous June 30, prepared in accordance with accounting principles generally accepted in the United States of America applicable to government entities from time to time by the Governmental Accounting Standards Board. If the State’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

(b) Revenue by sources in the preceding fiscal year for all governmental fund types, as indicated in Note 1 of the Audited Financial Statements contained as Appendix A in the Official Statement;

(c) Computation of the legal debt margin for General Obligation Bonds as set forth in the Official Statement under the heading "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" and

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "RELATIONSHIP OF POPULATION AND PERSONAL INCOME TO GENERAL OBLIGATIONS OF THE STATE."

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the State, which have been made available to the public on EMMA. The State shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The State shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the

existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

(xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of trustee, if material.

Section 6. Format for Filing With the MSRB. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be submitted in electronic format and shall identify the Bonds by name and CUSIP number or shall be accompanied by such identifying information as described from time to time by the MSRB.

Section 7. Termination of Reporting Obligation. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if the Rule (or any successor provision) shall be amended, modified, or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further that if and to the extent the Rule (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the State may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the State shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given by filing with the MSRB and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the State to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the State to comply with its obligations under this Disclosure Undertaking; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the State to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
Clemson University), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the State has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The State anticipates that the Annual Report will be filed by_____.

STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/02/17

Final Version Date: 00/00/00

AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: State of South Carolina Series: 2017
 Borrower (if not Issuer): Clemson University
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of Clemson University)
 Bond Resolution Amount: \$84,000,000.00 Est. Production/Par Amt: \$83,215,000.00

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

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Clemson University
 BY: Rick Petillo
 ITS: Director of Debt and Capital Financing
 Tel: (864) 656-2591
 Email: rpctill@clemson.edu

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): Y

MSRB (EMMA) Continuing Disclosure Responsible Party: Office of State Treasurer, State of South Carolina

2. FINANCING (NEW PORTION)

Project #: 9929 Project Name: Business and Behavioral Sciences Building / Sistine Hall Replacement
 Project Address/Location: Main Campus Amount: \$82,500,000.00
 Project Type: Academic Facility County: Pickens
 Projected Avg Interest Rate: 3.186% (TIC) Final Maturity: 06/01/37

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: PRAG Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Pope Flynn Issuer's Counsel: _____
 Underwriter: TBD - Competitive Trustee: _____
 Paying Agent: U.S. Bank Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

This project involves the construction of a new academic facility to house the University's College of Business and replace the antiquated Sistine Hall. See Form A-1 for additional information. Costs of issuance of the bonds are calculated at the anticipated par amount of \$83,215,000 in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 02/03/17	
JBRC Approval: 04/26/17	Proposed
SFAA Approval: 05/02/17	Proposed

Project Approvals - Phase II (State Entities Only)	Notes:
Issuer/Borrower Approval: 02/03/17	
JBRC Approval: 04/26/17	Proposed
SFAA Approval: 05/02/17	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes	No
	X

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

Yes	No
	X

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

Sq. Footage -	
Cost Estimate -	\$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 7,315,000.00	6/30/2018	COI, A&E, Construction
\$ 17,025,000.00	6/30/2018	Construction
\$ 29,025,000.00	6/30/2019	Construction
\$ 23,425,000.00	6/30/2019	Construction
\$ 6,425,000.00	6/30/2020	Construction
\$	00/00/00	
\$ 83,215,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 83,215,000.00	\$ 87,500,000.00	Project Fund
(2) Issuer/Borrower Contr.	\$ 5,000,000.00	\$	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$	\$	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$ 714,682.50	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 317.50	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Accrued Interest
(6) Other (a) GF - (a) FF - (c) OF -	\$ \$ \$	\$ \$ \$	Other Other Other
Total Project Sources	\$ 88,215,000.00	\$ 88,215,000.00	Total Project Uses
Surplus/Deficit		\$	-

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 65,000.00	\$	\$ 65,000.00
Bond Counsel	Pope Flynn			\$ 41,607.50	\$	\$ 41,607.50
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000.00	\$	\$ 25,000.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
Rating Agency - S&P				\$ 20,000.00	\$	\$ 20,000.00
Rating Agency - Moody's				\$ 42,000.00	\$	\$ 42,000.00
Rating Agency - Fitch				\$ 70,000.00	\$	\$ 70,000.00
Underwriter's Compensation	TBD - Competitive			\$ 416,075.00	\$	\$ 416,075.00
Registrar / Paying Agent	U.S. Bank			\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing	Image Master			\$ 5,000.00	\$	\$ 5,000.00
Publishing	lpreo			\$ 1,500.00	\$	\$ 1,500.00
Advertising				\$ 3,000.00	\$	\$ 3,000.00
Contingency				\$ 15,500.00	\$	\$ 15,500.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 714,682.50	\$	\$ 714,682.50

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

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

0.08%	#DIV/0!
0.05%	#DIV/0!
0.08%	#DIV/0!
0.16%	#DIV/0!

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

0.50%	#DIV/0!
0.04%	#DIV/0!
0.86%	#DIV/0!

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF May 2, 2017

REGULAR SESSION
ITEM NUMBER 7

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 13, 2017, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2017

August 22*
October 17
December 12

* Meeting date has changed from August 8th

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, June 13, 2017, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: