

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Monday, November 7, 2016 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

Item	Agency	Subject
A. ADOPTION OF PROPOSED AGENDA		
B. MINUTES OF PREVIOUS MEETING		
C. BLUE AGENDA		
1.	State Treasurer's Office	Bond Counsel Selection
2.	Secretary of State	Notice of Expenditure of Funds
3.	Department of Administration, Real Property Services	Easements
4.	Department of Administration, Real Property Services	Real Property Conveyance
5.	Division of Procurement Services	Adoption of the U. S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4
6.	Division of Procurement Services	Procurement Audit and Certifications
7.	Executive Director	Revenue Bonds
D. REGULAR SESSION		
1.	Department of Commerce	Acquisition, Construction, Real Property Exchange, and Settlements Related to Implementation of the Navy Base Intermodal Facility
2.	State Fiscal Accountability Authority	Reimbursement Resolution for Certain Expenditures from the Issuance and Sale of Not Exceeding \$45,000,000 Lease Revenue Bonds (Department of Mental Health Project), Series 2016 of the South Carolina State Fiscal Accountability Authority and Other Matters Relating Thereto
3.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
4.	Department of Administration, Real Property Services	Medical University of South Carolina Parking Lease – 99 WestEdge in Charleston

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Monday, November 7, 2016 -- 10:00 A.M.

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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
5.	Department of Administration, Real Property Services	Office of the State Auditor – Lease at 1401 Main Street in Columbia
6.	University of South Carolina	Not Exceeding \$46,000,000 Principal Amount of Athletic Facilities Revenue Bonds, Series 2017A, of the University of South Carolina and Authorize the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes Pending the Issuance of the Athletic Facilities Revenue Bonds
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STATE FISCAL ACCOUNTABILITY AUTHORITY

BLUE AGENDA

MEETING OF November 7, 2016

ITEM NUMBER 1

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 of bond counsel for which Authority approval is requested:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$ 13,875,000 SC JEDA	GREEN Midlands, Inc.	Haynsworth Sinkler Boyd, P. A.	Nexsen Pruet
\$ 42,500,000 SC JEDA	The Lutheran Homes of South Carolina, Inc.	Haynsworth Sinkler Boyd, P.A.	Parker Poe Adams & Bernstein LLP
\$65,000,000 SC JEDA	Conway Medical Center	Katten Muchin Rosenman and McNair Law Firm	Howell Linkous & Nettles
\$ 30,250,000 SC State Housing Finance Authority	Waters at St. James, LP	Parker Poe Adams & Bernstein, LLP	Tracey Easton, Esq

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$ 46,000,000 Athletic Facilities Revenue Bonds	University of South Carolina	McNair Law Firm
\$ 110,000,000 SC State Housing Finance Authority	Mortgage Revenue Bonds	McNair Law Firm

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

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

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$ 13,875,000 SC JEDA	GREEN Midlands, Inc.	Haynsworth Sinkler Boyd, P. A.	Nexsen Pruet	9/27/2016
\$ 42,500,000 SC JEDA	The Lutheran Homes of South Carolina, Inc.	Haynsworth Sinkler Boyd, P.A.	Parker Poe Adams & Bernstein LLP	9/26/2016
\$65,000,000 SC JEDA	Conway Medical Center	Katten Muchin Rosenman and McNair Law Firm	Howell Linkous & Nettles	10/24/2016
\$ 30,250,000 SC State Housing Finance Authority	Waters at St. James, LP	Parker Poe Adams & Bernstein, LLP	Tracey Easton, Esq	9/27/2016

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$ 46,000,000 Athletic Facilities Revenue Bonds	University of South Carolina	McNair Law Firm	8/3/2016
\$ 110,000,000 SC State Housing Finance Authority	Mortgage Revenue Bonds	McNair Law Firm	9/13/2016

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF November 7, 2016

BLUE AGENDA
ITEM NUMBER 2

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will be expending funds to purchase radio public service announcements time. The radio time will be used for a public awareness campaign on charity and telemarketing fraud. Secretary Hammond expects to expend no more than \$40,000 toward the cost of the radio public service announcements. The funds are from administrative fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 1-11-470. Approval of the request must be by unanimous vote of the Authority.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond concerning the expenditure of funds to purchase radio public service announcements not to exceed \$40,000 for a public awareness campaign on charity and telemarketing fraud. The Authority must approve the request to use the funds for such purposes by unanimous vote.

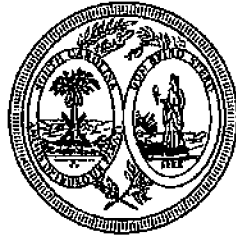
ATTACHMENTS:

Dunlap 9/18/16 letter; Code Sections 1-11-470

State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
www.sos.sc.gov



September 18, 2016

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

Re: Secretary of State Charity and Telemarketing Fraud Public Service Announcements

Dear Mr. Singleton:

Pursuant to S. C. Code §1-11-470, Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority for approval to use funds for radio public service announcements concerning charity and telemarketing fraud. I would appreciate it if you would please place this item on the November 7, 2016 meeting agenda.

These funds are collected by the agency from fees and fines imposed on charities and telemarketers who violate the Solicitation of Charitable Funds Act. South Carolinians give generously throughout the year, but especially during the holiday season. As the regulator of public charities, it is the Secretary of State's statutory responsibility to enforce the Solicitation of Charitable Funds Act. Educating the public is the most effective way to prevent fraud. The public needs to be informed on how to find information on charitable organizations to ensure that their donations are made wisely.

This year, Secretary Hammond would like approval to expend no more than \$40,000 toward the cost of radio public service announcements. The sole purpose of the campaign is to protect charitable donors in South Carolina. Previous ads in past years were successful in creating awareness among consumers and exposing fraudulent telemarketing activities. Please contact me at 734-2157 if you have any questions about this request. Secretary Hammond looks forward to seeing you on November 7, 2016.

Sincerely,


Melissa Dunlap

Deputy Secretary of State & Chief Legal Counsel

SECTION 1-11-470. Limitations on use of funds appropriated by General Assembly.

(A) No funds appropriated by the General Assembly may be used by a constitutional officer to purchase space including, but not limited to, notices or advertisements, in a print medium or time from a radio or television medium without unanimous prior written approval of the Budget and Control Board.

(B) No funds appropriated by the General Assembly may be used by a constitutional officer to print on, or distribute with, official documents extraneous promotional material or to purchase plaques, awards, citations, or other recognitions without unanimous prior written approval of the Budget and Control Board.

(C) If nonpublic funds are used for the purposes enumerated in subsection (A), the constitutional officer expending the funds must submit the source of the funds showing all contributors to the Budget and Control Board before the funds are expended.

(D) The provisions of this section do not apply to the Governor or to the General Assembly.

HISTORY: 1997 Act No. 155, Part II, Section 42A.

Code Commissioner's Note

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

AGENCY: Department of Administration, Real Property Services

SUBJECT: Easement

County Location: York

From: Department of Transportation

To: Duke Energy Carolinas, LLC

Consideration: \$1

Description/Purpose: To grant a permanent 0.005 acre easement for the construction, installation, operation and maintenance of underground electric lines and facilities to provide electrical service to the new I-77 South Welcome Center. The easement is being sought by the Department of Transportation for the benefit of the property. Real Property Services has determined that the Department 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.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 7, 2016

Blue Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: EASEMENT

3. Summary Background Information:

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

- | | | |
|-----|----------------------|--|
| (a) | County Location: | York |
| | From: | Department of Transportation |
| | To: | Duke Energy Carolinas, LLC |
| | Consideration: | \$1 |
| | Description/Purpose: | To grant a permanent 0.005 acre easement for the construction, installation, operation and maintenance of underground electric lines and facilities to provide electrical service to the new I-77 South Welcome Center. The easement is being sought by the Department of Transportation for the benefit of the property. Real Property Services has determined that the Department 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. |
-

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

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

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Easement Drawing

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

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

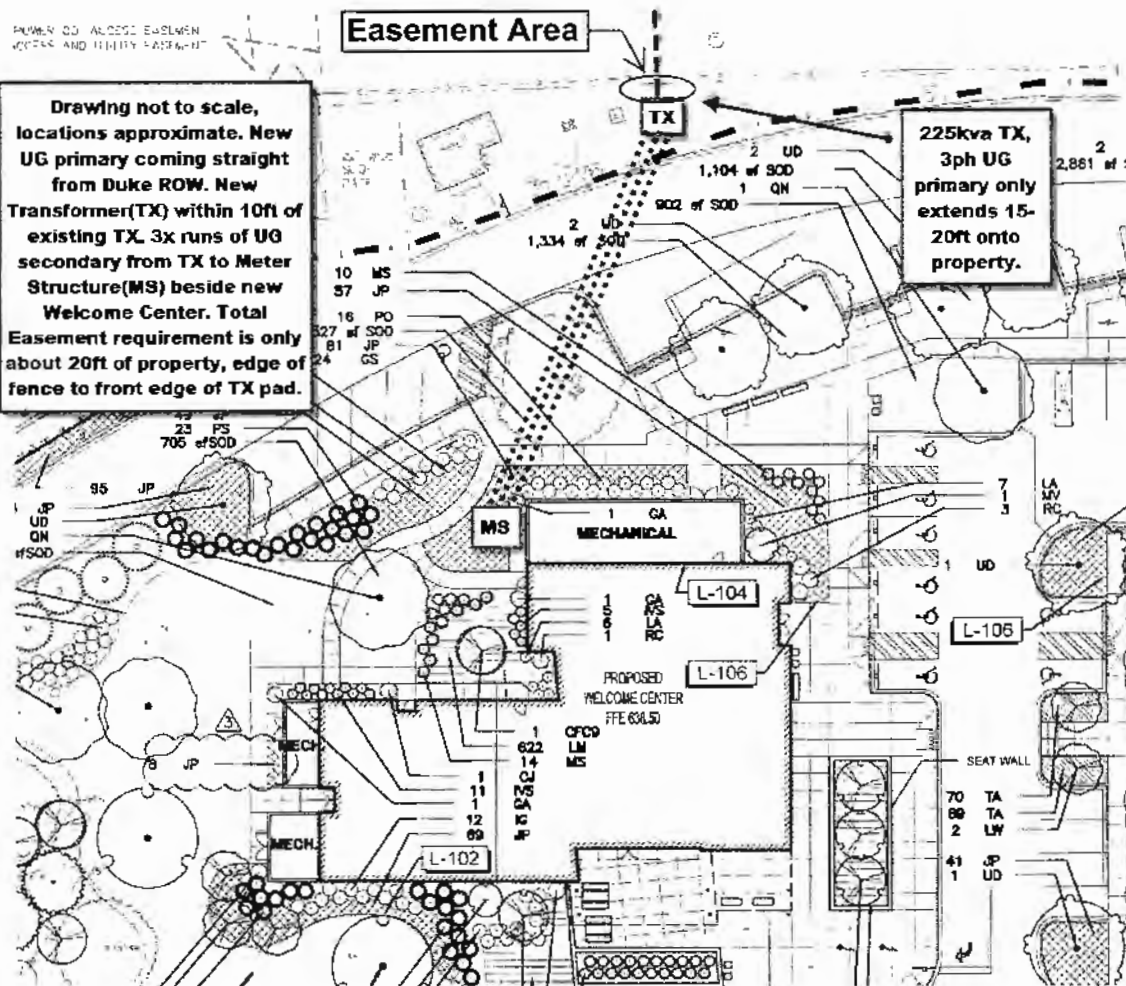
The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements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

POWER CO. ALONG EASTERN
 AVENUE AND UTILITY EASEMENT

Easement Area

Drawing not to scale,
 locations approximate. New
 UG primary coming straight
 from Duke ROW. New
 Transformer(TX) within 10ft of
 existing TX. 3x runs of UG
 secondary from TX to Meter
 Structure(MS) beside new
 Welcome Center. Total
 Easement requirement is only
 about 20ft of property, edge of
 fence to front edge of TX pad.

225kva TX,
 3ph UG
 primary only
 extends 15-
 20ft onto
 property.



AGENCY: Department of Administration, Real Property Services

SUBJECT: Real Property Conveyances

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

- (a) **Controlling Agency:** **Department of Commerce**
Acreage: 9.323± acres
Location: 2600 Spruill Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property acquired by the Department of Commerce's Division of Public Railways through the 2012 Settlement Agreement with the City of North Charleston.

Price/Transferred To: Not less than appraised value/To be determined
Disposition of
Proceeds: To be retained by the Department of Commerce pursuant to Proviso 93.23.
- (b) **Controlling Agency:** **Department of Administration**
Acreage: 4.0± acres and a 9,156 square foot office building
Location: 1319 South 4th Street, Hartsville
County: Darlington
Purpose: To dispose of surplus real property.
Price/Transferred To: \$1,100,000/McLeod Regional Medical Center of the Pee Dee, Inc.

Disposition of
Proceeds: To be retained and/or divided accordingly between the Department of Employment and Workforce and the Department of Administration based on federally funded real property requirements and pursuant to 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: November 7, 2016

Blue Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Controlling Agency:** Department of Commerce
Acreage: 9.323± acres
Location: 2600 Spruill Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property acquired by the Department of Commerce's Division of Public Railways through the 2012 Settlement Agreement with the City of North Charleston.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained by the Department of Commerce pursuant to Proviso 93.23.
- (a) **Controlling Agency:** Department of Administration
Acreage: 4.0± acres and a 9,156 square foot office building
Location: 1319 South 4th Street, Hartsville
County: Darlington
Purpose: To dispose of surplus real property.
Price/Transferred To: \$1,100,000/McLeod Regional Medical Center of the Pee Dee, Inc.
Disposition of Proceeds: To be retained and/or divided accordingly between the Department of Employment and Workforce and the Department of Administration based on federally funded real property requirements and pursuant to 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 Administration – Darlington 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 September 13, 2016
2. Map



Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

September 13, 2016

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 9.323 acres of land in North Charleston.

The property was acquired by Palmetto Railways through the 2012 Settlement Agreement with the City of North Charleston. The property is a former land fill and has a Voluntary Cleanup Contract associated with it. Since there are environmental restrictions on the property and Palmetto Railways does not need it for the implementation of the state's Navy Base Intermodal Facility ("NBIF"), the Department of Commerce and Palmetto Railways respectfully request that the SFAA and/or the DOA approve the disposal of said property. Proceeds from the sale will be used to fund the NBIF project.

Sincerely,

Chris Huffman
Chief Financial Officer

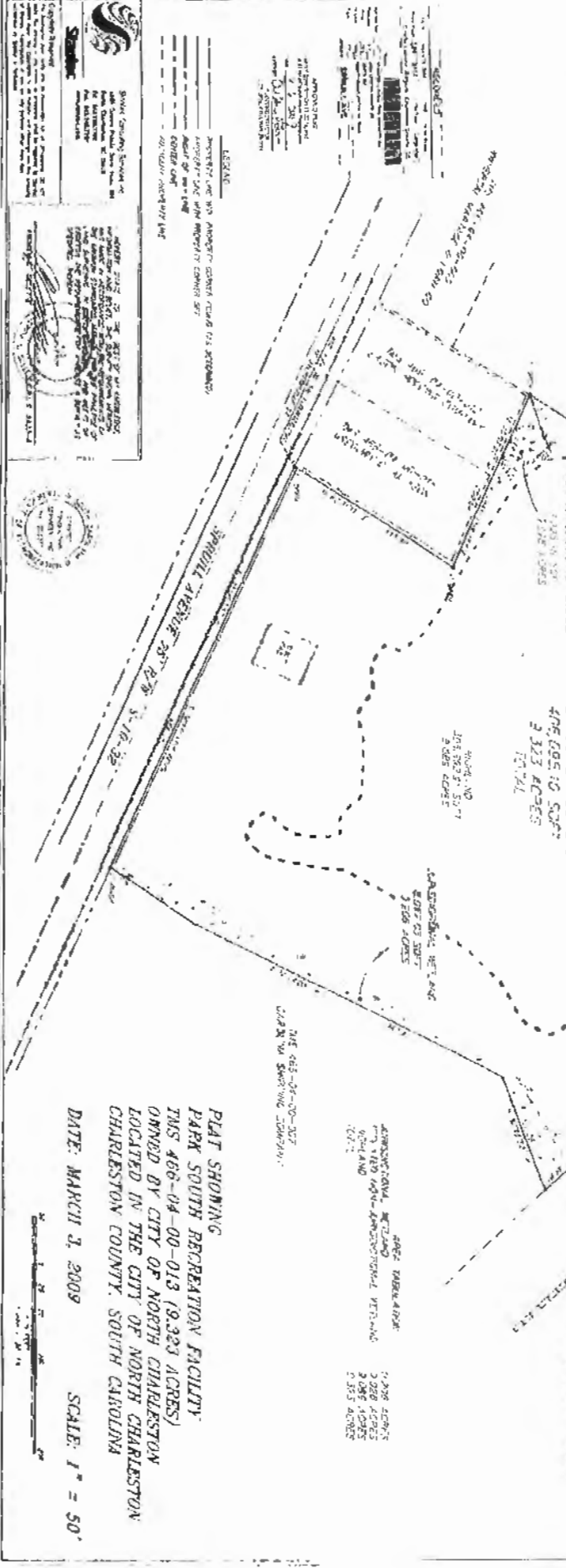
Cc: Robert M. Hitt III
Jeff McWhorter, President, Palmetto Railways
Karen Blair Manning, Chief Legal Counsel

JCH
Attachments

1. The City of Charleston, South Carolina, is the owner of the property shown on this plat, and the same is being offered for sale by public auction on the 1st day of March, 2009, at the City of Charleston, South Carolina, at the office of the City Clerk, at the hour of 10:00 A.M.

2. The property shown on this plat is situated in the City of Charleston, South Carolina, and is bounded by the following:

3. The property shown on this plat is being offered for sale by public auction on the 1st day of March, 2009, at the City of Charleston, South Carolina, at the office of the City Clerk, at the hour of 10:00 A.M.



NOTICE
The City of Charleston, South Carolina, is the owner of the property shown on this plat, and the same is being offered for sale by public auction on the 1st day of March, 2009, at the City of Charleston, South Carolina, at the office of the City Clerk, at the hour of 10:00 A.M.



PLAT SHOWING
PARK SOUTH RECREATION FACILITY
TMS 466-04-00-013 (3.323 ACRES)
OWNED BY CITY OF NORTH CHARLESTON
LOCATED IN THE CITY OF NORTH CHARLESTON
CHARLESTON COUNTY, SOUTH CAROLINA
DATE: MARCH 1, 2009
SCALE: 1" = 50'

NO.	DESCRIPTION	ACRES
1	PARK SOUTH RECREATION FACILITY	3.323
2	CAMPUS HALL	2.085
3	CAMPUS HALL	2.085
4	CAMPUS HALL	2.085
5	CAMPUS HALL	2.085
6	CAMPUS HALL	2.085
7	CAMPUS HALL	2.085
8	CAMPUS HALL	2.085
9	CAMPUS HALL	2.085
10	CAMPUS HALL	2.085
11	CAMPUS HALL	2.085
12	CAMPUS HALL	2.085
13	CAMPUS HALL	2.085
14	CAMPUS HALL	2.085
15	CAMPUS HALL	2.085
16	CAMPUS HALL	2.085
17	CAMPUS HALL	2.085
18	CAMPUS HALL	2.085
19	CAMPUS HALL	2.085
20	CAMPUS HALL	2.085

**(b) Department of Administration
Darlington County**

List of Supporting Documents:

1. Contract and Amendment for Purchase and Sale of Real Property
2. Map

CONTRACT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS CONTRACT FOR PURCHASE AND SALE OF REAL PROPERTY (the "Contract") is made and entered into this 23rd day of August, 2016 by and between the State of South Carolina, by and through the Department of Administration ("Seller"), and McLeod Regional Medical Center of the Pee Dee, Inc. its successors and assigns ("Buyer").

STATEMENT OF PURPOSE

Seller proposes to convey by quitclaim deed that certain tract of land and related improvements located in Darlington County, South Carolina, as more particularly described below. Buyer desires to acquire from Seller the Property, as hereafter defined, upon the terms and conditions contained in this Contract. Seller is willing to sell and convey the Property, as hereafter defined, pursuant to the terms and conditions of this Contract.

NOW, THEREFORE, subject to the terms and conditions of this Contract, and in consideration of the premises and the respective agreements hereinafter set forth, Seller and Buyer agree as follows:

1. Description of Property. The property now owned by the Seller which is the subject of this Contract is as follows:

All that certain piece, parcel or lot of land, being approximately \pm 4.0 acres, with all improvements thereon, including \pm 9,156 square feet, located at 1319 South Fourth Street, in the City of Hartsville, State of South Carolina, and being further described on the tax maps of Darlington County at TMS 057-00-03-125.

The real property described hereinabove includes all improvements and fixtures placed, constructed or installed on the Land ("Improvements"), and the real property and Improvements shall collectively be called the "Property".

2. Purchase Price. The purchase price (the "Purchase Price") to be paid by Buyer for the Property shall be One Million One Hundred Thousand and No/100 Dollars (\$1,100,000.00). The Purchase Price shall be payable as follows:

a. A good faith earnest money deposit and partial down payment of Fifty Thousand and no/100 Dollars (\$50,000.00) (the "Deposit"), the receipt of which is hereby acknowledged by the Seller, is to be applied to the Purchase Price at Closing.

b. The balance of the Purchase Price shall be payable by cashier's check, bank check or escrow account check at Closing, subject to price adjustments and prorations as hereinafter provided.

3. Survey. Buyer may cause a current or updated boundary and physical survey of the Property (the "Survey") to be prepared by a registered land surveyor acceptable to Buyer in

Contract [insert
name]

1
[Signature] BUYER [] BUYER [Signature] SELLER INITIALS

accordance with such standards and requirements as Buyer shall reasonably request. A description of the Property contained in the deed required by Paragraph 5 of this Contract shall be prepared from the Survey should Buyer elect to obtain said Survey.

4. Closing Date. The closing of the sale and purchase of the Property (the "Closing") shall take place on or before October 14, 2016, time being of the essence. The date of the Closing shall be referred to herein as the "Closing Date."

5. Title to the Property. At the Closing, Seller shall deliver to Buyer a quitclaim deed in form and content reasonably satisfactory to Buyer's counsel, conveying to Buyer its interest in the Land, its appurtenances and improvements, and subject to all rights-of-way, easements, restrictions of record and all other matters affecting title whether of record or not, and to any and all governmental laws and ordinances applicable to the Property. The deed shall be prepared in the name of "McLeod Regional Medical Center of the Pee Dee, Inc." and delivered to the office of Mr. Mark Cameron, Vice President of Finance, McLeod Health, PO Box 100551, Florence, SC 29502-0551, and transaction closed on or before sixty (60) days after the day both parties agree to and sign the contract.

6. Inspections. Buyer's inspections of the Property shall be as selected below.

a. ☐ Buyer acknowledges that it has had the opportunity and right to enter, inspect, and evaluate the Property, to have the Property examined and tested for toxic or other hazardous substances, and to make such other physical inspections as Buyer deemed necessary or appropriate. Buyer accepts the property in its current "as is" condition. Buyer shall indemnify and hold the Seller harmless from any damage to the extent caused by the Buyer, its agents, contractors or invitees. Buyer will repair any damages caused by it or its agents, contractors or invitees to said Property.

b. ☒ Buyer shall have forty-five (45) days from the Effective Date to undertake certain necessary inspections, market studies and other studies related to the Property (the "**Inspection Period**"). Seller agrees to provide Buyer and its agents, employees and representatives full access to the Property and to cooperate with purchaser in connection with such inspection and to promptly review. Buyer shall indemnify and hold the Seller harmless from any damage to the extent caused by the Buyer, its agents, contractors or invitees. Buyer will repair any damages caused by it or its agents, contractors or invitees to said Property. Buyer shall have the right to terminate this Contract at any time during the Inspection Period if Buyer is not satisfied with the condition of the property or its title, or if the Buyer is unable to arrange financing acceptable to the Buyer. If Buyer elects to terminate this Contract as provided herein, Escrow Agent shall return to Buyer the Deposit. Said Deposit shall become non-refundable at the expiration of the Inspection Period. **Property is being sold in "As-is" condition.**

7. Closing Conditions. The obligations of Buyer under this Contract are in all respects conditioned upon and subject to there being no pending or proposed application for any rezoning or change in zoning not consented to by Buyer.

8. Closing Costs. Seller shall pay for the preparation of the Deed. Buyer shall be responsible for all closing costs, transfer taxes associated with the transaction, deed stamps, recording and documentary fees, and any instruments to be recorded under the terms of this Contract with respect to the Property, as well as title examination fees and the title insurance premiums. Except as otherwise provided herein, each party shall bear its own expense or expenses, including its own attorneys' fees.

9. Settlement Adjustments. Unless otherwise specified in this Contract, all income, expenses and costs related to the Property shall be prorated as of the day the Closing actually occurs ("Closing Date") as follows:

a. Buyer shall pay all ad valorem property taxes respecting the Property for that portion of the calendar year from and after the Closing Date.

b. If there are meters on the Property measuring the consumption of water, gas or electric current, Seller shall, not more than one (1) day prior to the Closing Date, use its good faith efforts to cause such meters (for utilities for which Seller, and not tenants, are responsible) to be read, and shall pay promptly all utility bills for which Seller is liable upon receipt of a statement therefor. Buyer shall be liable for and shall pay all utility bills for services rendered after such meter readings and after the Closing Date.

10. Brokerage Commission. Brokerage commission shall be in accordance with Exhibit A attached hereto and incorporated herein by reference.

11. Eminent Domain. If, prior to the Closing Date, all or any material part of the Property is taken by eminent domain or if condemnation proceedings are commenced, Buyer shall have the option, by giving written notice to Seller, to terminate this Contract and receive an immediate refund of the full amount of the Deposit. If Buyer does not so elect to terminate this Contract, the Contract shall remain in full force and effect, and Seller shall assign, transfer and set over to Buyer at the Closing all of Seller's right, title and interest in and to any awards that may be made for such taking.

12. Closing Documents.

a. At Closing, the Seller shall deliver to Buyer:

i. a duly executed and acknowledged quitclaim deed in recordable form conveying the Property satisfactory to Buyer; and

ii. such other documents and papers which may be necessary to the consummation of the transaction described in this Contract as may be reasonably requested by Buyer or Buyer's counsel.

b. At Closing, Buyer shall deliver to Seller:

i. the cash portion of the Purchase Price as determined pursuant to Section 2 above; and

ii. such other documents and papers which may be necessary to the consummation of the transaction described in this Contract or as may be reasonably requested by Seller or Seller's counsel.

13. Escrow of Deposit. The Deposit shall be held in escrow (the "Escrow") by Seller subject to the terms and provisions of this Contract. At Closing, in accordance with the terms of this Contract, the full amount of the Deposit shall be retained by Seller as a portion of the Purchase Price.

14. Assignment. This Contract shall not be assigned by Seller. This Contract shall be freely assignable to an affiliate of Buyer without the consent of Seller. Any other assignment of this Contract by Buyer shall be subject to the consent of the Seller.

15. Default and Remedies.

a. In the event Seller defaults or fails to perform any of the conditions or obligations of Seller under this Contract or in the event any of the representations contained herein are not true and correct as of the date hereof and as of the Closing Date, Buyer, as its sole remedies, shall have the right to enforce an action in equity for specific performance or terminate this Contract (and receive a full refund of the Deposit) by giving written notice to Seller.

b. In the event of a default or breach thereof by Buyer of any of the covenants or conditions or obligations of Buyer under this Contract, Seller's remedy shall be to give written notice thereof to Buyer and to retain the Deposit as full liquidated damages, actual damages being difficult if not impossible to ascertain and the parties having made a bona fide effort to estimate Seller's damages, and Seller retains the right to enforce this contract according to law.

16. Entry. Buyer shall have the right to enter upon the Property at reasonable times without Seller's prior consent after the date of this Contract for any purpose including but not limited to site planning, surveying and environmental inspections. At Closing, Seller shall provide Buyer with keys and alarm system codes (if applicable) for the Property. Buyer shall indemnify and hold the Seller harmless from any damage to the extent caused by the Buyer, its agents, contractors or invitees. Buyer will repair any damages caused by it or its agents, contractors or invitees to said Property.

17. The parties agree and understand this contract is contingent upon all requisite approvals pursuant to South Carolina Code of Laws §1-11-65. In the event the Seller shall be unable to convey title satisfactory to Buyer in accordance with the terms of this contract, the Seller will not be required to bring any action or proceeding or otherwise to incur any expense to render

the title satisfactory. The sole obligation of the Seller shall be to cancel this contract in which event the Deposit shall be returned to the Buyer.

18. Miscellaneous.

a. Notices. Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been given when deposited in Federal Express (or any other national "next day" delivery service) or in the United States mail via registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

SELLER: State of South Carolina
c/o Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201
Attention: Real Property Services

BUYER: McLeod Health
Corporate Administration
800 East Cheves Street, Suite 500
Florence, SC 29506
Attn: Robert L. Colones, President/CEO

WITH COPY TO: Moore & Van Allen
40 Calhoun Street, Suite 300
Charleston, SC 29401-3531
Attn: Don Meyer, Esquire

Either party may, from time to time, by notice as herein provided, designate a different address to which notice to it shall be sent.

b. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of South Carolina.

c. Entire Agreement. This Contract and the Exhibit(s) hereto contain the entire understanding and agreement by and between the parties and all prior or contemporaneous oral or written agreements or instruments are merged herein, and no amendment to this Contract shall be effective unless the same is in writing and signed by the parties hereto.

d. Binding Effect. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

e. Saturdays, Sundays, Holidays. If any date called for under this Contract falls on a Saturday, Sunday or legal holiday observed by national banks in Columbia, South Carolina, such date shall be extended to the next day not falling on a Saturday, Sunday or legal holiday observed by national banks in Columbia, South Carolina.

Contract_[insert
name]

5

 BUYER [] BUYER [] SELLER INITIALS 

f. Captions and Headings. The captions and headings throughout this Contract are for convenience and reference only, and the words contained therein shall in no way be held to define or add to the interpretation, construction or meaning of any provision of this Contract.

g. No Offer. The parties agree that the submission of this Contract for review or execution by one party to the other does not constitute an offer to sell or purchase the Property, and that this Contract shall not be valid, binding or enforceable until duly and fully executed by all parties hereto.

h. Authority. All signatories to this agreement have the full power and authority to enter into this agreement.

i. The execution, delivery and performance of this agreement will not result in the breach of or constitute a default under the provisions of any agreement to which the Buyer or Seller is a party, or by which it or its property is bound or affected.

j. Any prior agreement between the parties or that their respective affiliates with respect subject to the subject matter hereof shall be of no further force and effect, and to the extent of any such prior agreements this agreement shall be deemed a novation, good and sufficient consideration of which is acknowledges all respected affiliates.

k. This agreement may be executed in counterparts, all of which together shall comprise one and the same instrument.

l. This agreement cannot be altered, amended, changed or modified in any respect or particular unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party.

m. Time is of the essence in all provisions of this agreement.

n. Effective Date. The effective date of this agreement shall be the latest date of a party's execution of this agreement.

19. Closing Attorney. The closing attorney shall be the law firm of Moore & Van Allen ("Law Firm"). The Buyer and Seller acknowledge that there may exist a potential conflict of interest in the representation of both Buyer and Seller by the Law Firm, in closing this transaction if the Seller is not represented by independent counsel. In such event, both Buyer and Seller agree to allow the Law Firm to close the within transaction, and to sign a Conflict of Interest Disclosure.

SIGNATURES ON SEPARATE PAGES

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement this 23rd day of August, 2016.

WITNESSES:

BUYER:

McLeod Regional Medical Center
of the Pee Dee, Inc.

Maria C. McCain
H. Vause

By: *[Signature]*

Print Name: Robert L. Colones

Title: President/CEO



IN WITNESS WHEREOF, the undersigned has duly executed this Agreement this 26th
day of August, 2016.

WITNESSES:

SELLER:

STATE OF SOUTH CAROLINA
BY AND THROUGH THE
DEPARTMENT OF ADMINISTRATION

By: Real Property Services

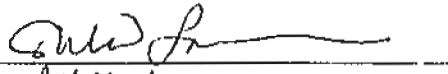

By: Ashlie Lancaster
Its: Real Property Director

Exhibit A

[Exhibit A should be prepared with information applicable to this transaction. Select the appropriate options below.]

- a. ☐ Seller and Buyer mutually acknowledge that they have dealt with no broker in connection with this transaction.
- b. ☒ Seller and Buyer mutually acknowledge that they have dealt with the State's broker in this transaction and that the broker will receive a commission of ~~Ten Thousand and No/00 Dollars (\$10,000)~~. *State's broker. Thirty-five Thousand Seven-Hundred and Fifty and no/100 Dollars (\$35,750).*
- c. ☒ Buyer acknowledges that they have dealt with Buyer's broker in this transaction and that any and all fees due to Buyer's broker are the sole responsibility of Buyer and will not reduce the agreed upon purchase price.

Contract {insert
name}

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☒ BUYER ☐ BUYER ☒ SELLER INITIALS

**MODIFICATION OF CONTRACT FOR
PURCHASE AND SALE OF REAL PROPERTY**

This Modification of Contract for Purchase and Sale of Real Property is made and entered into on the 14th day of October, 2016, by and between the State of South Carolina, by and through the Department of Administration ("Seller"), and McLeod Regional Medical Center of the Pee Dee, Inc. its successors and assigns ("Buyer").

WHEREAS, Seller and Buyer entered into the Contract for Purchase and Sale of Real Property August 23, 2016 (the "Contract") wherein Seller agreed to sell and Buyer agreed to purchase approximately 4.0± acres and a 9,156 square foot building located at 1319 South Fourth Street, Hartsville, bearing Tax Map Number 057-00-03-125, Darlington County, South Carolina, as further defined therein (the "Property"), and

WHEREAS, the closing cannot be accomplished on or before October 14, 2016, as originally contemplated.

NOW, THEREFORE, subject to the terms and conditions of the Contract as hereinafter modified, and for good and valuable consideration the receipt and sufficiency of which is hereby agreed, the Seller and Buyer do hereby agree to modify the Contract as provided herein below:

Section 4 of the Contract is deleted and replaced with the following:

The closing of the sale and purchase of the Property (the "Closing") shall take place the next business day following receipt of the requisite approval of the sale by the South Carolina State Fiscal Accountability Authority (the "Authority"), which approval is anticipated to be obtained on or about November 7, 2016.

[SIGNATURE PAGES TO FOLLOW]



IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered the within Modification as of the date executed below.

BUYER:

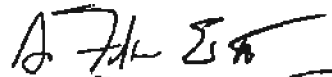
McLeod Regional Medical Center of the Pee Dee,
Inc.

By:

Name:

Its:

Date of Execution:


S. Fulton Ervin III
Senior Vice President & Chief Financial Officer
10/13/2016

AGENT:

THE STATE OF SOUTH CAROLINA

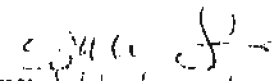
By: Department of Administration,
Division of General Services

By:

Name:

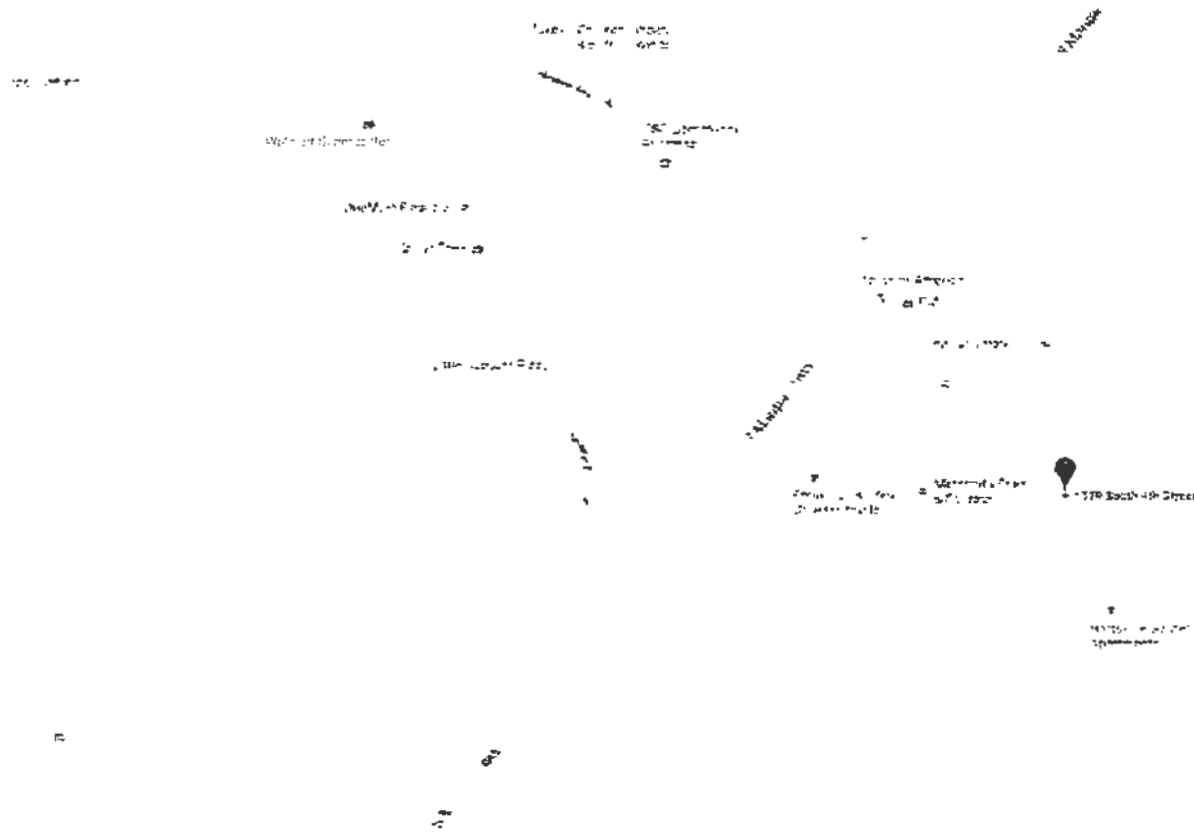
Its:

Date of Execution:


Arthur L. Lander
Real Property Director
10/14/2016



Google 1319 S 4th St



Google

Map data ©2016 Google 200 ft

AGENCY: Division of Procurement Services

SUBJECT: Adoption of the U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4

Section 48-52-825 of the Energy Independence and Sustainable Construction Act (the "Act") provides that the governing board of the State Fiscal Accountability Authority (the "Authority") "shall automatically adopt by reference the most current editions of the rating systems developed by Green Building Initiative and U.S. Green Building Council's Leadership in Energy and Environmental Design used for certification" of major facility projects pursuant to the Act article. This Section further provides that the Authority shall refer new or updated rating systems to the Energy Independence and Sustainable Construction Advisory Committee for consideration pursuant to Section 48-52-865(B). The latest and most current edition of the U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System is Version 4.

AUTHORITY ACTION REQUESTED:

Pursuant to Section 48-52-825, adopt U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4 and refer this edition to the Energy Independence and Sustainable Construction Advisory Committee for consideration pursuant to Section 48-52-865(B).

ATTACHMENTS:

Agenda item worksheet; Sections 48-52-810(1), 825, and 865(B) of the Energy Independence and Sustainable Construction Act; Summary of the Energy Independence and Sustainable Construction Act; LEED Version 4 Changes at a Glance

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: November 7, 2016

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature


John St. C. White
Materials Management Officer

2. Subject:

Adoption of the U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4

3. Summary Background Information:

Section 48-52-825 of the Energy Independence and Sustainable Construction Act (the "Act") provides that the governing board of the State Fiscal Accountability Authority (the "Authority") "shall automatically adopt by reference the most current editions of the rating systems developed by Green Building Initiative and U.S. Green Building Council's Leadership in Energy and Environmental Design used for certification" of major facility projects pursuant to the Act article. This Section further provides that the Authority shall refer new or updated rating systems to the Energy Independence and Sustainable Construction Advisory Committee for consideration pursuant to Section 48-52-865(B). The latest and most current edition of the U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System is Version 4.

4. What is Authority asked to do?

Pursuant to Section 48-52-825, adopt U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4 and refer this edition to the Energy Independence and Sustainable Construction Advisory Committee for consideration pursuant to Section 48-52-865(B).

5. What is recommendation of Authority division involved?

Adopt U.S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4 and refer it to the Energy Independence and Sustainable Construction Advisory Committee.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

A - Sections 48-52-810(1), 825, and 865(B) of the Energy Independence and Sustainable Construction Act

B - Summary of the Energy Independence and Sustainable Construction Act

C - LEED Version 4 Changes at a Glance

SECTION 48-52-810. Definitions.

As used in this article:

(1) "Board" means the State Fiscal Accountability Authority's governing board.

SECTION 48-52-825. Adoption of current facility energy efficiency rating system.

(A)(1)(a) The board shall automatically adopt by reference the most current editions of the rating systems developed by Green Building Initiative and U.S. Green Building Council's Leadership in Energy and Environmental Design used for certification pursuant to this article. Upon adoption, the most current edition of the rating system shall be used for certification purposes under this article. Provided, however, that the most current edition of the rating system shall be subject to regulations concerning that edition of the rating system when promulgated pursuant to item (2).

(b) In the event that two rating systems from the same organization have been adopted by reference and are effective concurrently for certification purposes, then either rating system may be utilized to certify projects as required pursuant to this article. The latter of the two rating systems to be adopted by reference pursuant to subitem (a) shall be deemed to be the most current edition of the rating system for purposes of review and regulation pursuant to subsection (B).

(2) The board shall refer new or updated rating systems to the Energy Independence and Sustainable Construction Advisory Committee for consideration pursuant to Section 48-52-865(B) immediately upon the release of the new or updated rating system and prior to the rating system's effective date. After receiving the advisory committee's recommendations, the board shall promulgate regulations to amend the rating system under consideration to remove specific provisions, provided that the recommended amendments would not so alter the rating system as to render certification under the rating system impossible. If the advisory committee does not make a recommendation within the time period prescribed in Section 48-52-865(B)(2) the board, upon consultation with the State Engineer, shall proceed with promulgating regulations as provided in this item.

(B) The regulations promulgated pursuant to subsection (A) must provide that the rating systems provide certification credits for, preference for, and promotes building materials or furnishings, including, but not limited to, wood grown in this State, and masonry, plastics, concrete, steel, textiles, and wood that are manufactured or produced within the State. The regulations promulgated may not place at a disadvantage building materials or furnishings that are manufactured or produced within the State.

SECTION 48-52-865. Energy Independence and Sustainable Construction Advisory Committee; creation; membership; duties.

(B)(1) The committee shall:

(a) review and analyze all rating systems referred to it by the board pursuant to Section 48-52-825;

(b) closely monitor the development of new rating systems, or updates to existing rating systems, to expedite review and analysis of the new or updated rating systems pursuant to subitem (a);

(c) review and analyze rating systems in use concerning the rating systems' effectiveness in meeting the goals set forth in Section 48-52-820;

(d) make recommendations to the State Engineer concerning the promulgation of regulations concerning rating systems referred to it by the board pursuant to Section 48-52-825;

(e) report to the board concerning the effectiveness of current rating systems in meeting the goals set forth in Section 48-52-820; and

(f) develop and implement a methodology by which the cost-benefit ratio of the rating systems may be measured so that the State may consider the return on its investment for projects subject to this chapter.

(2) The committee shall make recommendations to the board concerning the promulgation of regulations relating to rating systems referred to it by the board pursuant to Section 48-52-825 no later than thirty days after the referral. The thirty day review time shall commence on the day of referral.

SUMMARY OF THE ENERGY INDEPENDENCE AND SUSTAINABLE CONSTRUCTION ACT

Introduction

The Energy Independence and Sustainable Construction Act of 2007 (48-52-800 SC Code of Laws) was intended to “promote effective energy and environmental standards for construction, rehabilitation, and maintenance of state-owned buildings, improving the state's capacity to design, build, and operate high-performance buildings and creating new jobs and contributing to economic growth and increasing the state's energy independence” (Section 48-52-820). State agencies establishing Permanent Improvement Projects after June 2007 that meet certain size requirements are required to comply with this Act.¹ The size requirements are:

- new construction building project in which the building to be constructed is larger than ten thousand gross square feet;
- renovation project in which the project involves more than fifty percent of the replacement value of the facility or a change in occupancy; or
- commercial interior tenant fit-out project that is larger than seven thousand five hundred square feet of leasable area.

For construction of new buildings or building space, agencies are required to construct to the US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) or the Green Building Initiative's Green Globes certification standards.² For renovation and “state funded commercial interior tenant fit-out projects,” agencies are required to weigh the life-cycle benefits of constructing to the US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) or the Green Building Initiative's (GBI) Green Globes certification standards and to construct to the standard that provides the best life-cycle benefit.

In 2014, the General Assembly amended the Act in response to concerns raised by manufacturing and forestry industry with the direction that USGBC was taking with the development of future versions of their certification standard. The amendments did the following:

- Created an Energy Independence and Sustainable Construction Advisory Committee (Committee) made up of a combination of ex officio members from three state offices and appointees of the Governor representing industry and higher education
- Prohibit agencies from pursuing a rating credit or point that requires material ingredient reporting
- Require the then Budget & Control Board and now the State Fiscal Accountability Authority governing board to adopt the most current of the rating systems developed by USGBC and GBI and refer the most current editions to the Committee to review

¹ The Act does not apply to correctional facilities; K-12 schools; and a few other type projects. Section 48-52-810(10)(b).

- Require the Committee, among other things, to review the rating systems referred to it by SFAA and to make recommendations to SFAA for state regulations modifying these systems as they apply to the design, construction, and certification of major facility projects
- Require SFAA, after receipt of the Committee's recommendations, to "promulgate regulations to amend the rating systems to remove specific provisions, provided that the recommended amendments would not so alter the rating system as to render **certification under the rating system impossible.**"

Additionally, the 2014 Amendment limited the application of a LEED credit that was scheduled to come out in Version 4 and that was of concern to industry. This new credit is "Building Product Disclosure and Optimization – Material Ingredients. Specifically, Section 48-52-827 states:

A major facility project, as defined in Section 48-52-810(10), requesting third-party certification **shall not be allowed to seek a rating credit or point for building product disclosure and optimization credit that requires material ingredient reporting;** and, the language would apply to any subsequent editions of rating systems developed by the Green Building Initiative, the U.S. Green Building Council's Leadership in Energy and Environmental Design, or third-party certification initiatives.

[Emphasis added]

Finally, it should be noted that the forestry industry objected to a rating credit in LEED 2009 (i.e. Version 3) for the use of wood products derived from the forest certified by the Forest Stewardship Council³ on the basis that this credit discriminated against wood products derived from South Carolina. As a result, in 2013, the General Assembly enacted Section 48-23-300, which states:

A major facility project as defined in Section 48-52-810(10) requesting third-party certification **shall not be allowed to seek a rating point that would discriminate against wood products of this State** derived from forest lands certified by the Sustainable Forestry Initiative or the American Tree Farm System.

[Emphasis added] The credit for wood products derived from the forest certified by the Forest Stewardship Council was carried over from LEED 2009 into LEED Version 4.

³ The Forest Stewardship Council (FSC) is an international, non-profit organization based in Bonn, Germany. FSC's membership consists of three equally weighted chambers -- environmental, economic, and social.

CHANGES AT-A-GLANCE

LEED v4 for Building Design and Construction

Summary of changes from LEED 2009

Prerequisite	Integrative Project Planning and Design (Healthcare Only)	<ul style="list-style-type: none"> Changed required charrette duration from a full day to four hours. Added disciplines to list of eligible professions on the integrative design team.
Credit	Integrative Process	<ul style="list-style-type: none"> New credit.
LOCATION AND TRANSPORTATION		
Credit	LEED for Neighborhood Development Location	<ul style="list-style-type: none"> New credit.
Credit	Sensitive Land Protection	<ul style="list-style-type: none"> Floodplain requirements now refer to “flood hazard area shown on a legally adopted flood hazard map” instead of specifically referencing the 100-year floodplain. Projects must now avoid the flood hazard instead of being at least 5 feet (1.5 meters) above the 100-year floodplain. Expanded sensitive habitat requirements to include species or ecological communities listed by NatureServe (in addition to local equivalents for projects outside the U.S. or outside areas covered by NatureServe). The water body buffer has been changed from 50 feet (15 meters) to 100 feet (30 meters). The wetland buffer has been changed from 100 feet (30 meters) to 50 feet (15 meters). A list of allowable minor improvements in wetland or water body buffers has been added.
Credit	High Priority Site	<ul style="list-style-type: none"> Adapts many of the concepts formerly found in SS Credit 3 Brownfield Redevelopment. Projects now have options for infill location in a historic district and for locating in a priority redevelopment area. Projects no longer limited to officially designated brownfields. Contaminated sites requiring remediation, as deemed by the authority having jurisdiction, can qualify a project for this credit.
Credit	Surrounding Density and Diverse Uses	<ul style="list-style-type: none"> Points have been redistributed such that the credit’s full value can be earned only if the requirements for both Options 1 and 2 are met. For all rating systems except Healthcare, there are now two thresholds for each option. There are now thresholds for separate residential and nonresidential densities. Added specific requirements for warehouses and distribution centers. The radius for building density calculation is now specified

		<ul style="list-style-type: none"> as ¼ mile (400 meters) from the project boundary. Proximity to the diverse uses is now based on walking distance instead of a radius. Additional restrictions have been added to stipulate how diverse uses can be counted.
Credit	Access to Quality Transit	<ul style="list-style-type: none"> Transit service frequency included in the credit requirements. Access measured by walking distance to functional building entries. Addresses both weekday and weekend availability. Point thresholds based on the number of transit trips available within the required walking distance. Expanded modes of transportation to include ferry, streetcar, rapid transit, and rideshare. For Schools projects, Option 2 Pedestrian Access now includes a tiered point system based on the percentage of students within the walkable attendance area. Private shuttles cannot be used to comply with the requirement.
Credit	Bicycle Facilities	<ul style="list-style-type: none"> Added requirements for proximity to a bicycle network. Created separate short- and long-term bicycle storage requirements. Changed shower room calculation method.
Credit	Reduced Parking Footprint	<ul style="list-style-type: none"> Requirements now the same for nonresidential and residential, and for New Construction and Core and Shell. Added baseline reference to a third-party standard (ITE Transportation Planning Handbook, 3rd edition, Tables 18-2 through 18-4). Credit no longer awarded for providing no new parking. If there is existing parking that will continue to be used by the project, it must also comply with credit requirements.
Credit	Green Vehicles	<p>New Construction, Core and Shell, Data Centers, Hospitality, Retail, Healthcare:</p> <ul style="list-style-type: none"> Changed term "low-emitting and fuel-efficient vehicles" to "green vehicles." Reorganized Options 1 and 2 such that all projects must provide preferred parking for green vehicles and alternative-fuel fueling stations. Raised minimum ACEEE green score to 45. Lowered requirement for alternative-fuel stations to 2% of total parking capacity. Electrical connectors must comply with SAE Surface Vehicle Recommended Practice J1772, SAE Electric Vehicle Conductive Charge Coupler (or a regional or local equivalent standard) and must also be capable of dynamic interaction with the utility grid. Credit can no longer be earned by providing green vehicles or a car-sharing program for building occupants. <p>Schools:</p> <ul style="list-style-type: none"> See section above for changes in Option 1. Designated carpool drop-off area for green vehicles (formerly "low-emitting and fuel-efficient vehicles") is no longer required. Option 2 now requires an implementation plan to meet NOx and particulate emissions standards for school buses

		<p>and green vehicle designation for vehicles other than buses.</p> <p>Warehouses and Distribution Centers:</p> <ul style="list-style-type: none"> Added credit requirements specific to these two project types.
SUSTAINABLE SITES		
Prerequisite	Construction Activity Pollution Prevention	<ul style="list-style-type: none"> Updated the EPA Construction General Permit version from 2003 to 2012.
Prerequisite	Environmental Site Assessment	<ul style="list-style-type: none"> Removed blanket exclusion of former landfill sites. Local equivalent assessments are available to all project teams as an alternative to Phase I and II ESAs. Projects are no longer allowed to achieve the prerequisite based on an asbestos sampling plan and remediation report.
Credit	Site Assessment	<ul style="list-style-type: none"> New credit.
Credit	Site Development - Protect or Restore Habitat	<ul style="list-style-type: none"> Replaced setback requirements with preservation and restoration requirements. Modified soil requirements to include disturbed or compacted soils. Replaced off-site option with an option for financial support.
Credit	Open Space	<ul style="list-style-type: none"> Credit no longer tied to presence of a local zoning code; the same open space requirement applies to all projects. Revised credit to emphasize the quality of the open space in addition to the quantity. Modified intent of credit to encourage physical connection to open space and to reduce the focus on biodiversity (which is covered in SS Credit Site Development—Protect or Restore Habitat).
Credit	Rainwater Management	<ul style="list-style-type: none"> Combined stormwater quality and quantity management credits into a single Rainwater Management credit. Projects must use GI and LID rainwater management techniques on site. Created specific path to accommodate reduced rainwater management opportunities in zero lot line urban projects. Expanded multitenant complex path to all projects types in addition to retail projects. Metric by which to test compliance is now the total volume of runoff calculated for the 95th percentile of regional or local storm events, rather than the one-year and two-year storm events.
Credit	Heat Island Reduction	<ul style="list-style-type: none"> Credit combines the roof and nonroof heat island credits from LEED 2009. Vegetated roofs and high-reflectance roofs now have equal weight when calculating compliance. Tree canopy shade area is now calculated after 10 years of growth rather than five years. Increased initial SRI thresholds for roofing material. Credit compliance for nonroof hardscape is now calculated using SR values instead of SRI values. Credit now takes into account the three-year aged SRI values for roofing material.

Credit	Light Pollution Reduction	<ul style="list-style-type: none"> Added new compliance option based on BUG ratings. Relocated lighting power density requirements to EA Prerequisite Minimum Energy Performance. Relocated interior lighting requirements to EA Prerequisite Minimum Energy Performance. Photometric information now needs to include only vertical illuminance calculations. Also, point-by-point calculation output documentation needs to be provided only for the worst-case vertical plane, not all site lighting.
Credit	Site Master Plan (Schools)	<ul style="list-style-type: none"> No substantive changes.
Credit	Tenant Design and Construction Guidelines (Core and Shell)	<ul style="list-style-type: none"> Tenant guidelines no longer required to include information on LEED for Commercial Interiors or explain how the core and shell building contributes to achieving these credits.
Credit	Places of Respite (Healthcare)	<ul style="list-style-type: none"> Added requirement that 25% of all qualifying outdoor space be vegetated at the ground plane or with overhead vegetated canopy (trees and shrubs only) to ensure that vegetation is present to provide additional benefits.
Credit	Direct Exterior Access (Healthcare)	<ul style="list-style-type: none"> No substantive changes.
Credit	Joint Use of Facilities (Schools)	<ul style="list-style-type: none"> No substantive changes.
WATER EFFICIENCY		
Prerequisite	Outdoor Water Use Reduction	<ul style="list-style-type: none"> New prerequisite. Modified calculator used. Moved alternative water source credit and smart sensor irrigation to the prerequisite.
Prerequisite	Indoor Water Use Reduction	<ul style="list-style-type: none"> Prerequisite now includes requirements for water-using appliances and processes, as well as cooling towers and evaporative condensers. WaterSense label requirements were recommended in LEED 2009; they are now mandatory in the U.S., with local equivalents allowed outside the U.S. New prescriptive compliance path based on demonstrating that all fixtures are 20% below baseline. Duration-based savings from autocontrol faucets with automatic fixture sensors or metering controls are no longer allowed in the design case. Applying nonpotable water is no longer allowed as an alternative compliance path in the prerequisite. Alternative water sources can, however, earn points in the corresponding credit.
Prerequisite	Building-Level Water Metering	<ul style="list-style-type: none"> New prerequisite. The ongoing tracking and reporting components were previously required under Minimum Program Requirement 6 for all LEED 2009 projects.
Credit	Outdoor Water Use Reduction	<ul style="list-style-type: none"> New credit. WaterSense Water Budget Tool now listed as the referenced calculation tool.
Credit	Indoor Water Use Reduction	<ul style="list-style-type: none"> Appliance and process water savings can earn credit under the Retail, Healthcare, Hospitality, and Schools rating systems. WaterSense label requirements, recommended in LEED

		<p>2009, are now mandatory in the U.S., with local equivalencies allowed elsewhere.</p> <ul style="list-style-type: none"> • Duration-based savings from autocontrol faucets with automatic fixture sensors or metering controls are no longer allowed in the design case. • To earn points, project teams must include fixtures necessary to meet the occupants' needs. When no facilities are available within project boundaries, the closest available restrooms must be included in credit calculations. These additional restrooms can be excluded from prerequisite compliance requirements.
Credit	Cooling Tower Water Use	<ul style="list-style-type: none"> • New credit.
Credit	Water Metering	<ul style="list-style-type: none"> • New credit.
ENERGY AND ATMOSPHERE		
Prerequisite	Fundamental Commissioning and Verification	<ul style="list-style-type: none"> • Requires the CxA to be engaged before the design development phase is complete. • Expanded electrical and plumbing scopes. • Elements of envelope commissioning are now incorporated in the OPR and BOD. • One design review and one operations and maintenance plan are now required.
Prerequisite	Minimum Energy Performance	<p>Option 1 Whole Building Energy Simulation</p> <ul style="list-style-type: none"> • ASHRAE 90.1-2010 replaces ASHRAE 90.1-2007. • Process energy is no longer required to make up 25% of overall building energy for the baseline and proposed models. • Prerequisite compliance must now be achieved without accounting for the cost offset by site-generated renewable energy. • For data centers, 2% of the required 5% energy cost reductions must come from building power and cooling infrastructure energy use. <p>Option 2 ASHRAE 50% Advanced Energy Design Guide, and Option 3 Advanced Buildings Core Performance Guide</p> <ul style="list-style-type: none"> • For Option 2, the standard for compliance with the prerequisite has been changed from the 30% savings version of the AEDG to the 50% savings version. This represents 50% expected savings over ASHRAE 90.1-2004. • For Options 2 and 3, the project must now comply with mandatory and prescriptive requirements of ASHRAE 90.1-2010 to achieve the prerequisite.
Prerequisite	Building-Level Energy Metering	<ul style="list-style-type: none"> • New prerequisite. • Minimum program requirements: The ongoing energy tracking and reporting components were previously required under MPR 6 for all LEED 2009 projects.
Prerequisite	Fundamental Refrigerant Management	<ul style="list-style-type: none"> • No substantive changes.
Credit	Enhanced Commissioning	<ul style="list-style-type: none"> • Credit now includes monitoring-based commissioning and building envelope commissioning options.

Credit	Optimize Energy Performance	<ul style="list-style-type: none"> See <i>Changes from LEED 2009</i> in EA Prerequisite Minimum Energy Performance.
Credit	Advanced Energy Metering	<ul style="list-style-type: none"> New credit.
Credit	Demand Response	<ul style="list-style-type: none"> New credit.
Credit	Renewable Energy Production	<ul style="list-style-type: none"> Credit now allows solar gardens and community systems.
Credit	Enhanced Refrigerant Management	<ul style="list-style-type: none"> Added sector-specific requirements for commercial refrigeration equipment.
Credit	Green Power and Carbon Offsets	<ul style="list-style-type: none"> In addition to including electricity, credit now requires nonelectric energy use to be offset using carbon offsets. Credit now requires a five-year contract and specifies that resources must have come online after January 1, 2005, and be delivered at least annually. Increased percentage thresholds to 50% for 1 point and 100% for 2 points.
MATERIALS AND RESOURCES		
Prerequisite	Storage and Collection of Recyclables	<ul style="list-style-type: none"> Materials that require dedicated storage now include batteries, mercury-containing lamps, and e-waste; project teams may choose two of the three. For retail projects, the required number of waste streams with dedicated storage has increased from three to four.
Prerequisite	Construction and Demolition Waste Management Planning	<ul style="list-style-type: none"> The creation of a CWM plan is a new requirement.
Prerequisite	PBT Source Reduction—Mercury	<ul style="list-style-type: none"> No substantive changes.
Credit	Building Life Cycle Impact Reduction	<ul style="list-style-type: none"> Building reuse is a combination of two LEED 2009 credits: MR Credit Building Reuse—Maintain Walls, Floor and MR Credit Roof and Building Reuse—Maintain Interior Nonstructural Elements. MR Credit Building Life-Cycle Impact Reduction, Option 3. Materials reuse may incorporate both structural and nonstructural elements as long as they are not double-counted in MR Credit Building Product Disclosure and Optimization—Sourcing of Raw Materials, Option 2, Leadership Extraction Practices.
Credit	Building Product Disclosure and Optimization—Environmental Product Declarations	<ul style="list-style-type: none"> New credit. Some materials excluded from MR credits in the past may now be included, such as mechanical fixtures, fittings, and rough-in materials that are considered nonmotorized MEP components.
Credit	Building Product Disclosure and Optimization—Sourcing of Raw Materials	<p>Multiple criteria from the following LEED 2009 credits have been combined into this credit. Except as noted, the criteria are unchanged from LEED 2009. Other criteria are now incorporated into other MR credits, such as Building Life-Cycle Impact Reduction and Building Product Disclosure and Optimization—Environmental Product Declarations:</p> <ul style="list-style-type: none"> MR Credit Resource Reuse. Materials that are reused on-site are no longer required to be repurposed. MR Credit Recycled Content. The requirements for recycled content have not changed; however, this criterion is now combined with other criteria in a single

		<ul style="list-style-type: none"> option. MR Credit Regional Materials. The 500-mile (805-km) radius requirement was decreased to 100 miles (160 km). The definition of regional has been expanded to include the distribution and purchase location and now includes all points of manufacture. MR Credit Rapidly Renewable Materials. Biobased materials are no longer defined by the harvest cycle of the raw materials; instead, products must meet the Sustainable Agriculture Standard to count toward this credit. MR Credit Certified Wood. The requirements for certified wood have not changed; however, this criterion is not combined with other criteria in a single option.
Credit	Building Product Disclosure and Optimization—Material Ingredients	<ul style="list-style-type: none"> New credit.
Credit	PBT Source Reduction-Mercury (Healthcare)	<ul style="list-style-type: none"> No substantive changes.
Credit	PBT Source Reduction-Lead, Cadmium, Copper (Healthcare)	<ul style="list-style-type: none"> No substantive changes.
Credit	Furniture and Medical Furnishings (Healthcare)	<ul style="list-style-type: none"> Updated air testing protocols for Option 2 to reflect leadership standards. Modified requirements in Option 3 to reflect changes to related Materials and Resources credits.
Credit	Resource Use-Design for Flexibility (Healthcare)	<ul style="list-style-type: none"> No longer a minimum requirement for interstitial space.
Credit	Construction and Demolition Waste Management	<ul style="list-style-type: none"> Added compliance option for total project waste reduction per gross floor area of the project. Multiple material streams must be diverted to earn the credit for waste diversion (Option 1). ADC specifically excluded from diversion calculations. In LEED 2009, it was allowed to count as diverted waste. Waste-to-energy may count as a diversion method if the facility meets European Union requirements for waste management and emissions into air, soil, surface water, and groundwater.

INDOOR ENVIRONMENTAL QUALITY

Prerequisite	Minimum Indoor Air Quality Performance	<ul style="list-style-type: none"> ASHRAE Standard 62.1 updated to version 2010 from version 2007. ASHRAE 62.1–2010 natural ventilation calculations now consider window configuration and ceiling height. ASHRAE 62.1–2010 now requires supplementary mechanical ventilation systems for naturally ventilated spaces in some cases. Project teams are required to confirm the appropriate application of natural ventilation through CIBSE AM10, Figure 2.8 (flow chart). Projects outside the U.S. allowed to demonstrate achievement via CEN requirements (rather than ASHRAE 62.1–2010). Prerequisite now includes the monitoring requirements
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		<p>previously included in Indoor Environmental Quality Credit 1, Outdoor Air Delivery Monitoring. Additionally, the monitoring requirements now distinguish between variable air volume and constant volume systems.</p> <ul style="list-style-type: none"> • Prerequisite now includes specific requirements for residential projects, which are mostly taken from LEED for Homes, Indoor Environmental Quality Credit 2, Combustion Venting.
Prerequisite	Environmental Tobacco Smoke Control	<ul style="list-style-type: none"> • Designated interior smoking rooms are no longer permitted, with the exception of residential spaces. • Expanded no-smoking policy to apply to spaces outside the property line if the space is used for business purposes and is within 25 feet (7.5 meters) of building openings or outdoor air intakes. • Added specific requirement for the location of exterior posted signs. • Expanded acceptable procedure for demonstrating compliance with air leakage requirements in residential projects. This change allows teams to use testing procedures other than blower door testing.
Prerequisite	Minimum Acoustic Performance (Schools)	<ul style="list-style-type: none"> • Revised maximum allowable background noise from 45 dBA to 40 dBA. • Added an exterior noise requirement to minimize exterior noise intrusion into classrooms and core learning spaces. • Updated ANSI referenced standard to ANSI S12.60–2010. • Updated ASHRAE referenced standard to 2011 HVAC Applications ASHRAE Handbook, Chapter 48, Noise and Vibration Control. • For spaces 20,000 cubic feet (566 cubic meters) or larger, the referenced standard for reverberation time has changed to NRC-CNRC Construction Technology Update No. 51. This standard specifies variable reverberation time and total sound absorption values depending on the size of the space. • Added exceptions for projects with limited renovation scopes or strict historic preservation requirements.
Credit	Enhanced Indoor Air Quality Strategies	<ul style="list-style-type: none"> • Combined portions of IEQ Credit 1 Outdoor Air Delivery Monitoring, IEQ Credit 2 Increased Ventilation, and IEQ Credit 5 Indoor Chemical and Pollutant Source Control into a single credit. • Meeting the requirements of interior cross-contamination prevention no longer requires a calculation of a minimum pressure differential. However, the exhaust rates from the ventilation standard in EQ Prerequisite Minimum Indoor Air Quality Performance must be used. For spaces that do not have a requirement from this standard, a minimum exhaust rate of 0.5 cubic feet per minute per square foot (2.54 liters per second per square meter) must be used. • Added options regarding naturally ventilated spaces. • Additional guidance for warehouses, distribution centers, health care facilities, data centers, and residential projects. • Added option for filtration media requirements, CEN Standard EN 779–2002, Particulate Air Filters for General Ventilation, Determination of the Filtration Performance.
Credit	Low-Emitting Materials	<ul style="list-style-type: none"> • Combined former individual credit paths into one credit, with a scaled point system for each path earned.

		<ul style="list-style-type: none"> • Compliance of interior finishes may be demonstrated in assemblies with multiple layers in combination, or in each system individually. • Included consideration of furniture emissions for all rating systems. • Added new referenced standards to address international projects and new product requirements. • Ceilings are now included in the requirements. • Emissions from insulation are now included. • Emissions requirements for on-site, wet-applied, full-spread products measured via chamber tests in air are now included. VOC content limits for on-site, wet-applied products are still required.
Credit	Construction Indoor Air Quality Management Plan	<ul style="list-style-type: none"> • The use of tobacco products during construction is now explicitly prohibited inside the building and within 25 feet (7.5 meters) (or greater, if required by the local jurisdiction) of the building entrance.
Credit	Indoor Air Quality Assessment	<ul style="list-style-type: none"> • Installation of movable furnishings (such as workstations and partitions) before testing or flush-out is now required. • Options can no longer be combined. • An upper interior temperature limit is now identified in Option 1. • Testing is now required for an expanded list of contaminants in Option 2.
Credit	Thermal Comfort	<ul style="list-style-type: none"> • Combines the LEED 2009 credits Controllability of Systems: Thermal Comfort (IEQ Credit 6.2, IEQ Credit 6) and Thermal Comfort: Design (IEQ Credit 7.1, IEQ Credit 7) into a single credit. • Updated referenced standard to ASHRAE 55-2010. • Included international standards to provide more relevant compliance options for non-U.S. projects. • Requirements for natatoriums are now applicable to all rating systems. • Established new compliance paths for data centers and warehouses.
Credit	Interior Lighting	<ul style="list-style-type: none"> • Added additional point and option for lighting quality. • Revised requirements for lighting control to require at least three lighting levels: on, off, and a midlevel.
Credit	Daylight	<ul style="list-style-type: none"> • Eliminated prescriptive compliance path. • Additional simulation option that incorporates two new metrics, spatial daylight autonomy and annual sunlight exposure, based on annual daylight computer simulation models. • For Option 2, the illuminance simulation now relies on local weather data and uses a calculated illuminance intensity. • For Option 3, measurements are required at two times of the year. • Changed number of points available and thresholds for achievement. • Schools is no longer broken out by classroom and core learning spaces vs. other regularly occupied spaces.
Credit	Quality Views	<ul style="list-style-type: none"> • Exemplary performance requirements from LEED 2009 are now the basis for the credit requirements. • Glazing must provide a clear view to the outdoors. The

		<p>glazing does not have to be located between 30 and 90 inches (750 and 2300 millimeters) above the finished floor.</p> <ul style="list-style-type: none"> • Atriums now qualify for up to 30% of the total area. • For Healthcare projects, the inpatient unit requirements now include nonperimeter area. The requirements for direct lines of sight in the perimeter area have been modified to align with other rating systems.
Credit	Acoustic Performance	<ul style="list-style-type: none"> • New credit except in Schools and Healthcare. <p>Schools:</p> <ul style="list-style-type: none"> • Decreased background noise level limit from 40 dBA to 35 dBA. • Updated referenced ANSI S12.60 standard from 2002 to 2010. • Added AHRI Standard 88S-2008 as a referenced standard for background noise. • Equivalent local codes may now be used in place of the national codes specified in the credit requirements. <p>Healthcare:</p> <ul style="list-style-type: none"> • Changed credit name from Acoustic Environment.

Part 4 Interior Design and Construction

Summary of changes from LEED 2009

LEED 2009 to LEED v4 Changes		
Credit – Integrative Process		<ul style="list-style-type: none"> • New credit.
LOCATION AND TRANSPORTATION		
Credit	LEED for Neighborhood Development Location	<ul style="list-style-type: none"> • New credit.
Credit	Surrounding Density and Diverse Uses	<ul style="list-style-type: none"> • Points redistributed such that the credit's full value can be earned only if the requirements for both Options 1 and 2 are met. • Now thresholds for separate residential and non-residential densities. • The radius for building density calculation is now specified as ¼ -mile (400 meters) from the project boundary. • Proximity to the diverse uses based on walking distance instead of a radius. • Added additional restrictions to stipulate how diverse uses can be counted.
Credit	Access to Quality Transit	<ul style="list-style-type: none"> • Transit service frequency is now included in the credit requirements. • Access is now measured by walking distance to functional building entries. • Credit now addresses both weekday and weekend availability.

		<ul style="list-style-type: none"> Point thresholds now based on the number of transit trips available within the required walking distance. Expanded modes of transportation to include ferry, streetcar, rapid transit, and rideshare. Private shuttles cannot be used to comply with the requirement.
Credit	Bicycle Facilities	<ul style="list-style-type: none"> Added requirements for proximity to a bicycle network. Created separate short- and long-term bicycle storage requirements. Changed shower room calculation method.
Credit	Reduced Parking Footprint	<ul style="list-style-type: none"> Added a baseline reference to a third-party standard (ITE Transportation Planning Handbook, 3rd edition, Tables 18-2 through 18-4). Credit is no longer awarded for providing no new parking. If there is existing parking that will continue to be used by the project, it must also comply with credit requirements.
WATER EFFICIENCY		
Prerequisite	Indoor Water Use Reduction	<ul style="list-style-type: none"> Prerequisite now includes requirements for water-using appliances and processes, as well as cooling towers and evaporative condensers. WaterSense label requirements recommended in LEED 2009 are now mandatory in the U.S. New prescriptive compliance path (based on demonstrating that all fixtures are 20% below baseline).
Credit	Indoor Water Use Reduction	<ul style="list-style-type: none"> Appliance and process water savings can earn credit under the Retail and Hospitality rating systems. WaterSense label requirements recommended in LEED 2009 are now mandatory in the U.S. To earn points, project teams must include fixtures necessary to meet occupants' needs. When no facilities are available within project boundaries, the closest available restrooms must be included in credit calculations. These additional restrooms can be excluded from prerequisite compliance requirements.
ENERGY AND ATMOSPHERE		
Prerequisite	Fundamental Commissioning and Verification	<ul style="list-style-type: none"> LEED v4 now requires the CxA to be engaged before the design development phase is complete. Expanded electrical and plumbing scopes. One design review and one operations and maintenance plan are now required.
Prerequisite	Minimum Energy Performance	<ul style="list-style-type: none"> Prerequisite now includes two options: Option 1, Tenant-Level Energy Simulation, and Option 2, Prescriptive Compliance. Option 1. Tenant-Level Energy Simulation: <ul style="list-style-type: none"> Tenant-level modeling now more closely follows that for whole buildings. Revised LEED methodology for modeling shared HVAC systems to allocating a percentage of the shared systems to the LEED project. Baseline case must follow Appendix G requirements for all components and systems, including the building envelope. Existing conditions are not permitted to be modeled for the baseline case.

		Option 2. Prescriptive Compliance: <ul style="list-style-type: none"> Requirements of the 2009 prerequisite were adapted to become Option 2 in LEED v4.
Prerequisite	Fundamental Refrigerant Management	<ul style="list-style-type: none"> No substantive changes.
Credit	Enhanced Commissioning	<ul style="list-style-type: none"> A monitoring-based commissioning option is now included.
Credit	Optimize Energy Performance	<ul style="list-style-type: none"> See EA Prerequisite Minimum Energy Performance.
Credit	Advanced Energy Metering	<ul style="list-style-type: none"> New credit.
Credit	Renewable Energy Production	<ul style="list-style-type: none"> Solar gardens and community systems are eligible under certain conditions.
Credit	Enhanced Refrigerant Management	<ul style="list-style-type: none"> Added sector-specific requirements for commercial refrigeration equipment.
Credit	Green Power and Carbon Offsets	<ul style="list-style-type: none"> In addition to including electricity, the credit now requires nonelectric use to be offset using carbon offsets. Credit now requires a five-year contract and specifies that resources must have come online after January 1, 2005, and be delivered at least annually. Increased percentage thresholds to 50% for 1 point and 100% for 2 points.
MATERIALS AND RESOURCES		
Prerequisite	Storage and Collection of Recyclables	<ul style="list-style-type: none"> Materials that require dedicated storage now include batteries, mercury-containing lamps, and e-waste; project teams may choose two of the three. For retail projects, the required number of waste streams with dedicated storage has increased from three to four.
Prerequisite	Construction and Demolition Waste Management Planning	<ul style="list-style-type: none"> Creation of a CWM plan is a new requirement.
Credit	Long Term Commitment	<ul style="list-style-type: none"> No substantive changes.
Credit	Interiors Life Cycle Impact Reduction	<ul style="list-style-type: none"> Combined two former MR credits, Building Reuse—Maintain Interior Nonstructural Components and Materials Reuse—Furniture and Furnishings into this credit. Changed reuse threshold for interior nonstructural elements from a tiered approach (40% and 60%) to a single 50% threshold. Credit is given both for items that are reused in place and for items that serve a new purpose. Option 3, Design for Flexibility, is new.
Credit	Building Product Disclosure and Optimization—Environmental Product Declarations	<ul style="list-style-type: none"> New credit. Some materials excluded from MR credits in the past may now be included, such as mechanical fixtures, fittings, and rough-in materials that are considered non-motorized MEP components.
Credit	Building Product Disclosure and Optimization—Sourcing of Raw Materials	Multiple criteria from the following LEED 2009 credits have been combined into this credit. Except as noted, the criteria are unchanged from LEED 2009. Other criteria are now incorporated into other MR credits, such as Interiors Life-Cycle Impact Reduction and Building Product Disclosure and Optimization—Environmental Product Declarations:

		<ul style="list-style-type: none"> • MR Credit Resource Reuse. Materials that are reused on-site are no longer required to be repurposed. • MR Credit Recycled Content. Requirements for recycled content have not changed; however, this criterion is now combined with other criteria in a single option. • MR Credit Regional Materials. Decreased 500-mile (805-km) radius requirement to 100 miles (160 km). Expanded definition of regional to include the distribution and purchase location and now includes all points of manufacture. • MR Credit Rapidly Renewable Materials. Biobased materials are no longer defined by the harvest cycle of the raw materials; instead, products must meet the Sustainable Agriculture Standard to count toward this credit.
Credit	Building Product Disclosure and Optimization—Material Ingredients	<ul style="list-style-type: none"> • New credit.
Credit	Construction and Demolition Waste Management	<ul style="list-style-type: none"> • Added a compliance option for total project waste reduction per gross floor area of the project. • Multiple material streams must be diverted to earn the credit for waste diversion (Option 1). • ADC has been specifically excluded from diversion calculations. In LEED 2009 it could count as diverted waste. • Waste-to-energy may count as a diversion method if the facility meets European Union requirements for waste management and emissions into air, soil, surface water, and groundwater.
INDOOR ENVIRONMENTAL QUALITY		
Prerequisite	Minimum Indoor Air Quality Performance	<ul style="list-style-type: none"> • Updated ASHRAE Standard 62.1 to version 2010 from version 2007. • ASHRAE 62.1–2010 natural ventilation calculations now consider window configuration and ceiling height. • ASHRAE 62.1–2010 now requires supplementary mechanical ventilation systems for naturally ventilated spaces in some cases. • Project teams are required to confirm the appropriate application of natural ventilation through CIBSE AM10, Figure 2.8 (flow chart). • Projects outside the U.S. are now allowed to demonstrate achievement via CEN requirements (rather than ASHRAE 62.1–2010). • Prerequisite now includes the monitoring requirements previously included in Indoor Environmental Quality Credit 1, Outdoor Air Delivery Monitoring. Additionally, the monitoring requirements now distinguish between variable air volume and constant volume systems.
Prerequisite	Environmental Tobacco Smoke Control	<ul style="list-style-type: none"> • Designated interior smoking rooms are no longer permitted, with the exception of residential projects. • Expanded no-smoking policy to apply to spaces outside the property line if the space is used for business purposes and is within 25 feet (7.5 meters) of building openings or outdoor air intakes.

		<ul style="list-style-type: none"> Projects must prohibit smoking by all occupants and users throughout the entire building. This expands on the previous requirement to prohibit smoking in the tenant space and common areas only. Added a specific requirement for the location of exterior posted signs.
Credit	Enhanced Indoor Air Quality Strategies	<ul style="list-style-type: none"> Combined portions of IEQ Credit 1 Outdoor Air Delivery Monitoring, IEQ Credit 2 Increased Ventilation, and IEQ Credit 5 Indoor Chemical and Pollutant Source Control into a single credit. Meeting the requirements of interior cross-contamination prevention no longer requires a calculation of a minimum pressure differential. However, the exhaust rates from the ventilation standard in EQ Prerequisite Minimum Indoor Air Quality Performance must be used. For spaces that do not have a requirement from this standard, a minimum exhaust rate of 0.5 cubic feet per minute per square foot (2.54 liters per second per square meter) must be used. Additional options regarding naturally ventilated spaces have been included. Added an option for filtration media requirements, CEN Standard EN 779–2002, Particulate Air Filters for General Ventilation, Determination of the Filtration Performance.
Credit	Low-Emitting Materials	<ul style="list-style-type: none"> Combined former individual credit paths into one credit, with a scaled point system for each path earned. Compliance of interior finishes may be demonstrated in assemblies with multiple layers in combination, or in each system individually. Included consideration of furniture emissions for all rating systems. Added new referenced standards to address non-U.S. projects and new product requirements. Ceilings are now included in the requirements. Emissions from insulation are now included. Emissions requirements for on-site wet-applied, full-spread products measured via chamber tests in air are now included. VOC content limits for on-site, wet-applied products are still required.
Credit	Construction Indoor Air Quality Management Plan	<ul style="list-style-type: none"> Use of tobacco products during construction is now explicitly prohibited inside the building and within 25 feet (7.5 meters) (or greater, if required by the local jurisdiction) of the building entrance.
Credit	Indoor Air Quality Assessment	<ul style="list-style-type: none"> Options can no longer be combined. Upper interior temperature limit is now identified in Option 1. Testing now required for an expanded list of contaminants in Option 2.
Credit	Thermal Comfort	<ul style="list-style-type: none"> Credit combines the LEED 2009 credits Controllability of Systems: Thermal Comfort (IEQ Credit 6.2, IEQ Credit 6) and Thermal Comfort: Design (IEQ Credit 7.1, IEQ Credit 7) into a single credit. Updated referenced standard to ASHRAE 55–2010. Included international standards to provide more relevant compliance options for non-U.S. projects. Requirements for natatoriums are now applicable to all

		rating systems, not just Schools.
Credit	Interior Lighting	<ul style="list-style-type: none"> • Added an additional point and option for lighting quality to the previous lighting control requirements. • Revised requirements for lighting control to require at least three lighting levels to meet the controllability criteria.
Credit	Daylight	<ul style="list-style-type: none"> • Eliminated prescriptive compliance path. • Additional simulation option that incorporates two new metrics, spatial daylight autonomy and annual sunlight exposure, based on computer simulations run over an entire year. • For Option 2, the illuminance simulation now relies on local weather data and uses a calculated illuminance intensity. • For Option 3, measurements are required at two times of the year. • Changed number of points available and thresholds for achievement.
Credit	Quality Views	<ul style="list-style-type: none"> • Exemplary performance requirements from LEED 2009 are now the basis for the credit requirements. • Glazing must provide a clear image of the outdoors. The glazing does not have to be located between 30 and 90 inches (750 and 2300 millimeters) above the finished floor. • Atriums now qualify for up to 30% of the total area.
Credit	Acoustic Performance	<ul style="list-style-type: none"> • New credit.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

- a. Department of Juvenile Justice (for a period of three years): supplies and services, \$500,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

The Department of Juvenile Justice requested an increase in its certification levels. The Department 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. The Division recommends the State Fiscal Accountability Authority grant the Department of Juvenile Justice the certification limits noted above.

- b. Department of Parks, Recreation, and Tourism (for a period of three years): supplies and services, \$250,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$250,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

The Department 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. The Division recommends the State Fiscal Accountability Authority grant the Department of Parks, Recreation and Tourism the certification limited noted above

- c. Department of Social Services (for a period of three years): services provider contracts funded from Social Services Block Grant and Child Welfare Service provider contracted funded from Federal Title IV- Service Provider being provider of services directly to a client; \$2,000,000 per contract per year, with option to extend 4 additional years; supplies and services, \$100,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

The Department 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. The Division recommends the State Fiscal

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

Accountability Authority grant the Department of Social Services the certification limited noted above

AUTHORITY ACTION REQUESTED:

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

- a. Department of Juvenile Justice (for a period of three years): supplies and services, \$500,000* per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.
- b. Department of Parks, Recreation, and Tourism (for a period of three years): supplies and services, \$250,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$250,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.
- c. Department of Social Services (for a period of three years): services provider contracts funded from Social Services Block Grant and Child Welfare Service provider contracted funded from Federal Title IV- Service Provider being provider of services directly to a client; \$2,000,000 per contract per year, with option to extend 4 additional years; supplies and services, \$100,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000* per commitment.

ATTACHMENTS:

Agenda item worksheets and attachments

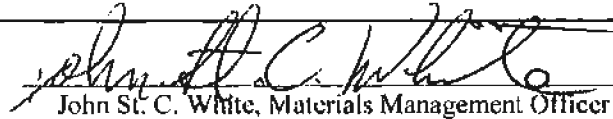
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: November 7, 2016

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Juvenile Justice

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 Juvenile Justice 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	*\$ 250,000 Per Commitment	*\$500,000 Per Commitment
II. Services	*\$ 100,000 Per Commitment	
III. Construction Contract Award		\$ 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.

We are recommending certification for Supplies and Services at \$500,000 per commitment.

The South Carolina Department of Juvenile Justice requested an increase in its certification levels. The Department 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 Juvenile Justice the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Juvenile Justice 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

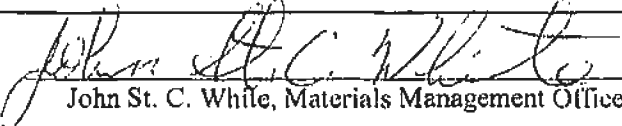
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: November 7, 2016

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Parks, Recreation & Tourism

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 Parks, Recreation & Tourism 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. Construction Contract Award	\$ 100,000 Per Commitment	\$ 250,000 Per Commitment
III. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 250,000 Per Change Order
IV. Architect/Engineer Contract Amendment	\$ 15,000 Per Amendment	\$ 50,000 Per Amendment

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

The Department 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 Parks, Recreation & Tourism the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Parks, Recreation & Tourism 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

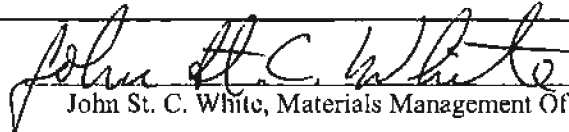
STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting scheduled for: November 7, 2016

Blue Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Social Services

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 Social Services 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. Service Provider Contracts funded from Social Services Block Grant and Child Welfare Service Provider Contracts funded from Federal Title IV-Service Provider being Provider of services directly to a client.	\$ 2,000,000 Per Contract per year, with option to extend 4 additional years	\$2,000,000 Per Contract per year, with option to extend 4 additional years
II. Supplies and Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Consultant Services	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment

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

The Department 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 Social Services the certification limits noted above.

4. What is Authority asked to do?

Grant procurement certification for the South Carolina Department of Social Services 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: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$65,000,000 Economic Revenue Bonds (\$10,159,584.64 refunding involved)
Allocation Needed: -0-
Name of Project: Conway Hospital, Inc.
Employment Impact: maintenance of 1,442 jobs and the creation of an estimated 20 new jobs within the next 24 months
Project Description: (i) finance, refinance or reimburse the hospital for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the healthcare facilities owned by the hospital, including the renovation of existing structures, construction of new additions to existing structures and equipping of the renovated and new construction areas, which include new operating rooms, post-anesthesia care beds, support areas, rehabilitation services spaces, emergency department expansion and completion of a free standing emergency department and physician offices, (ii) refund all of the outstanding portion of the Authority Hospital Revenue Refunding Bonds (Conway Hospital, Inc.) Series 2011A, and (iii) pay certain costs of issuance of the Series 2016 bonds and the refunding of the series 2011 bonds
Note: *public or private sale*
Bond Counsel: Chad Doobay, Katten Muchin Rosenman LLP.; Michael Seezen, McNair Law Firm, P.A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$13,875,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: GREEN Midlands, LLC
Employment Impact: provide employment for approximately 30 people within 24 months when the project is placed in full operation
Project Description: (i) purchasing, constructing, renovating and equipping of a facility

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

located at 7820 Broad River Road, Irmo, and (ii) pay certain costs of issuance of the bonds

Note: *private sale or underwriting*

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

- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$42,500,000 First Mortgage Health Care Facilities Revenue Refunding Bonds (\$35,670,000 refunding involved)
Allocation Needed: -0-
Name of Project: The Lutheran Homes of South Carolina, Inc.
Employment Impact: maintain permanent employment (both direct and indirect) for approximately 1,179
Project Description: (i) refund the \$43,550,000 South Carolina Jobs-Economic Development Authority First Mortgage Health Care Facilities Refunding and Revenue Bonds (The Lutheran Homes of South Carolina, Inc.) Series 2007 currently outstanding in the principal amounts of \$35,670,000, and (ii) pay costs of issuance of the bonds.

Note: *private sale or underwriting*

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

- d. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Increase in Aggregate Principal Amount by \$1,250,000 Multifamily Housing Governmental Note (previously approved \$29,000,000 on 6/22/16)
Allocation Needed: \$1,250,000 (will use carryforward)
Name of Project: Waters at St. James Apartments
Employment Impact: n/a
Project Description: acquisition, construction and equipping of a 336-unit apartment development to be located in the City of Goose Creek, Berkeley County
Bond Counsel: Ray E. Jones, Parker Poe Adams and Bernstein LLP

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- e. Issuing Authority: State Housing Finance and Development Authority
- Amount of Issue: Not Exceeding \$110,000,000 Mortgage Revenue Bonds
- Allocation Needed: -0-
- Name of Project: Mortgage Revenue Bonds, Series 2017A
- Employment Impact: n/a
- Project Description: Mortgage Revenue Bonds, Series 2017A
- Bond Counsel: Rion D. Foley, McNair Law Firm, P.A.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolutions with attachments

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PUBLIC OR PRIVATE SALE OF NOT EXCEEDING \$65,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (CONWAY HOSPITAL, INC.) IN ONE OR MORE SERIES OF BONDS, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*JEDA*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Fiscal Accountability Authority of the issuance by JEDA pursuant to the Act of its Hospital Revenue Bonds in the aggregate principal amount of not exceeding \$65,000,000 (together, the "*Bonds*") through public or private sale, as JEDA may determine to be most advantageous; and

WHEREAS, JEDA represents to the State Fiscal Accountability Authority of the State of South Carolina that the Bonds will be underwritten (i.e., publicly sold) or privately placed in a manner acceptable to JEDA.

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

Section 1. It is hereby found, determined and declared by the State Fiscal Accountability Authority that: the Petition filed by JEDA 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 JEDA to issue the bonds through public or private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

A

Road Proceeds	FYE	Spend (Down Schedule) Note
\$ 30,278,113.11	00/00/00	
\$ 10,000,000.00	00/00/00	
\$ 10,000,000.00	00/00/00	
\$ 5,000,000.00	00/00/00	
\$ 5,000,000.00	00/00/00	
\$	00/00/00	
\$ 60,278,113.11		

Sources	Est. Project Budget (Sources)
(1) Bond Proceeds: (a) Par	\$ 54,680,000.00
(b) Premium/Accr. int.	\$ 6,445,969.15
(2) Issuer/Borrower Contr.	\$
(3) Debt Service Fund Trans.	\$
(4) Debt Service Reserve Fund Contribution	\$
(5) Other (Specify) Type -	\$
Residual Project Sources	
(6) Other	
(a) GF -	\$
(a) FF -	\$
(c) OF -	\$
Total Project Sources	\$ 61,125,969.15

Est. Project Budget (Uses)	Uses
\$ 50,000,000.00	Project Fund
\$	Capitalized Interest Fund
\$	Debt Service Reserve Fund
\$ 10,278,113.11	Redemption Price/Escrow Deposit
\$ 847,856.04	Cost of Issuance (Incl. UW Disc.)
\$	Accrued Interest
\$	Other
\$	Other
\$	Other
\$	Other
\$	Other
\$	Other
\$	Other
\$	Other
\$ 61,125,969.15	Total Project Uses

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$	\$	\$
Bond Counsel	McNair/Katten Muchin		10/10/2016	\$ 100,000.00	\$	\$ 100,000.00
Disclosure Counsel	N/A		N/A	\$	\$	\$
Issuer's Counsel	TBD			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel	Winston and Strawn			\$ 65,000.00	\$	\$ 65,000.00
Transaction Counsel	Katten Muchin Rosenman		10/10/2016	\$ 90,000.00	\$	\$ 90,000.00
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$ 75,000.00	\$	\$ 75,000.00
Underwriter's Compensation	Ziegler			\$ 382,760.00	\$	\$ 382,760.00
Registrar / Paying Agent	Bank of New York Mellon			\$ 5,000.00	\$	\$ 5,000.00
Escrow Agent	N/A			\$	\$	\$
Accountant	Grant Thornton			\$ 50,000.00	\$	\$ 50,000.00
Verification Agent	N/A			\$	\$	\$
Printing	Image Master			\$ 8,000.00	\$	\$ 8,000.00
Publishing	Sun News			\$ 1,500.00	\$	\$ 1,500.00
Advertising					\$	\$
Contingency				\$ 13,096.04	\$	\$ 13,096.04
Issuer's Fee	SC JEDA / SC SHFDA			\$ 50,000.00	\$	\$ 50,000.00
				\$ 847,856.04	\$	\$ 847,856.04

0.00%	0.00%
0.18%	0.00%
0.48%	0.00%
0.14%	0.00%

0.70%	0.00%
0.23%	0.00%
1.55%	0.00%

Attachment to New Debt Information Form (NDIF)
Conway Medical Center
Series 2016 Bonds

Question 3:

The estimated NPV savings of the refinancing of the Series 2011A Bonds is \$145,307 after factoring in all anticipated issuance costs. JEDA has been advised by the Hospital that the principal purpose for the issuance of the Series 2016 Bonds is to finance new capital projects at the Hospital, which will enable business growth, higher levels of employment and to maximize balance sheet liquidity. Because the Hospital is investing the time and money necessary to access low-cost financing for such new projects, the Hospital believes that a current refunding of the Series 2011A Bonds also makes sense and benefits the Hospital in the following respects: 1) removes or replaces certain covenants or terms associated with the Series 2011A Bonds that are less desirable to the Hospital and/or are inconsistent with current market standards for similar financings, including the elimination of the 100 days cash on hand requirement and the elimination of a negative mortgage pledge, 2) allows the Master Indenture to be amended in order to modernize certain covenants, such as a higher threshold for permitted sales and transfers of Hospital property and a lengthening of the cure period for covenant defaults from 30 to 60 days, 3) replaces the Series 2011A Bondholder (the successor-in-interest to the original bondholder) and 4) reduces debt service as a result of the proposed matched maturity current.

The Series 2011A Bonds were originally sold in a private placement to a holder with whom the Hospital maintained a productive relationship; such bonds were subsequently sold to a different financial institution and the Hospital is uncertain as to the new holder's willingness or productiveness to administer the debt covenants or its flexibility related to consents or waivers which may be needed over the term of such bonds. Unlike a public bond issue which requires bond investors to reach a level of consensus before exercising remedies or directing actions by the bond trustee in a financial covenant breach scenario, the holder of the outstanding Series 2011A Bonds, consistent with the majority of bank and non-bank private placements that have been executed, may exercise its remedies without reaching consensus with other bondholders, including the immediate acceleration of debt service upon an event of default covenant breach. This puts the new lender in a position to exert more influence over the bond trustee and the administration of the bond covenants compared with other bondholders. Therefore a matched maturity public bond refunding not only produces debt service savings but also reduces the Hospital's capital structure risk at an opportune time.

Question 4:

McNair Law Firm, P.A. and Katten Muchin Rosenman LLP are serving as co-bond counsel. McNair will be primarily responsible for coordinating State and local approvals of the Bonds, reviewing the Bond Indenture and Loan Agreement related to the Bonds and providing opinions, if necessary, to JEDA, as to the validity and enforceability of the Bonds, the Bond Indenture and the Loan Agreement, and Katten Muchin will be

primarily responsible for other aspects of the Bond transaction, including providing opinions to the Bondholders (and the Underwriter) as to the Bonds and the tax-exempt status of the interest thereof for federal and state tax purposes, and review, negotiation and/or preparation of legal and disclosure documents (including the Bond Indenture, Loan Agreement, Supplemental Master Trust Indenture evidencing the obligation, the Tax Regulatory Agreement, the Bond Purchase Agreement and the Official Statement) in connection with the marketing and sale of the Bonds.

Question 5:

The Series 2016 Bonds are being issued to (i) finance, refinance or reimburse the Hospital for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the healthcare facilities owned by the Hospital, including the renovation of existing structures, construction of new additions to existing structures and equipping of the renovated and new construction areas (the "Series 2016 Project"), (ii) refund all of the outstanding portion of the Authority's Hospital Revenue Refunding Bonds (Conway Hospital, Inc.) Series 2011A (the "Series 2011 Bonds"), and (iii) pay certain costs of issuance of the Series 2016 Bonds and the refunding of the Series 2011 Bonds. Specifically, the Series 2016 Project includes the renovation of existing facilities includes surgical services which will be expanded to include two new operating rooms along with post-anesthesia care beds. Support areas will be enhanced by expanding Dietary, Materials Management, Laundry and Prep and Recovery relocation. In addition, complete renovation of all rehabilitation services space is planned as well as renovation of Information Services to support the entire organization. Construction of new facilities includes Emergency Department expansion, completion of a free-standing emergency department and two free-standing physician offices located throughout Horry County in our primary service area.

Question 7a:

It is expected that once the new Emergency Department is completed that such department will be managed pursuant to a Management Contract by an independent physician group. No such agreement has yet been entered into.

Question 9:

As mentioned in Question 4, McNair Law Firm, P.A. and Katten Muchin Rosenman LLP are serving as co-bond counsel. Therefore, the fee estimate is the combined fee estimate of both law firms. McNair Law Firm P.A.'s engagement date is October 24, 2016 and its estimated fee is \$25,000. Katten Muchin Rosenman LLP's engagement date is October 10, 2016 and its estimated fee is \$75,000.

**Summary of Financing and Refinancing Proposal for
Conway Hospital, Inc.**

PRELIMINARY – SUBJECT TO CHANGE

October 25, 2016

Outstanding bonds proposed to be refinanced	South Carolina Jobs-Economic Development Authority Hospital Revenue Refunding Bonds (Conway Hospital, Inc.) Series 2011A		
Bonds proposed to refund the bonds refinanced	Approximately \$10,200,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Bonds, Series 2016 (Conway Hospital, Inc.) (the "Refinancing Bonds")		
Average interest rate of bonds refinanced		3.00%	
Projected average interest rate of refinancing bonds		5.00%	
True interest cost of refinancing bonds		1.51%	
Projected net present value savings (net of costs)		\$145,307	
Projected net present value savings as a percentage of the bonds refinanced		1.43%	
Bonds proposed to be issued for new money purposes	Approximately \$50,000,000 South Carolina Jobs-Economic Development Authority Hospital Revenue Bonds, Series 2016 (Conway Hospital, Inc.) (the "New Money Bonds")		
Average interest rate of new money bonds		4.30%	
Total Costs as % of Total Par	1.55%		
New Money Costs as % of New Money Par		1.55%	
Refunding Costs as % of Refunding Par			1.55%
Refunding Costs as % of Estimated Refunding NPV Savings			102.0%

[See next page for more detailed breakdown of costs]

	Series 2016 Bonds	(1)	New Money Bonds	(2)	Refinancing Bonds	(3)
Estimated Par Amount	\$54,680,000		\$45,120,000		\$9,560,000	
Estimated Allocation Percentages	100%		82.52%		17.48%	
Estimated Costs						
Underwriting	\$382,760	0.70%	\$315,840	0.70%	\$66,920	0.70%/46.1%
Legal fees – bond, disclosure and general counsel	\$262,500	0.48%	\$216,615	0.48%	\$45,885	0.48%/31.6%
Rating agency fees	\$75,000	0.14%	\$61,887	0.14%	\$13,113	0.14%/9.0%
Advisory fees	NA		NA		NA	
Bond trustee/registrar	\$5,000	0.009%	\$4,126	0.009%	\$874	0.009%/0.6%
Accounting and verification	\$50,000	0.09%	\$41,258	0.09%	\$8,742	0.09%/6.0%
Credit enhancement/bond insurance	NA		NA		NA	
Publication, printing, contingencies and all other expenses	<u>\$72,596</u>	<u>0.13%</u>	<u>\$59,904</u>	<u>0.13%</u>	<u>\$12,692</u>	<u>0.13%/8.7%</u>
Total Estimated Costs	<u>\$847,856</u>	<u>1.55%</u>	<u>\$699,651</u>	<u>1.55%</u>	<u>\$148,205</u>	<u>1.55%/102.0%</u>

(1) Percentage represents cost as percentage of total principal amount of bonds (\$54,680,000).

(2) Percentage represents costs allocated to new money purposes as percentage of principal amount of associated new money bonds (\$45,120,000)

(3) Percentages represent costs allocated to refinancing purposes as percentage of (a) principal amount of associated refinancing bonds (\$9,560,000) and (b) estimated NPV savings (\$145,307)

Prepared by: B.C. Ziegler & Company, McNair Law Firm, P.A. and Katten Muchin Rosenman, LLP

Date: October 25, 2016

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OR UNDERWRITING OF NOT EXCEEDING \$13,875,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (GREEN MIDLANDS, LLC PROJECT), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (GREEN Midlands, LLC Project), in one or more series, in the aggregate principal amount of not exceeding \$13,875,000 (the "*Bonds*"), through private sale or underwriting which the Authority has determined to be most advantageous; and

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

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

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

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

Section 3. This Resolution shall take effect immediately.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: **11/07/16**

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

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina Jobs-Economic Development Authority Series: 2016/2017
 Borrower (if not Issuer): GREEN Midlands, Inc.
 Bond Caption: GREEN Midlands, Inc. Project Economic Development Revenue Bonds
 Bond Resolution Amount: \$13,875,000.00 Est. Production Amount: \$13,875,000.00
 (* Used to calculate initial COI percentages: this \$ Amount / Est. \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages *)

Initial/Current Version:

ENTITY

NAME:

BY:

JTS:

South Carolina Jobs - Econ Dev

Harry Huntley

Executive Director

Final:

ENTITY

NAME:

BY:

ITS:

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: GREEN Midlands, Inc. Project
 Project Address/Location: 7820 Broad River Road, Irmo, SC Amount: \$13,875,000.00
 Project Type: Educational Facilities County: Richland/Lexington Counties
 Projected Avg Interest Rate: 5.00% Final Maturity: _____

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)
			0.00%	0.00%	\$	
			0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Specialized Public Finance, Inc. Disclosure Counsel: Haynsworth Sinkler Boyd
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Nexsen Pruet
 Underwriter: D.A. Davidson (Placement Agent) Other: (Bank Counsel) Wyche, P.A.
 Underwriter's Counsel: Grey Mountain Charter Finance, Inc. 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 costs associated with this project include the demolition of all buildings, bringing all plumbing and life safety issues up to code with the new classroom layout, and new bathrooms, a fire alarm system, new flooring, drywall and ceiling, electrical, and HVAC upgrades. This project will be completed in two phases: (1) Phase 1, Acquire and Remodel: Acquire vacant church school campus which consists of three buildings totaling 26,510 square feet and to remodel 15,000 square feet; and (2) Phase 2, New Build: to construct a 40,000 square foot new classroom building, which will allow the school to grow to 700 students.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	00/00/00	Inducement
JBRC Approval:	00/00/00	
SFAA Approval:	11/07/16	Anticipated

Project Approvals - Phase 1 Issue Anticipated		Notes:
Issuer/Borrower Approval:	00/00/00	N/A
JBRC Approval:	00/00/00	N/A
SFAA Approval:	00/00/00	N/A

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☐ ☒

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

☐ ☒

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

Sq. Footage - _____
 Cost Estimate - _____

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

Bond Proceeds	FY:	Spend Down Schedule Notes
\$ 2,500,000.00	6/30/2017	
\$ 2,500,000.00	6/30/2017	
\$ 4,375,000.00	6/30/2018	
\$ 4,500,000.00	6/30/2018	
\$	00/00/00	
\$	00/00/00	
\$ 13,875,000.00		

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.	\$ 13,875,000.00	\$ 10,550,000.00	Project Fund
(2) Issuer/Borrower Contr.	\$	\$ 550,000.00	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$	\$ 900,000.00	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$	\$	Redemption Price/Escrow Deposit
(5) Other (Specify) Type -	\$	\$ 500,000.00	Cost of Issuance (Incl. UW Disc.)
Residual Project Sources		\$	Accrued Interest
(6) Other		\$ 25,000.00	Real Estate Related Costs (title, survey)
(a) GP -	\$	\$ 500,000.00	Offsite
(a) FF -	\$	\$ 350,000.00	Construction Contingency
(c) OF -	\$	\$ 500,000.00	Architectural & Engineering Fees
Total Project Sources	\$ 13,875,000.00	\$ 13,875,000.00	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	Specialized Public Finance			\$ 82,500.00	\$	\$ 82,500.00
Bond Counsel	Haynsworth Sinkler Boyd			\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel	Haynsworth Sinkler Boyd			\$ 50,000.00	\$	\$ 50,000.00
Issuer's Counsel	Nexsen Pruet			\$ 10,000.00	\$	\$ 10,000.00
Underwriter's Counsel	TBD			\$ 30,000.00	\$	\$ 30,000.00
					\$	\$
Borrower's Counsel	Wyche			\$ 25,000.00	\$	\$ 25,000.00
Trustee's Counsel	TBD			\$ 15,000.00	\$	\$ 15,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	D.A. Davidson			\$ 70,000.00	\$	\$ 70,000.00
Trustee	TBD			\$ 9,700.00	\$	\$ 9,700.00
Purchaser's Compensation	Grey Mountain Charter			\$ 70,000.00	\$	\$ 70,000.00
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing	TBD			\$ 5,000.00	\$	\$ 5,000.00
Publishing	TBD			\$ 5,000.00	\$	\$ 5,000.00
Advertising				\$	\$	\$
Contingency				\$ 37,800.00	\$	\$ 37,800.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 25,000.00	\$	\$ 25,000.00
				\$ 500,000.00	\$	\$ 500,000.00

Est. / Actual COI Fees (% of Transaction)

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

0.59%	0.00%
0.47%	0.00%
1.41%	0.00%
0.00%	0.00%

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

0.50%	0.00%
1.10%	0.00%
3.60%	0.00%

Summary of Financing Proposal for

South Carolina Jobs-Economic Development Authority
Greenville Renewable Energy Educational Charter School
Economic Development Revenue Bonds (GREEN Midlands LLC)

PRELIMINARY – SUBJECT TO CHANGE

September 27, 2016

Bonds proposed to be financed	\$13,875,000 in total principal
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Average interest rate of bonds	5.00%
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Projected average interest rate of bonds	5.00%
--	-------

True interest cost of bonds	5.00%
-----------------------------	-------

Estimated costs (costs as a percentage of bonds)

Underwriter's Fee	0.50%
-------------------	-------

Legal fees – bond, issuer, disclosure, and general counsel	1.41%
---	-------

Issuer Fee (JEDA)	0.18%
-------------------	-------

Advisory fees	0.59%
---------------	-------

Bond trustee/registrar	0.11%
------------------------	-------

Trustee's Counsel	0.07%
-------------------	-------

Loan Origination Fee	0.50%
----------------------	-------

Credit enhancement/bond insurance	-
-----------------------------------	---

Publication, printing, contingencies and all other expenses	0.24%
--	-------

Total	3.60%
-------	-------

Prepared by: Specialized Public Finance Inc.

Submitted by: Paul Jasin

Date: September 27, 2016

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OR UNDERWRITING OF NOT EXCEEDING \$42,500,000 AGGREGATE PRINCIPAL AMOUNT FIRST MORTGAGE HEALTH CARE FACILITIES REVENUE REFUNDING BONDS (THE LUTHERAN HOMES OF SOUTH CAROLINA, INC.), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its First Mortgage Health Care Facilities Revenue Refunding Bonds (The Lutheran Homes of South Carolina, Inc.), in one or more series, in the aggregate principal amount of not exceeding \$42,500,000 (the "**Bonds**"), through private sale or underwriting which the Authority has determined to be most advantageous; and

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

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

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

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

Section 3. This Resolution shall take effect immediately.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 09/26/16

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): The Lutheran Homes of South Carolina, Inc.
 Bond Caption: The Lutheran Homes of South Carolina, Inc., 1st Mortgage Health Care Facilities Revenue Refunding
 Bond Resolution Amount: \$42,500,000.00 Est. Production Amount: \$42,500,000.00
 (* Used to calculate initial COI percentages: this \$ Amount / Est. \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages *)

Initial/Current Version:

ENTITY: South Carolina Jobs-Economic
 NAME: Development Authority
 BY: Harry Huntley
 ITS: Executive Director

Final:

ENTITY: _____
 NAME: _____
 BY: _____
 ITS: _____

2. FINANCING (NEW PORTION)

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

3. FINANCING (REFUNDED PORTION)

Series/Refund	Refund Dates	Principal Refunded	Int'l. Refunded Bds	Est. Yield of Refunding Bds	Est NPV Sgs. (%)	Est NPV Sgs. 4% of Ref. Bond
Series 2007 Bonds	5/1/21-5/1/42	\$ 34,355,000.00	5.58%	3.59%	\$ 5,700,000.00	16.70%
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$ 34,355,000.00	*****	*****	\$ 5,700,000.00	

4. FINANCING WORKING GROUP

Financial Advisor: None Disclosure Counsel: _____
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Parker Poe Adams & Bernstein
 Underwriter: Ziegler Underwriter's Counsel: Butler Snow
 Other: _____ Borrower Counsel: Adams and Reese

5. FINANCING/PROJECT DESCRIPTION

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

The proposed financing would refund \$43,555,000 SC JEDA First Mortgage Health Care Facilities Refunding and Revenue Bonds (The Lutheran Homes of South Carolina, Inc.) Series 2007 outstanding in principal amount \$35,670,000. The Series 2007 Bonds were used to (a) refinance the \$32,405,000 SC JEDA First Mortgage Health Facilities Revenue Bonds (The Lutheran Homes of South Carolina, Inc.) Series 1999 and (b) finance construction of expansion facilities at Franke at Seaside in Mt. Pleasant, SC and renovations of facilities at Heritage at Lowman in White Rock, SC. The Series 2017 Bonds will be issued as public offered bonds or as a hybrid issue with a private placement series and a publicly offered series.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 00/00/00	
JBRC Approval: 00/00/00	N/A
SFAA Approval: 11/07/16	

Project Approvals - Public Offered Series Only	Notes:
Issuer/Borrower Approval: 00/00/00	
JBRC Approval: 00/00/00	
SFAA Approval: 00/00/00	

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☐ ☒

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

☐ ☒

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

Sq. Footage - _____
 Cost Estimate - \$0

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
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$	\$	Project Fund
(b) Premium/Accr. Int.	\$ 34,890,000.00	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 75,000.00	\$ 2,350,000.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$ 3,650,000.00	\$ 35,500,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 765,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 3,885,000.00	Accrued Interest
Type -	\$ 3,885,000.00	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 42,500,000.00	\$ 42,500,000.00	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				\$	\$	\$
Bond Counsel	Haynsworth Sinkler Boyd			\$ 60,000.00	\$	\$ 60,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Parker Poe			\$ 7,500.00	\$	\$ 7,500.00
Underwriter's Counsel	Butler Snow			\$ 45,000.00	\$	\$ 45,000.00
Borrower's Counsel	Adams and Reese			\$ 25,000.00	\$	\$ 25,000.00
Bank Counsel	Womble Carlyle			\$ 40,000.00	\$	\$ 40,000.00
Trustee Counsel	TBD			\$ 10,000.00	\$	\$ 10,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation	Ziegler			\$ 460,000.00	\$	\$ 460,000.00
Trustee	U.S. Bank			\$ 5,000.00	\$	\$ 5,000.00
				\$	\$	\$
Accountant	Clifton Larson Allen			\$ 15,000.00	\$	\$ 15,000.00
Verification Agent	Amtech			\$ 2,500.00	\$	\$ 2,500.00
Printing	Imagemaster			\$ 5,000.00	\$	\$ 5,000.00
Bank Origination Fee	TBD			\$ 54,495.00	\$	\$ 54,495.00
Advertising				\$	\$	\$
Contingency				\$	\$	\$
Issuer's Fee	SC JEDA / SC SHFDA			\$ 35,505.00	\$	\$ 35,505.00
				\$ 765,000.00	\$	\$ 765,000.00

Est / Actual COI Fees (% of Transaction)

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.00%	#DIV/0!
0.14%	#DIV/0!
0.44%	#DIV/0!
0.00%	#DIV/0!

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

1.08%	#DIV/0!
0.28%	#DIV/0!
1.80%	#DIV/0!

Summary of Refinancing Proposal for
Lutheran Homes of South Carolina, Inc.

PRELIMINARY – SUBJECT TO CHANGE

September 22, 2016

Outstanding bonds proposed to be refinanced	\$43,550,000 South Carolina Jobs-Economic Development Authority First Mortgage Health Care Facilities Refunding and Revenue Bonds (The Lutheran Homes of South Carolina, Inc.) Series 2007; publicly offered fixed rate bonds, par amount refunded \$34,355,000, maturing from 5/1/21 – 5/1/42	
Average interest rate of bonds refinanced	5.58%	
Projected average interest rate of refinancing bonds		3.03%
True interest cost of refinancing bonds		3.59%
Projected net present value savings (net of costs)		\$5.7 million
Projected net present value savings as a percentage of the bonds refinanced		16.7%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)		2.2%, 13.3%
Underwriting	\$460,000	
Legal fees – bond, bank, disclosure and general counsel	\$187,500	
Rating agency fees	N/A	
Advisory fees	N/A	
Bond trustee/registrar	\$5,000	
Accounting and verification	\$17,500	
Credit enhancement/bond insurance	N/A	
Publication, printing, contingencies and all other expenses	\$40,505	
Bank origination fee	\$54,495	
Total	\$765,000	

Prepared by: Tad Melton, Ziegler
Date: September 22, 2016

A RESOLUTION APPROVING THE INCREASE IN AGGREGATE PRINCIPAL AMOUNT BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING GOVERNMENTAL NOTE (WATERS AT ST. JAMES APARTMENTS) SERIES 2016

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

WHEREAS, pursuant to the Act and a Bond Resolution dated June 22, 2016, following approval by the SFAA on June 22, 2016, the Authority issued its Multifamily Housing Governmental Note (Waters at St. James Apartments) Series 2016, in the aggregate principal amount of \$29,000,000 ("Note") for the purpose of funding a construction loan ("Loan") to Waters at St. James, LP, a limited partnership duly organized under the laws of the State of South Carolina (the "Sponsor"), for the acquisition, construction and equipping of a multifamily affordable housing development, consisting of 336 units, located in the City of Goose Creek, Berkeley County, South Carolina (the "Project"); and

WHEREAS, due to an increase in construction costs associated with the Project, the Sponsor has requested the Authority increase the amount of the Loan by \$1,250,000, by issuing a replacement multifamily housing governmental note in the aggregate principal amount of not exceeding \$30,250,000 (the "Replacement Note");

WHEREAS, JPMorgan Chase Bank, N.A., as the holder of the Note ("Holder") has agreed, pursuant to the Funding Loan Agreement dated as of July 1, 2016, among the Authority, Wilmington Trust, National Association, and the Holder ("Funding Loan Agreement"), on issuance of the Replacement Note, to cancel and return the Note to the Authority and accept the Replacement Note;

WHEREAS, the Authority has presented to the SFAA its Petition dated as of September 21, 2016 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Replacement Note.

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

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

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Replacement Note to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Governmental Note (Waters at St. James Apartments) Series 2016 in the principal amount of not to exceed \$30,250,000.

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

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

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

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

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

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

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

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



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: **11/07/16**

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

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2016
 Borrower (if not Issuer): Waters at St. James, LLP
 Bond Caption: Waters at St. James Apartment Project, Multifamily Housing Governmental Note
 Bond Resolution Amount: \$30,250,000.00 Est. Production Amount: \$30,250,000.00
(Used to calculate initial COI percentages; this \$ Amount / Est. \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages *)*

Initial/Current Version:

ENTITY

NAME:

BY:

ITS:

South Carolina State Housing

Parker Poe Adams & Bernstein,

Bond Counsel

Final:

ENTITY

NAME:

BY:

ITS:

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Waters at St. James
 Project Address/Location: Goose Creek, SC Amount: \$30,250,000.00
 Project Type: Multifamily Housing County: Berkley
 Projected Avg Interest Rate: 4.50% Final Maturity: _____

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Sygs (%)	Est NPV Sygs (% of Ref. Bds)
			0.00%	0.00%	\$	
			0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey C. Easton, Esq.
 Underwriter: N/A Borrower's Counsel: Parker Poe Adams & Bernstein, LLP
 Placement Agent: Stifel Merchant Capital 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 purpose of the financing is to fund, through a construction mortgage loan, a portion of the purchase and construction of a 336 unit multifamily development to offer affordable housing to residents in the City of Goose Creek, South Carolina. The basis for the financing costs presented in this worksheet is from information included in the application to SCSHFDA prepared by the Borrower.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	09/21/16	Preliminary
JBRC Approval:	00/00/00	
SFAA Approval:	11/07/16	Anticipated

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☒ ☐

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

☐ ☒

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

Sq. Footage - Entire Project
 Cost Estimate - \$34,934,115

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

Bond Proceeds	FY	Spend Down Schedule Note
\$ 15,927,600.00	00/00/0/00	Estimated. Actual expenditures will depend on construction
\$ 14,322,400.00	00/00/0/00	Estimated. Actual expenditures will depend on construction
\$	00/00/0/00	
\$	00/00/0/00	
\$	00/00/0/00	
\$	00/00/0/00	
\$ 30,250,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 30,250,000.00	\$ 34,934,115.00	Project Fund
(b) Premium/Accr. Int.	\$	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,279,825.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$ 210,000.00	Misc. Real Estate & LIHTC Costs
Type - LIHTC Equity	\$ 11,350,000.00	\$ 615,000.00	Capitalized Interest
Residual Project Sources		\$ 1,440,000.00	Reserves
(6) Other		\$ 4,920,328.00	Development Fee
(a) OF - Seller Note	\$	\$ 732.00	Contingency
(a) FF - Home Funds	\$	\$	Other
(c) OF - Deferred Dev. Fee	\$ 1,800,000.00	\$	Other
Total Project Sources	\$ 43,400,000.00	\$ 43,400,000.00	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				\$	\$	\$
Bond Counsel	Parker Poe			\$ 60,000.00	\$	\$ 60,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	General Counsel			\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Trustee Counsel	Lee			\$ 5,500.00	\$	\$ 5,500.00
Lender's Counsel - Construction	Greenberg Traurig, LLP			\$ 57,875.00	\$	\$ 57,875.00
Lender's Counsel - Perm	Ballard Spahr LLP			\$ 65,000.00	\$	\$ 65,000.00
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$	\$	\$
Registrar / Paying Agent	Wilmington Trust			\$ 6,000.00	\$	\$ 6,000.00
Placement Agent	Stifel			\$ 72,000.00	\$	\$ 72,000.00
Fee	JP Morgan Chase			\$ 332,700.00	\$	\$ 332,700.00
Fee	Walker Dunlop			\$ 302,500.00	\$	\$ 302,500.00
Freddie Mac Fee	Freddie Mac			\$ 90,750.00	\$	\$ 90,750.00
Freddie Mac Application Fee	Freddie Mac			\$ 27,000.00	\$	\$ 27,000.00
Bond Application Fee	SCSHFDA			\$ 6,000.00	\$	\$ 6,000.00
Other				\$ 45,000.00	\$	\$ 45,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 209,500.00	\$	\$ 209,500.00
				\$ 1,279,825.00	\$	\$ 1,279,825.00

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

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

0.00%	0.00%
0.20%	0.00%
0.62%	0.00%
0.00%	0.00%

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

0.00%	0.00%
3.61%	0.00%
4.23%	0.00%

\$30,250,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Governmental Note
Series 2016

Background of the request:

Waters at St. James, LP (the "Borrower") received a mortgage loan from the proceeds of the South Carolina Housing Finance and Development Authority's ("Authority") \$29,000,000 Multifamily Housing Governmental Note (Waters at St. James Apartments) Series 2016 issued on July 12, 2016. The loan was made so the Borrower could finance the costs of acquiring and constructing a multi-family apartment housing complex in Berkeley County, South Carolina ("Project").

The Borrower is requesting the SFAA approve an increase in aggregate principal amount of the mortgage loan (and thus, requesting an increase in the aggregate principal amount of the Authority's Governmental Note) by \$1,250,000, due to an increase in certain construction costs with respect to the Project. The Authority gave preliminary approval to the increased amount on September 20, 2016, and executed a petition to the SFAA for its approval of the increased amount at its November 7, 2016 meeting.

The Borrower realized the need for the additional \$1,250,000 in principal amount of the original mortgage loan after the Authority's preliminary approval of the Governmental Note (in its original principal amount) in May, but prior to consideration of the Governmental Note by the SFAA in June. Based on discussions with members of the Authority and SFAA staff, the Borrower understood that it could not amend the Authority's petition with respect to the Governmental Note that was pending before the SFAA, but rather, would need to go back to the Authority Commission for preliminary approval of the additional principal amount – a process which was anticipated to push closing on the Governmental Note by several weeks. The Borrower was under certain deadlines (e.g. a purchase option for the land on which the Project was to be located was expiring) for the Project and could not delay issuing the original Governmental Note. The Borrower determined that it would be in the best interest of the Project to request the SFAA and Authority move forward with approval of the original petitioned amount (\$29,000,000) and approve the additional principal amount needed by separate process. The Authority agreed to consider the additional amount by separate process and the purchaser of the Governmental Note agreed to accept a replacement Governmental Note (in the increased principal amount) should the Authority approve the increase.

The New Debt Information Form and Summary of Financing Proposal form submitted do not reflect a new borrowing but rather provide updates to the New Debt Information Form and Summary of Financing Proposal submitted in connection with the consideration by the SFAA of the Governmental Note (in its original principal amount) at its meeting on June 22, 2016. The attached New Debt Information Form includes revisions to the original New Debt Information Form in the following ways:

1. Updated amount of the Note
2. Updated approval dates (reflecting the approval dates received or anticipated with respect to the additional \$1,250,000 in aggregate principal amount).
3. Updated estimated expenditures to reflect the additional principal amount
4. Updated project sources and uses to reflect the additional principal amount
5. Revised COI Expenditures (to reflect the actual expenditures incurred in connection with the closing of the Note on July 12, 2016. The costs of issuance expenditures are not anticipated to increase as a result of the increase in the aggregate principal amount or the issuance of the replacement note).

Costs of Issuance Information:

The Waters at St. James project was financed through the Freddie Mac Forward Tax-Exempt Loan Structure ("Forward TEL"). The program was developed by Freddie Mac to finance affordable multifamily residential rental housing projects. The parties below all arise due to the unique nature of the Forward TEL program. The program consists of a construction and permanent phase of the financing .

- Stifel – Placement Agent. Assisted the Borrower in finding a purchaser of the Note (JP Morgan) for the construction phase of the Project.
- JP Morgan – Construction Lender. JP Morgan purchased the Note for the construction phase of the Project. On completion of construction, JP Morgan will be "taken out" by the permanent lender (Walker Dunlop/Freddie Mac). The costs represented on the NDIF represent certain fees for originating the construction loan.
- Walker Dunlop – is a portion of the permanent lending phase. Specifically, Walker Dunlop is the Freddie Mac Seller/Servicer in this transaction. In the "tax-exempt loan program" set up by Freddie Mac, on completion of the construction phase, the Note is initially purchased by a Freddie Mac Seller/Servicer that will, at a later date, be "taken-out" by Freddie Mac. The costs represented on the NDIF are charges in connection with the program.
- Freddie Mac – the final purchaser of the Note/final portion of the permanent lending phase. Freddie Mac, after purchase of the Note, will hold the Note until maturity or earlier repayment. Freddie Mac is like HUD, but instead of just insuring (or hacking) loans made through its program, Freddie Mac actually purchases and holds the Note. The costs represented on the NDIF are charges for certain fees for participation in the program and review of the credit and locking in the interest rate.
- SC SHFDA – SC SHFDA charges .75% of the principal amount for its fee. As discussed, SC SHFDA plays two roles in this transaction: conduit issuer and also the authority for purposes of the tax credit side of the project. Additionally, SC SHFDA has its own internal counsel which gives the opinion for the transaction rather than hiring outside counsel.
- Other – This line item represents costs for Borrower's Counsel. Certain opinions with respect to the organization of the borrower and enforceability with respect to the tax credit portion of the financing were required in connection with the Project financing.

Summary of Financing Proposal for
\$1,250,000 Increase in Aggregate Principal Amount of
South Carolina State Housing Finance and Development Authority
Multifamily Housing Governmental Note
(Waters at St. James Apartments)
Series 2016

PRELIMINARY – SUBJECT TO CHANGE

October 28, 2016

\$30,250,000 South Carolina State Housing Finance
and Development Authority
Multifamily Housing Governmental Note, Series 2016

Average interest rate of bonds

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

Estimated costs (costs as a percentage of note)

Underwriting	N/A
Legal fees – bond, disclosure and general counsel	0.62%
Lender and Issuer fees	3.20%
Rating agency fees	N/A
Advisory fees	0.00%
Bond trustee/registrar	0.02%
Accounting and verification	N/A
Credit enhancement/bond insurance	N/A
Publication, printing, contingencies and all other expenses	.39%*
Total	4.23%

Prepared by Parker Poe Adams & Bernstein LLP

Date October 28, 2016

*Includes fees for the placement agent, Stifel, Nicolaus Company, Incorporated (“Stifel”). The Borrower, Waters at St. James, LP, the general partner of which is AHF-Waters at St. James, LLC, whose sole member is Atlantic Housing Foundation, Inc., did not hire a financial advisor in connection with the

Waters at St. James Project. It is the choice of the Borrower whether to engage the services of a financial advisor in connection with a transaction. Atlantic Housing Foundation determined not to hire a financial advisor for the Waters at St. James Project, but did hire Stifel to serve as placement agent for the transaction.

THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2017 A (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY IN ONE OR MORE SERIES

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

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

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2017 A Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$110,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the applicable series of the Series 2017 A Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the applicable series of the Series 2017 A Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

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

WHEREAS, the SFAA has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2017 A Bonds in one or more series, subject to the conditions set forth herein.

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

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the SFAA to the issuance and sale by the Authority of not exceeding \$110,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2017 A (or such other numbering convention as may be necessary) in one or more series.

The applicable series of the Series 2017 A Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

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

- (a) the purpose and the principal amount of the applicable series of the Series 2017 A Bonds to be issued;
- (b) the maturity schedule of the applicable series of the Series 2017 A Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the applicable series of the Series 2017 A Bonds

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

- (a) The Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the applicable series of the Series 2017 A Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the applicable series of the Series 2017 A Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the applicable series of the Series 2017 A Bonds;
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract(s); and
- (f) The State Treasurer shall approve, upon determination that the funds anticipated to be available for the payment of the Authority's bonds, including the applicable series of the Series 2017 A bonds, will be sufficient to provide for the payment of principal and interest thereon.

Section 4. Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the applicable series of the Series 2017 A Bonds and/or to refund any such bonds of the Authority.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 11/07/16

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2017A
 Borrower (if not Issuer): _____
 Bond Caption: Mortgage Revenue Bonds
 Bond Resolution Amount: \$110,000,000.00 Est. Production Amount: \$80,000,000.00
 (* Used to calculate initial COI percentages; this \$ Amount / Est. \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages *)

Initial/Current Version: **Final:**
 ENTITY ENTITY
 NAME: SC Housing Financing & Dev. NAME: _____
 BY: Richard A. Hutto, CPA BY: _____
 ITS: Dep. Director - Administrator ITS: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Single Family Mortgage Revenue Bonds
 Project Address/Location: Available Statewide Amount: \$80,000,000.00
 Project Type: _____ County: _____
 Projected Avg Interest Rate: 3.11% Final Maturity: _____

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR or Refunded Bal.	Est. Yield or Refunding Bal.	Est. NPV Sps. (%)	Est. NPV Sps. (Yield Ref. Bal.)
			0.00%	0.00%	\$	
			0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
		\$	0.00%	0.00%	\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

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

5. FINANCING/PROJECT DESCRIPTION

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

2017 A provides new proceeds for affordable housing loans to qualifying low and moderate income first-time single family home buyers. Issuance costs are estimated to be \$870,000 based on vendor contracts and typical fees for prior SC Housing transactions. [* Housing bonds are subject to mandatory redemption at any time from repayments and prepayments of principal received on underlying mortgage loans. Also, "Planned Amortization Class" bonds have a higher coupon but a lower expected yield because they are expected to be redeemed more rapidly resulting in a shorter average life. The yield estimates shown are based on an assumed 200% PSA prepayment rate on the mortgage loans to be acquired.]

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	09/21/16	Preliminary
JBRC Approval:	00/00/00	
SFAA Approval:	11/07/16	Proposed

Project Approvals - Please Attach Name - Date		Notes:
Issuer/Borrower Approval:	01/25/17	Final
JBRC Approval:	00/00/00	N/A
SFAA Approval:	00/00/00	N/A

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☐ ☒

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

☐ ☒

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

Sq. Footage - Not Applicable
 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	FY	Spend Down Schedule Notes
\$ 40,000,000.00	8/1/2017	
\$ 40,000,000.00	2/1/2018	
\$	00/00/0/00	
\$	00/00/0/00	
\$	00/00/0/00	
\$	00/00/0/00	
\$ 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	Project Fund
(b) Premium/Accr. Int.	\$ 82,310,000.00	\$ 1,010,000.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 2,770,000.00	\$ 2,400,000.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 870,000.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 800,000.00	Servicing Release Premium
Type -	\$	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 85,080,000.00	\$ 85,080,000.00	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			\$ 71,000.00	\$	\$ 71,000.00
Bond Counsel	McNair Law Firm			\$ 80,000.00	\$	\$ 80,000.00
Disclosure Counsel	Howell Linkous			\$ 40,000.00	\$	\$ 40,000.00
Issuer's Counsel	Internal Counsel			\$	\$	\$
Underwriter's Counsel	Parker Poe Adams			\$ 20,000.00	\$	\$ 20,000.00
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 70,000.00	\$	\$ 70,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 550,000.00	\$	\$ 550,000.00
Registrar / Paying Agent				\$ 10,000.00	\$	\$ 10,000.00
Placement Agent				\$	\$	\$
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Bond Application Fee				\$	\$	\$
Other				\$ 24,000.00	\$	\$ 24,000.00
Issuer's Fee	SCJEDA / SC SHFDA			\$	\$	\$
				\$ 870,000.00	\$	\$ 870,000.00

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

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

0.09%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.09%	#DIV/0!

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

0.69%	#DIV/0!
0.05%	#DIV/0!
1.09%	#DIV/0!

Summary of Financing Proposal for
South Carolina Housing Finance and Development Authority
Mortgage Revenue Bonds, Series 2017 A (Non-AMT)

PRELIMINARY – SUBJECT TO CHANGE

September 13, 2016

Bonds proposed to be financed	New Money Tax Exempt Bonds
Total Bond Issuance Size	\$80,000,000 (1)
Bond Maturities	1/1/2018 – 1/1/2047
Average interest rate of bonds	3.11%
Projected average interest rate of bonds	3.11%
True interest cost of bonds (2)	2.88%
True interest cost of bonds (3)	2.53%
Estimated costs (costs as a percentage of bonds)	
Underwriting	\$550,000 (0.69%)
Legal fees – bond, disclosure and general counsel	\$140,000 (0.175%)
Rating agency fees	\$70,000 (0.088%)
Advisory fees	\$71,000 (0.089%)
Bond trustee/registrar	\$10,000 (0.013%)
Accounting and verification	\$0 (0.000%)
Credit enhancement/bond insurance	\$0 (0.000%)
Publication, printing, contingencies and all other expenses	\$29,000 (0.036%)
Total	\$870,000 (1.09%)

Footnotes:

- (1) The initial authorizing resolution contemplates an issuance of bonds in an amount not to exceed \$110,000,000. At the time of the submittal of this form to the State Fiscal Accountability Authority, the issuance amount, if the bonds were issued at this time, would be \$80,000,000.
- (2) The first TIC calculation assumes no mandatory bond redemption, which is not typical for housing bonds.
- (3) Housing bonds differ from general obligation bonds in that they are subject to mandatory redemption at any time from repayments and prepayments of principal received on the underlying mortgage loans. In addition, the proposed bond structures include "Planned Amortization Class" bonds priced to include original issue premium. The so called "PAC" bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. To adequately measure the yield on housing bonds, it is therefore important to apply a reasonably expected prepayment rate on the underlying mortgage loans. The estimates of yield and net present value provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.

Prepared by Kathy Li
George K. Baum & Company

Date September 13, 2016

AGENCY: Department of Commerce

SUBJECT: Acquisitions, Construction, Real Property Exchange, and Settlements Related to Implementation of the Navy Base Intermodal Facility

BACKGROUND:

Palmetto Railways is undertaking the implementation of an equal dual access intermodal container transfer facility now known as the Navy Base Intermodal Facility ("NBIF") and expects the NBIF to be operational no later than year-end 2018. The NBIF is a very large and complex project. Currently pending are real property acquisitions and two settlements. All obligations involved will be undertaken exclusively with resources available to Palmetto Railways and **will not impact the State's general fund**. Palmetto Railways will acquire all properties at or below fair market value and will initiate condemnation only when necessary for properties needed for use by the NBIF. Palmetto Railways will also continue to take steps to protect the State from environmental liability associated with properties it has acquired or will acquire by securing non-responsible party VCCs.

Palmetto Railways seeks to take title to a 69.963 acre tract owned by Clemson ("Tract 11") (depicted in YELLOW on *Exhibit A*) that was previously subject to a "friendly condemnation" and is the primary tract needed for implementation of the NBIF. Palmetto Railways has had possession of Tract 11 since 2013 pursuant to a Consent of Possession (*Exhibit B*) approved by the Executive Director of the former Budget and Control Board (*Exhibit C*). Palmetto Railways now seeks to accept title to Tract 11 in conjunction with a Consent Settlement Agreement with Clemson (*Exhibit D*)¹ related to the condemnation.

Palmetto Railways must acquire 11 separate parcels comprising 12.5 acres (depicted in LIME GREEN on *Exhibit A*) with a total estimated FMV of \$14.88 million via purchase or condemnation in order to implement southern access to the NBIF.²

Palmetto Railways already owns most of the properties needed for northern access to the NBIF, but will or may need to acquire by purchase (not condemnation) two remaining properties (depicted in MINT GREEN on *Exhibit A*) that are impacted by the NBIF. The first property is owned by Low Country Orphan Relief ("LCOR") and is appraised at \$956,000 (See *Exhibit E*). LCOR has so far not entertained any offer to purchase and relocate, but Palmetto Railways seeks approval to acquire the property if acquisition becomes necessary. The second property is a residential property known as Tarpley House and is appraised at \$440,000 (See *Exhibit F*). Palmetto Railways has no plans to use either of these properties for state operations and will, subject to requisite state approval, market each property for sale or lease for appropriate purposes after acquisition.

In 2011, Palmetto Railways condemned a small portion of property ("Tract 18") owned by the North Charleston Sewer District ("NCSD") and eventually had to condemn the entire Tract 18 that includes an existing pump station. To settle the condemnation and compensate NCSD for the loss of its pump station, Palmetto Railways proposes to replace the condemned pump station with a new pump station constructed by Palmetto Railways on a buffer parcel of equivalent

¹ The Clemson Board approved the Consent Settlement Agreement on August 22, 2016.

² The cost and acreage for each individual parcel has been provided to SFAA and DOA staff.

AGENCY: Department of Commerce

SUBJECT: Acquisitions, Construction, Real Property Exchange, and Settlements Related to Implementation of the Navy Base Intermodal Facility

acreage (.64 acre) as depicted on *Exhibit G*. Palmetto Railways is undertaking the construction of the pump station in order to control costs and because of the critical path timelines for NBIF. Tract 18 is zoned for industrial use with an estimated value of \$250,000/acre. The new pump station will be constructed on property zoned for multi-family residential use with an estimated value of approximately \$46,000/acre.³ Including the underlying land, the new pump station is conservatively estimated to cost \$8 million.⁴ The exchange of Tract 18 and the equivalent parcel with a new pump station will be made pursuant to a Transfer and Settlement Agreement that will provide that Palmetto Railways will have no liability for the new pump station, its design or construction after transfer to the NCSD.⁵

With regard to all proposed transactions, Palmetto Railways may need to grant easements or rights-of-way for utilities or to provide access.

AUTHORITY ACTION REQUESTED:

- A. Pursuant to Chapter 47 of Title 2 of the Code of Laws of South Carolina 1976, as amended (the "Code"), approve both Phase I and II of a Permanent Improvement Project for acquisition of title to the Clemson property (Tract 11) and, pursuant to Section 11-1-45 of the Code, the related Clemson Consent Settlement Agreement; provided, however, that the liability of Commerce under Section 1.c. of that Settlement Agreement is limited to any liability Commerce may incur in the eminent domain proceedings captioned *Project: Intermodal Container Transfer Facility (Tract 11), South Carolina Department of Commerce, Condemnor v. Clemson University, Landowner, and Charleston County School District, Other Condemnee* and bearing the civil action number 2010-CP-10-10495; and provided further that responsibility for all payments required pursuant to the settlement by Commerce shall be paid from resources available to Palmetto Railways and will not impact the State's general fund.
- B. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of 11 specific properties, otherwise referenced herein, for fair market value not to exceed the sum of \$14.88 million.
- C. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of LCOR's property for not more than fair market value, if Palmetto Railways decides to proceed.

³ Values of Tract 18 and the parcel to be transferred to NCSD are based on recent appraisals of comparable property on the former Navy Base, but the estimated fair market values will be confirmed with appraisals of the specific properties involved.

⁴ On October 25, 2016, JBRC approved construction of the the pump station project based on a preliminary estimate of \$6.6 million.

⁵ A copy of a draft of the Transfer and Settlement Agreement has been provided to staff of SFAA and DOA for review.

AGENCY: Department of Commerce

SUBJECT: Acquisitions, Construction, Real Property Exchange, and Settlements Related to Implementation of the Navy Base Intermodal Facility

- D. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of the Tarpley House for not more than fair market value.
- E. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project not to exceed \$8 million for construction of a new pump station to replace the existing pump station Palmetto Railways has condemned and, after completion of construction, pursuant to Section 1-11-65 and Chapter 47 of Title 2 of the Code, transfer of the new pump station to the NCSD, such transfer to be in accordance with a Transfer and Settlement Agreement, subject to SFAA staff review and approval, pursuant to Section 11-1-45, of that Transfer and Settlement Agreement to confirm that the Agreement provides that liability of Palmetto Railways terminates upon transfer of the pump station.
- F. Delegate to SFAA staff authorization to approve the granting of easements and rights-of-way on property acquired, pursuant to the requests herein, by Palmetto Railways, such delegation subject to both existing policy and prior review and recommendation by the Department of Administration, Division of General Services.

ATTACHMENTS:

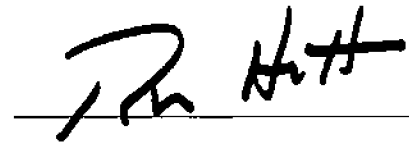
Department of Commerce agenda item worksheet with attachments; Department of Administration, Real Property Services support agenda item worksheet with attachments; SC Code Section 11-1-45

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 7, 2016

Regular Agenda

1. **Submitted By:**
(a) Agency: SC Department of Commerce
(b) Authorized Official Signature:



2. **Subject:** Acquisitions and settlements related to implementation of the Navy Base Intermodal Facility

3. **Summary Background Information:**

Palmetto Railways is undertaking the implementation of an equal dual access intermodal container transfer facility now known as the Navy Base Intermodal Facility ("NBIF") and expects the NBIF to be operational no later than year-end 2018. The NBIF is a very large and complex project. Currently pending are real property acquisitions and two settlements. All obligations involved will be undertaken exclusively with resources available to Palmetto Railways and **will not impact the State's general fund**. Palmetto Railways will acquire all properties at or below fair market value and will initiate condemnation only when necessary for properties needed for use by the NBIF. Palmetto Railways will also continue to take steps to protect the State from environmental liability associated with properties it has acquired or will acquire by securing non-responsible party VCCs.

Palmetto Railways seeks to take title to a 69.963 acre tract owned by Clemson ("Tract 11") (depicted in YELLOW on *Exhibit A*) that was previously subject to a "friendly condemnation" and is the primary tract needed for implementation of the NBIF. Palmetto Railways has had possession of Tract 11 since 2013 pursuant to a Consent of Possession (*Exhibit B*) approved by the Executive Director of the former Budget and Control Board (*Exhibit C*). Palmetto Railways now seeks to accept title to Tract 11 in conjunction with a Consent Settlement Agreement with Clemson (*Exhibit D*)¹ related to the condemnation.

Palmetto Railways must acquire 11 separate parcels comprising 12.5 acres (depicted in LIME GREEN on *Exhibit A*) with a total estimated FMV of \$14.88 million via purchase or condemnation in order to implement southern access to the NBIF.²

Palmetto Railways already owns most of the properties needed for northern access to the NBIF, but will or may need to acquire by purchase (not condemnation) two remaining properties (depicted in MINT GREEN on *Exhibit A*) that are impacted by the NBIF. The first property is owned by Low Country Orphan Relief ("LCOR") and is appraised at \$956,000 (See *Exhibit E*). LCOR has so far not entertained any offer to purchase and relocate, but Palmetto Railways seeks approval to acquire the property if acquisition becomes necessary. The second property is a residential property known as Tarpley House and is appraised at \$440,000 (See *Exhibit F*). Palmetto Railways has no plans to use either of these properties for state operations and will, subject to requisite state approval, market each property for sale or lease for appropriate purposes after acquisition.

In 2011, Palmetto Railways condemned a small portion of property ("Tract 18") owned by the North Charleston Sewer District ("NCSD") and eventually had to condemn the entire Tract 18 that includes an existing pump station. To settle the condemnation and compensate NCSD for the loss of its pump station, Palmetto Railways proposes to replace the condemned pump station with a new pump station constructed by Palmetto Railways on a buffer parcel of equivalent

¹ The Clemson Board approved the Consent Settlement Agreement on August 22, 2016.

² The cost and acreage for each individual parcel has been provided to SFAA and DOA staff.

acreage (.64 acre) as depicted on *Exhibit G*. Palmetto Railways is undertaking the construction of the pump station in order to control costs and because of the critical path timelines for NBIF. Tract 18 is zoned for industrial use with an estimated value of \$250,000/acre. The new pump station will be constructed on property zoned for multi-family residential use with an estimated value of approximately \$46,000/acre.³ Including the underlying land, the new pump station is conservatively estimated to cost \$8 million.⁴ The exchange of Tract 18 and the equivalent parcel with a new pump station will be made pursuant to a Transfer and Settlement Agreement that will provide that Palmetto Railways will have no liability for the new pump station, its design or construction after transfer to the NCSD.⁵

With regard to all proposed transactons, Palmetto Railways may need to grant easements or rights-of-way for utilities or to provide access.

4. What is Authority asked to do?

- A. Pursuant to Chapter 47 of Title 2 of the Code of Laws of South Carolina 1976, as amended (the “Code”), approve both Phase I and II of a Permanent Improvement Project for acquisition of title to the Clemson property (Tract 11) and, pursuant to Section 11-1-45 of the Code, the related Clemson Consent Settlement Agreement; provided, however, that the liability of Commerce under Section 1.c. of that Settlement Agreement is limited to any liability Commerce may incur in the eminent domain proceedings captioned *Project: Intermodal Container Transfer Facility (Tract 11), South Carolina Department of Commerce, Condemnor v. Clemson University, Landowner, and Charleston County School District, Other Condemnee* and bearing the civil action number 2010-CP-10-10495; and provided further that responsibility for all payments required pursuant to the settlement by Commerce shall be paid from resources available to Palmetto Railways and will not impact the State’s general fund.
- B. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of 11 specific properties, otherwise referenced herein, for fair market value not to exceed the sum of \$14.88 million.
- C. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of LCOR’s property for not more than fair market value, if Palmetto Railways decides to proceed.
- D. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project for acquisition of the Tarpley House for not more than fair market value.
- E. Pursuant to Chapter 47 of Title 2 of the Code, approve Phase I and II of a Permanent Improvement Project not to exceed \$8 million for construction of a new pump station to replace the existing pump station Palmetto Railways has condemned and, after completion of construction, pursuant to Section 1-11-65 and Chapter 47 of Title 2 of the Code, transfer of the new pump station to the NCSD, such transfer to be in accordance with a Transfer and Settlement Agreement, subject to SFAA staff review and approval, pursuant to Section 11-1-45, of that Transfer and Settlement Agreement to confirm that the Agreement provides that liability of Palmetto Railways terminates upon transfer of the pump station.
- F. Delegate to SFAA staff authorization to approve the granting of easements and rights-of-way on property acquired, pursuant to the requests herein, by Palmetto Railways, such delegation subject to both existing policy and prior review and recommendation by the Department of Administration, Division of General Services.

³ Values of Tract 18 and the parcel to be transferred to NCSD are based on recent appraisals of comparable property on the former Navy Base, but the estimated fair market values will be confirmed with appraisals of the specific properties involved.

⁴ On October 25, 2016, JBRC approved construction of the the pump station project based on a preliminary estimate of \$6.6 million.

⁵ A copy of a draft of the Transfer and Settlement Agreement has been provided to staff of SFAA and DOA for review.

5. What is recommendation of the Department of Administration involved?

Consider approval of certain transactions regarding the implementation of the State's Intermodal Container Transfer Facility






6. List of Supporting Documents:

<i>Exhibit A:</i>	MAP: Potential Acquisitions for NBIF
<i>Exhibit B:</i>	Consent of Possession
<i>Exhibit C:</i>	B&CB Staff Approval of Consent of Possession
<i>Exhibit D:</i>	Consent Settlement
<i>Exhibit E:</i>	Low Country Orphan Relief Appraisal
<i>Exhibit F:</i>	Tarpley House Appraisal
<i>Exhibit G:</i>	Relocation Pump Station Exhibit

EXHIBIT A

(MAP: Potential Acquisitions for NBIF)

Legend

-  Palmetto Railways Property
-  Southern Connection Property (Purchase or Obtain Easement)
-  Previously Approved Purchase Property
-  North Lead Property (Purchase or Obtain Easement)
-  Clemson Tract

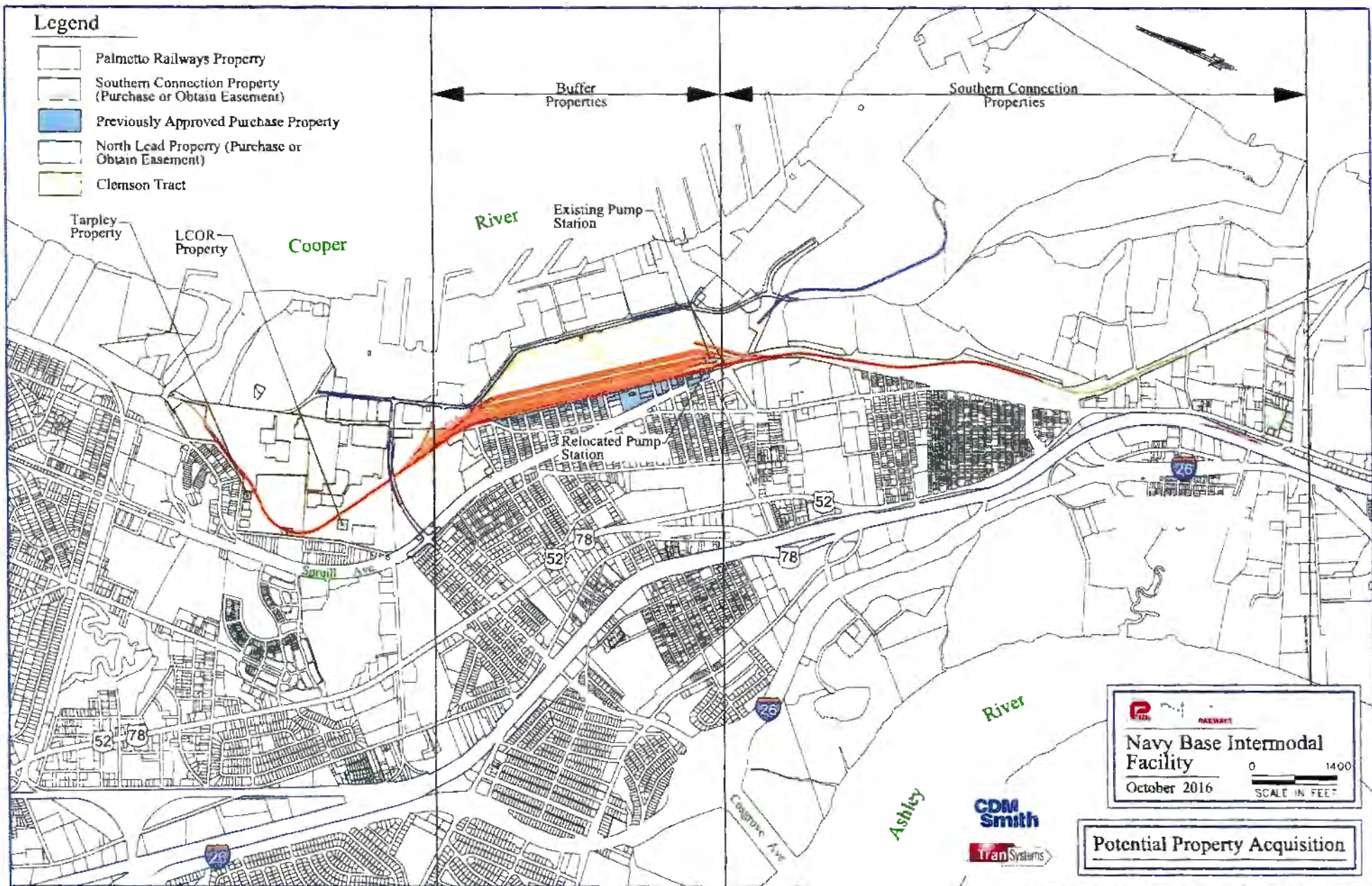
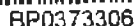


EXHIBIT B

(Consent of Possession)



WHEREAS, one intent of this Consent of Possession is to transfer responsibility for site conditions and future actions authorized by the Occupant VCC and to remove responsibility from Owner for any site conditions or future actions under the Clemson VCC; and

WHEREAS, Occupant desires in advance of taking fee simple title to the Property that it obtain full access and possession of the Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged by the parties hereto, the Owner hereby transfers to Occupant possession of the Property upon the following terms and conditions:

1. ACCESS AND POSSESSION. Owner hereby grants to Occupant, its successors and assigns, complete possession of the Property pursuant to S.C. Code Ann. Sec. 28-2-90. Occupant acknowledges that upon the execution of this Consent of Possession (a) the Property shall be possessed and held by Occupant as if fee simple title were held by Occupant; (b) that Occupant shall be responsible for environmental conditions of the Property under the Occupant VCC after the date hereof; and (c) that Owner has no further responsibility for any condition of the Property or any improvements thereon under the Clemson VCC. Owner agrees and acknowledges that this Consent of Possession shall not operate to release, relieve or waive any liabilities that have arisen or may arise in the future under the Comprehensive Environmental Response, Compensation and Liability Act, during Owner's ownership prior to the Effective Date of this Consent of Possession. Until Occupant takes fee simple title to the Property, Owner agrees to cooperate with SCDHEC and shall encumber the Property with covenants and restrictions, if SCDHEC requires such under the Occupant VCC.

2. TERM. The term of this Consent of Possession shall commence on the date first written above and shall continue until such time as Owner conveys fee simple title to the Property to Occupant. At the closing, Owner shall convey and transfer to Occupant, by quit-claim deed, fee simple title to the real property portion of the Property; by bill of sale to any personal property; and by assignment, any other rights, title and interest, if any which Owner may have in the Property and any appurtenances related thereto.

3. COMPENSATION NOT AFFECTED. Owner and Occupant agree that the proceeds of the above-referenced Condemnation action by the Division shall not be affected in any way by this Consent of Possession. Owner and Occupant acknowledge that pursuant to the requisite condemnation statutory provision that the date of valuation for purposes of the award of any compensation for the condemnation is the date of filing of the complaint, namely December 23, 2010.

4. TAXES. Pursuant to S.C. Code Ann. Sec. 28-2-110 ad valorem real estate taxes and assessments, if any, shall be prorated as of the Effective Date with Occupant, which, as a State entity, shall promptly abate ad valorem real estate taxes and assessments.

5. ENCUMBRANCES.

(A.) Owner covenants that Owner will not enter any agreement to further alter, alienate, or encumber in any way Owner's title to, market, sell, grant a security interest in, or otherwise dispose of, any portion of the Property (or any interest or estate therein), and shall not enter onto the Property after the Effective Date of this Consent of Possession without Occupant's consent. Upon Occupant's request for easements for electric power or other utilities to support Occupant's use or development of the property, Owner shall cooperate and execute such instruments. Further, Owner agrees to encumber the Property if SCDHEC requires that the Occupant record environmental declaration of covenants and/or restrictions pursuant to the Occupant VCC and/or additional land use and/or engineering controls (collectively, "environmental encumbrances") if required under the Navy Resource Conservation and Recovery Act (the "RCRA") Permit. Owner shall promptly sign and provide Occupant within a reasonable time of presentment to Owner by Occupant any environmental encumbrances requested, such reasonable time to allow for Owner's Board of Trustees or other agency approvals.

(B.) Occupant agrees that if easements or expansions of easements for electric power or other utilities are necessary on the Property for Owner's development or activities on properties of Owner adjacent to or near the Property, it shall cooperate and execute such instruments.

6. ENVIRONMENTAL NOTICES. This Consent of Possession is subject to the terms and conditions contained in the Required Environmental Notices (herein so called) attached hereto as **Exhibit B** incorporated herein by reference.

7. NOTICES. All notices, waivers, demands, requests or other communications required or permitted hereunder shall, unless otherwise expressly provided, be in writing and be deemed to have been properly given, served and received (a) if delivered by messenger, when delivered, (b) if mailed, on the third (3rd) business day after deposit in the United States certified or registered mail, postage prepaid, return receipt requested, (c) if faxed, telexed, telegraphed or telecopied, at the time recorded on the transmitting machine receipt, or (d) if delivered by reputable overnight express courier, freight prepaid, on the next business day after delivery to such courier, in every case addressed to the party to be notified as following:

If to Owner, to: Clemson University
 207 Sikes Hall
 Clemson, SC 29634
 Attn: W. C. Hood, Jr., Esquire
 Office: 864-656-3414
 Fax: 864-656-7739
 Email: chip@clemson.edu

With a copy to: Nelson Mullins Riley & Scarborough, LLP
151 Meeting Street, 6th Floor
Charleston, SC 29401
Attn: Newman Jackson Smith, Esquire
Office: 843-534-4309
Fax: 864-534-4350
Email: jack.smith@nelsonmullins.com

If to Occupant, to: Mr. Jeffrey M. McWhorter, President and CEO
SOUTH CAROLINA PUBLIC RAILWAYS
540 East Bay Street
Charleston, South Carolina 29403
Office: 843-727-2067
Fax: 843-727-2005
Email: Jeff.McWhorter@SCRailways.com

With a copy to: Chaun W. Pflug, Esquire
The Pflug Law Firm, LLC
211 Scott Street
Mt. Pleasant, South Carolina 29464
Office: 843-647-7774
Fax: 866-446-6170
Email: cpflug@pfluglaw.com

And: L. Patricia Wharton, Esquire
Whitener & Wharton, P.A.
2001 Park Street
Columbia, South Carolina 29201
Office: 803-779-7830
Fax: 803-765-4649
Email: twharton@wwlawsc.com

or to such other address(es) or addressee(s) as any party entitled to receive notice hereunder shall designate to the others in the manner provided herein for the service of notices. Rejection or refusal to accept or inability to deliver because of changed address or because no notice of changed address was given, shall be deemed receipt.

8. QUIET POSSESSION. Owner covenants and agrees not to interfere with or hinder Occupant's quiet and peaceful possession of the Property under this Consent of Possession, and not to enter onto the Property without the consent of Occupant. This covenant and any and all other covenants of Owner shall be binding upon Owner only with respect to breaches occurring during the period prior to fee simple title passing to Occupant.

9. INDEMNITY. Owner and Occupant acknowledge and agree that they are governmental entities of the State of South Carolina insured by the South Carolina Insurance Reserve Fund under a General Tort Liability Policy, each with purchased coverage sufficient to protect Owner and Occupant from all claims, damages, and costs related to any occupancy or use of the Property by Occupant, its employees, agents, and contractors, and until fee simple title is transferred from Owner to Occupant under the Condemnation action.

10. HEADINGS. The use of headings herein is solely for the convenience of indexing the various paragraphs hereof and shall in no event be considered in construing or interpreting any provision of this Consent of Possession.

11. GOVERNING LAW. The validity, performance and enforcement of this Consent of Possession and the rights and obligations of the parties hereto shall be interpreted, construed, and enforced in accordance with the laws of the State of South Carolina and the parties agree that the proper venue shall be in **Charleston County, South Carolina.**

12. PARTIES. The term "Owner," as used in this Consent of Possession, shall include Clemson University and its successors and assigns. The term "Occupant" shall include South Carolina Public Railways and its successors and assigns.

13. BINDING PROVISIONS. The provisions, covenants and conditions of this Consent of Possession shall be binding upon and inure to the benefit of successors and assigns of the parties hereto.

[The remainder of this page has been intentionally left blank.
See following pages for signatures of the parties.]

IN WITNESS WHEREOF, the parties hereto have executed this Consent of Possession to be effective as of the day and year first above written.

Signed, Sealed and Delivered
In the Presence of:

Owner:
CLEMSON UNIVERSITY

Susan Reiger
BOB

By: David H. Wilkins

Print Name: David H. Wilkins
Title: Chairman, Board of Trustees
Date: 11/1/13

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

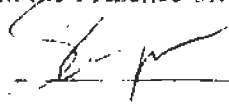
PERSONALLY APPEARED before me, David H. Wilkins, who being first duly sworn by me, acknowledged that (s)he is the Chairman Board of Trustees of CLEMSON UNIVERSITY; and that the foregoing written instrument was signed and sealed by him/her on behalf of said entity by its authority duly given and that (s)he acknowledged said writing to be the act and deed of said entity; and that (s)he was personally known to me, or who provided evidence satisfactory to me that (s)he was the person described in, and who executed, the foregoing instrument.

WITNESS my hand and official seal this 1 day of November, 2013.

Tommy L. Reller (Seal)
Notary Public for South Carolina
My Commission expires: 10/10/2017


IN WITNESS WHEREOF, the parties hereto have executed this Consent of Possession to be effective as of the day and year first above written.

Signed, Sealed and Delivered
In the Presence of:



Occupant:
SOUTH CAROLINA PUBLIC RAILWAYS

*

By: 
Jeffrey M. McWhorter
Its: President and CEO

Date: 11-4-13

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

PERSONALLY APPEARED before me, Jeffrey M. McWhorter, who being first duly sworn by me, acknowledged that he is the President and CEO of SOUTH CAROLINA PUBLIC RAILWAYS; and that the foregoing written instrument was signed and sealed by him on behalf of said entity by its authority duly given and that he acknowledged said writing to be the act and deed of said entity; and that he is personally known to me, or who provided evidence satisfactory to me that he was the person described in, and who executed, the foregoing instrument.

WITNESS my hand and official seal this 11th day of November, 2013.

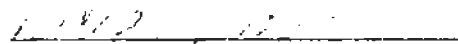
 (Seal)
Notary Public for South Carolina
My Commission expires: _____

EXHIBIT A

Legal Description of Property

TRACT 11:

All that piece, parcel or tract of land, together with the buildings and improvements thereon, situated, lying and being the City of North Charleston, Charleston County, South Carolina, containing **69.963 Acres**, more or less, and shown as "NEW LOT B" on a plat entitled "PLAT SHOWING THE ABANDONMENTS OF PROPERTY LINES AND THE COMBINING OF TMS PARCELS 400-00-00-050; 400-00-00-076; 400-00-00-077; 400-00-00-078; 40000-00-100; 400-00-00-115 TO CREATE NEW LOT A 14.981 ACRES; LOT B 69.963 ACRES; LOT C 10.00 ACRES LOCATED FORMER NAVAL BASE COMPLEX CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SC", prepared by Forsberg Engineering and Surveying, Inc., dated July 31, 2007, and revised August 28, 2007, and recorded in the RMC Office for Charleston County in **Plat Book EK at pages 968 and 969**.

SAID parcel having such metes, bounds, buttings, dimensions and boundaries as reference to said plat more fully and at large appear.

TOGETHER WITH a non-exclusive right of access in common with the City of North Charleston, its successors and assigns and others over existing roads controlled by the United States of America that access the said parcels, as said roads may be relocated from time to time.

This being the same property heretofore conveyed to Clemson University by Quit-Claim Deed of the City of North Charleston, dated February 28, 2007 and recorded September 21, 2007 in **Deed Book F-639 at page 773**; and by Quit-Claim Deed of the City of North Charleston, dated February 8, 2010 and recorded February 9, 2010 in **Deed Book 106 at page 292**.

FOR INFORMATIONAL PURPOSES ONLY: TMS Nos. **400-00-00-050** and **400-00-00-180**

EXHIBIT B

Required Environmental Notices

Notice: This Property is subject to Declaration of Covenants and Restrictions recorded in **Record Book J-550 at page 560** in the RMC Office for Charleston County, South Carolina.

In addition, the conveyance is subject to terms of a RCRA Hazardous Waste Permit No. SC01700022560, as amended and issued by the South Carolina Department of Health and Environmental Control ("SCDHEC"). Pursuant to the aforementioned permit, all Land Use Controls ("LUCs") that exist for Solid Waste Management Units ("SWMUs") and/or Areas of Concern ("AOCs") identified in the RCRA Hazardous Waste Permit, Appendix A-8 are incorporated into the property conveyance, and Grantee is provided notice of existing site conditional, LUCs, and Covenants and Restrictions. In addition, SCDHEC has approved a Land Use Control Management Plan for the aforementioned RCRA permit, as amended. Any land disturbing activity, or change in land use at the Property must be performed in accordance with the terms of the aforementioned RCRA Hazardous Waste Permit, the Land Use Control Management Plan, and the aforementioned Declaration of Covenants and Restrictions. In addition, the following deeds contain notices, covenants, and limitations regarding future use of the Property:

Deeds from the United States of America to:	Dated:	Recorded:	in Book at Page	
Charleston Naval Complex Redevelopment Authority	09/08/2000	11/15/2002	W-425	593
Charleston Naval Complex Redevelopment Authority	07/10/2003	08/19/2004	M-506	229
Charleston Naval Complex Redevelopment Authority	07/10/2003	08/19/2004	M-506	268
Charleston Naval Complex Redevelopment Authority	05/12/2005	07/12/2005	0-544	666

The Property is also subject to Voluntary Cleanup Contract 13-6158-NRP, which was executed by the South Carolina Department of Health and Environmental Control on March 19, 2013.

Pursuant to the deeds from the United States of America to the RDA, referenced above, notification to future purchasers has been made regarding the existence of lead based paint ("LBP") and related primers on the exterior and interior of buildings where applicable. Notice of asbestos containing materials ("ACM") is further provided. ACM abatement actions were undertaken to address all known friable, damage, an accessible ACM; however, other ACM may still exist. Exhibits to the conveyances from the United States of America to the RDA contain notices of the location and type of hazardous substances that were stored, released and subject to response activities by the United States.

In addition, pursuant to 42 U.S.C. 9620(h)(3)(A)(ii)(II) any remedial actions found to be necessary after the dates set forth above by which the United States transferred the Property to RDA, shall be performed by the United States.

Subsequent owners are bound by all notices, Land Use Controls and Covenants under the deeds from the United States of America to the RDA. In addition, SCDHEC is a third party beneficiary of the Land Use Controls. Such controls *inter alia* provide use restrictions, soil and site disturbance restrictions, and groundwater use restrictions. Furthermore, pursuant to 42 U.S.C. 9620(h)(3)(A)(i), the United States is granted access to the Property for the express purpose of conducting any remedial action or corrective action which is found to be necessary. Additionally, SCDHEC is granted access as necessary for oversight.

Pursuant to 42 U.S.C. 9620(h)(3)(A)(ii), the United States has, in the deeds from the United States of America to the RDA, made a covenant that all remedial actions necessary to protect human health and the environment with respect to hazardous substances remaining on the Property have been undertaken prior to the dates of transfer to the RDA and any additional remedial action found to be necessary after the dates of transfer by the United States shall be conducted by the United States.

RECORDER'S PAGE

2-1-2012

NOTE: This page MUST remain
with the original document



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Charlie Lybrand, Register Charleston County, SC		

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EXHIBIT C

(B&CB Staff Approval of Consent of Possession)

NIKKI HALEY, CHAIRMAN
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



SC BUDGET AND CONTROL BOARD

Office of the Executive Director
Marcia S. Adams

(803) 734-2320
(803) 734-2117

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

W. BRIAN WHITE
CHAIRMAN, HOUSE WAYS AND MEANS
COMMITTEE

September 30, 2013

James F. Barker, FAIA
President
Clemson University
201 Sikes Hall
Clemson, South Carolina 29634-5002

RE: Consent of Possession Agreement between Clemson University and the South Carolina
Department of Commerce, Division of Public Railways

Dear President Barker:

I am in receipt of your letter dated September 13, 2013. In your letter, you request confirmation that an enclosed Consent of Possession agreement between Clemson University and the South Carolina Department of Commerce, Division of Public Railways ("Public Railways") does not require further approval of the State Budget and Control Board.

It is our understanding that the Consent of Possession agreement involves property currently titled in the name of Clemson University (the "Clemson Tract"), but subject to condemnation by Public Railways for the purpose of locating an equal dual access intermodal container transfer facility ("ICTF") to serve the Port of Charleston. It is also our understanding that Public Railways condemned the Clemson Tract on December 23, 2010, so that the property could serve as the primary location of the ICTF. State law allows a condemnor to take possession of property in a number of ways, one of which being through "the written consent of the record owner or owners of the fee simple property." S.C. Code Ann. § 28-2-90. You have informed the Board that because Public Railways' taking possession of the condemned property is a necessary by-product of the statutorily authorized condemnation, Clemson University has agreed to enter into the Consent of Possession agreement.

In light of the prior actions taken by the State Budget and Control Board related to the acquisition of property for purposes of the ICTF and the statutory authorization for the Consent of Possession provided in state law, further Budget and Control Board approval of the enclosed Consent of Possession agreement is not required in order for Clemson University and Public Railways to execute such agreement. This confirmation is limited to the specific request contained in your letter of September 13, 2013.

Please let me know if you have any questions or if I can be of any further assistance to you now or in the future.

Sincerely,

Marcia Adams

EXHIBIT D

(Consent Settlement)

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
Project: Intermodal Container)
Transfer Facility)
)
Tract 11)
)
South Carolina Department of Commerce,)
Division of Public Railways,)
)
Condemnor,)
)
v.)
)
Clemson University,)
)
Landowner,)
)
)
and)
)
Charleston Naval Complex Redevelopment)
Authority, City of North Charleston,)
Commissioner of Public Works for the City)
of Charleston, North Charleston Sewer)
District, Bell South Telecommunications,)
Inc., South Carolina Electric & Gas)
Company, and Charleston County School)
District,)
)
Other Condemnees.)
_____)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE NO. 2010-CP-10-10495

CONSENT SETTLEMENT
AGREEMENT

SETTLEMENT AGREEMENT BETWEEN THE SOUTH CAROLINA DEPARTMENT OF
COMMERCE, DIVISION OF PUBLIC RAILWAYS, AND CLEMSON UNIVERSITY

This Consent Settlement Agreement (the "Agreement") is made and entered into by and between
Clemson University ("Clemson") and the South Carolina Department of Commerce
("Commerce") and its Division of Public Railways ("Railways").

WHEREAS, Clemson is the Landowner of the approximately 69.96 acres of land that is
the subject of this condemnation action as identified on attached Exhibit A (the "Property").

WHEREAS, Clemson and Railways have agreed that Clemson will receive land in exchange for the condemnation of the Property in lieu of financial consideration, and, as a result, Clemson has agreed to waive its right to any financial compensation from Railways in this action.

NOW, THEREFORE, in view of the foregoing recitals, and for and in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department and each Defendant agrees and consents to following:

1. Clemson and Railways agree to settle the action in accordance with the following terms and conditions:

- a. Clemson will provide Railways with a quitclaim deed for the property as set forth in Exhibit A to this Agreement within thirty (30) days of the Effective Date of this Agreement.
- b. Railways will provide Clemson title to property that is mutually acceptable to Railways and the Clemson University Board of Trustees. The parties shall make best efforts to complete the transfer of such land to Clemson on or before August 1, 2017.
- c. Commerce will continue to defend Clemson in the suit brought by the Charleston County School District (the "District"), Civil Action No. 2012-CP-10-5093, and agrees to be responsible for any liability Clemson may have to the District associated with any interest the District may have in the Property.

2. This Consent Settlement Agreement shall be binding on the successors, transferees, and assigns of Clemson and Railways.

3. This Consent Settlement Agreement shall not be assignable without the express written consent of both parties, such consent not to be unreasonably withheld.

4. This Consent Settlement Agreement does not constitute an admission by any party of liability to the other, or of the validity or invalidity of any legal position asserted by a third party. This Consent Settlement Agreement is entered into solely for purposes of compromising and settling this Condemnation Action, Civil Action No. 2010-CP-10-10495, between such parties and avoiding the time and expense that would be involved in proceeding with litigation. However, nothing in this paragraph is intended or shall be construed as acting as a bar or otherwise preventing either party from enforcing compliance with this Consent Settlement Agreement.

5. Clemson and Railways have been represented by competent legal counsel of its own choosing in the negotiation, preparation, and execution of this Agreement. Clemson and Railways further agree that they have participated fully and freely in the negotiation and drafting of this Consent Settlement Agreement and, as a result, neither Clemson nor Railways can claim that the terms of this Consent Settlement Agreement were not understood and that they did not freely agree, consent, and enter to the Consent Settlement Agreement.

6. This Consent Settlement Agreement constitutes the entire agreement between the Clemson and Railways with respect to the resolution and settlement of the matters discussed herein, and supersedes all prior or contemporaneous agreements, promises, or understandings between the parties. Further, neither Clemson nor Railways are relying upon any representations,

promises, understandings, or agreements with regard to the settlement of this action except as expressly set forth within this Consent Settlement Agreement.

7. This Consent Settlement Agreement shall be construed and any disputes concerning its performance shall be determined in accordance with the laws of the State of South Carolina.

8. This Consent Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed original but all of which together shall constitute one and the same instrument.

9. The undersigned individual signing this Consent Settlement Agreement on behalf of the Clemson covenants that he/she is duly authorized to execute this Consent Settlement Agreement and lawfully bind Clemson, subject to approval of the Clemson Board of Trustees. The undersigned individuals signing this Consent Settlement Agreement on behalf of Commerce and Railways covenant that they are duly authorized to execute this Consent Settlement Agreement and lawfully bind their principals, subject to requisite state approval.

10. The Effective Date of this Consent Settlement Agreement shall be deemed the date upon which the Consent Settlement Agreement has been executed by Clemson, Commerce and Railways and has received requisite university board and state approvals, as evidenced in *Exhibit A* attached hereto.

11. In the event of the invalidity of any term or provision of this Consent Settlement Agreement, all terms and provisions shall be considered severable and the balance of this Settlement Agreement shall remain in effect.

12. Clemson and Railways also agree that dismissal of Clemson from this matter is appropriate and agree to move the Court for such dismissal of Clemson from this matter with prejudice.

WE SO AGREE AND CONSENT:

CLEMSON UNIVERSITY

Brett A. Dalton

By: BRETT A. DALTON

Its: V.P. FINANCE & OPERATIONS

August 22, 2016

SOUTH CAROLINA DEPARTMENT OF COMMERCE,
DIVISION OF PUBLIC RAILWAYS

Jeffrey M. Warter

By: Jeffrey M. Warter

Its: President & CEO

August 18, 2016

SOUTH CAROLINA DEPARTMENT OF COMMERCE

Robert M. Hitt III

By: Robert M. Hitt III

Its: Secretary of Commerce

August 17, 2016

EXHIBIT A

(Clemson University Board and State Approvals)

EXHIBIT E

(Low Country Orphan Relief Property Appraisal)

APPRAISAL REPORT

- (1) Tract Location: 1850 Truxtun Ave
Property Owner: Lowcountry Orphan Relief
Address: 1850 Truxtun Avenue, N. Chas, SC 29405



Front View of Subject Property

PREPARED FOR:
Palmetto Railways

- (2) Prior to inspection the owner was contacted by letter and invited to be present during inspection of this property. The tract was inspected on March 30, 2016, and I was accompanied by Ms. Young, the property owner, and again on June 25, 2016.

Required by Sec. 301(2) of Uniform Act.

Explain: (Why not accompanied relation of representative, items discussed, etc.)

A letter was sent to the property owner extending an invitation to attend the inspection. A response was received from Ms. Young, the property owner. An inspection was scheduled for March 30, 2016. At the inspection, the acquisition areas, location of the new R/W, the office buildings, characteristics of the property and appraisal process were discussed.

PREPARED BY:

- (3) Inspecting Appraiser: William Ford
S.C. State Certified General R/E Appraiser #: CG 2978
Firm Name: Appraisal Services of South Carolina, Inc.

APPRAISAL SUMMARY

- (4) Property Owner: Lowcountry Orphan Relief
 Tract Location: 1850 Truxtun Ave, N. Chas, SC 29405
 Date of Appraisal: 7/1/2016 Date of Value: 6/25/2016

(5)	DESCRIPTION	BEFORE	AFTER
	Present Use:	General Office	General Office
	Number of Buildings:	2	2
	Primary Improvement Size: (Stated in units of comparison)	9,369 SF	9,369 SF
	# Parking Spaces:	20+ Off Street	20+ Off Street
	Corner Influence:	No	No
	Primary Frontage (Linear Feet):	170.0 +/-	170.0 +/-
	Total Frontage(s) (Linear Feet):	170.0 +/-	170.0 +/-
	Ingress/Egress: Primary Road Secondary Road(s)	Full Access None	Full Access None
	Zoning Conformity:	PDD – Conform	PDD – Conform

	Site Size (SF):	27,443 SF +/-	25,700 SF +/-
(6)	Site Size (Ac.):	0.63 +/- Ac	0.59 +/- Ac
	Present or Intended Use of Site:	General Office	General Office
	Shape:	Rectangular	Irregular
	Size of Acquisition:	0.04 Ac or 1,742 SF	

(7)	HIGHEST AND BEST USE		
	As Vacant:	Commercial-Based	Commercial-Based
	As Improved:	Commercial-Based	Commercial-Based

(8)	Annual Market Rent:	\$ N/A	\$ N/A
-----	---------------------	--------	--------

(9)	VALUE INDICATIONS		
	Land Value:	\$ 126,000	\$ 118,000
	Sales Comparison Approach:	\$ 956,000	\$ 699,000
	Cost Approach:	\$ N/A	\$ N/A
	Income Approach:	\$ N/A	\$ N/A
	Final Value Indications:	\$ 956,000	\$ 699,000

(10)	Value of Acquisition:	\$ 257,000
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EXHIBIT F

(Tarpley House Appraisal)

APPRAISAL REPORT

- (1) Tract Location: 1795 Avenue F
Property Owner: Michael J. & Charlise R. Tarpley
Address: 1795 Avenue F, N. Chas, SC 29405



Front View of Subject Property

PREPARED FOR:
Palmetto Railways

- (2) Prior to inspection the owner was contacted by letter and invited to be present during inspection of this property. The tract was inspected on March 30, 2016, and I was accompanied by Ms. Tarpley, the property owner, and again on June 25, 2016.

Required by Sec. 301(2) of Uniform Act.

Explain: (Why not accompanied relation of representative, items discussed, etc.)

A letter was sent to the property owner extending an invitation to attend the inspection. A response was received from Ms. Tarpley, the property owner. An inspection was scheduled for March 30, 2016. At the inspection, the acquisition areas, location of the new R/W, the office buildings, characteristics of the property and appraisal process were discussed.

PREPARED BY:

- (3) Inspecting Appraiser: William Ford
S.C. State Certified General R/E Appraiser #: CG 2978
Firm Name: Appraisal Services of South Carolina, Inc.

APPRAISAL SUMMARY

- (4) Property Owner: Michael J. & Charles R. Tarpley
 Tract Location: 1795 Avenue F, N. Chas, SC 29405
 Date of Appraisal: 7/1/2016 Date of Value: 6/25/2016

(5)	DESCRIPTION	BEFORE	AFTER
	Present Use:	Residential	Residential/Office
	Number of Buildings:	1	1
	Primary Improvement Size: (Stated in units of comparison)	3,383 SF	3,383 SF
	# Parking Spaces:	2+ Off Street	2+ Off Street
	Corner Influence:	No	No
	Primary Frontage (Linear Feet):	120.0 +/-	120.0 +/-
	Total Frontage(s) (Linear Feet):	120.0 +/-	120.0 +/-
	Ingress/Egress: Primary Road Secondary Road(s)	Full Access None	Full Access None
	Zoning Conformity:	PDD – Conform	PDD – Conform

	Site Size (SF):	14,375 SF +/-	14,288 SF +/-
(6)	Site Size (Ac.):	0.330 +/- Ac	0.328 +/- Ac
	Present or Intended Use of Site:	Residential	Residential/Office
	Shape:	Rectangular	Mostly Rectangular
	Size of Acquisition:	0.002 Ac or 87 SF	

(7)	HIGHEST AND BEST USE		
	As Vacant:	Commercial-Based	Commercial-Based
	As Improved:	Commercial-Based	Commercial-Based

(8)	Annual Market Rent:	\$ N/A	\$ N/A
-----	---------------------	--------	--------

(9)	VALUE INDICATIONS		
	Land Value:	\$ 71,500	\$ 71,000
	Sales Comparison Approach:	\$ 440,000	\$ 328,950
	Cost Approach:	\$ N/A	\$ N/A
	Income Approach:	\$ N/A	\$ N/A
	Final Value Indications:	\$ 440,000	\$ 328,950

(10)	Value of Acquisition:	\$ 111,050
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EXHIBIT G

(Relocation Pump Station Exhibit)



NBIF

Legend

- Survey Property Lines
- GIS Property Lines
- Existing & Relocated Pump Station Property



Pair

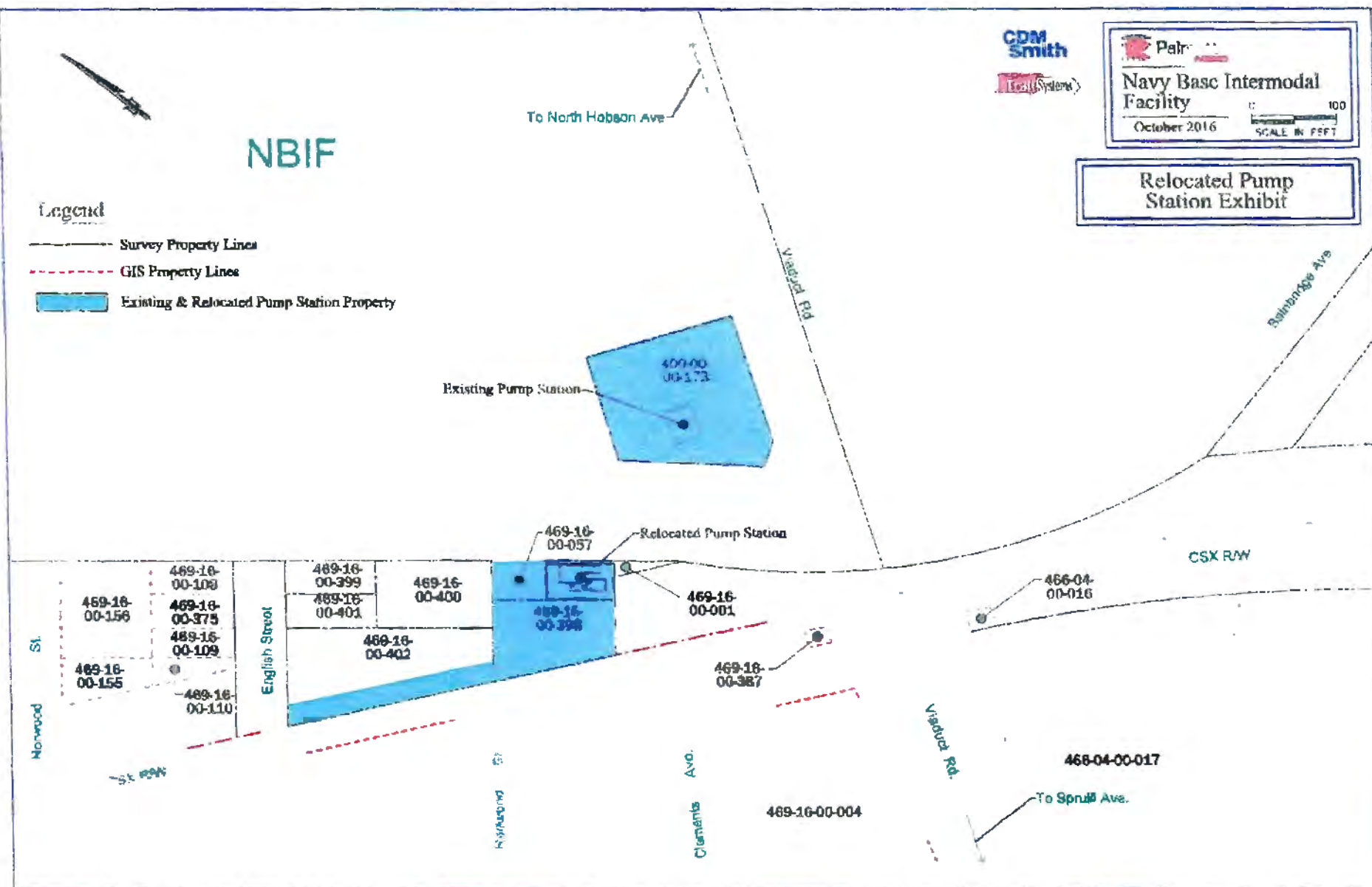
Navy Base Intermodal Facility

October 2016

SCALE IN FEET

0 100

Relocated Pump Station Exhibit



STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 7, 2016

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: Department of Commerce Division of Public Railways Real Property Conveyance related to implementation of the Navy Base Intermodal Facility
-

3. Summary Background Information:

In 2011, Palmetto Railways condemned 0.64 acres of property, including a pump station, owned by the North Charleston Sewer District ("NCSD") shown as Tract 18 on the attached map. To settle the condemnation and compensate NCSD for loss of its pump station, Palmetto Railways proposes to construct a new pump station on a parcel of equivalent acreage to be acquired by Palmetto Railways and to transfer the property to NCSD upon completion of construction subject to a Transfer and Settlement Agreement.

4. What is Authority asked to do? Consider approval of the property conveyance as requested.
-

5. What is recommendation of Department of Administration? Consider approval of the property conveyance as requested.
-

6. List of Supporting Documents:

- 1. SC Code of Laws Section 1-11-65
- 2. Map

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).


Navy Base Intermodal Facility
 October 2016
 SCALE: 1" = 100'

CDM Smith
 (Civil Station)

Relocated Pump Station Exhibit

NBIF

Legend

- Survey Property Lines
- CEIS Property Lines
- Existing & Relocated Pump Station Property

Vedder Rd.

Lebanon Ave.

To North Hudson Ave.

Existing Pump Station

Relocated Pump Station

CSX ROW

469-04-00-018

469-04-00-017

To Spruce Ave

Vedder Rd.

469-16-00-004

Clement Ave

Horwud

469-16-00-057

469-16-00-379
469-16-00-401

469-16-00-400

469-16-00-402

469-16-00-108
469-16-00-175
469-16-00-109

English Street

469-16-00-150

469-16-00-155

469-16-00-110

30 1-10

SECTION 11-1-45. Settlement of certain litigation, dispute, or claim by state agencies; approval of Fiscal Accountability Authority required; exemptions.

(A) No state agency or instrumentality of the State, excluding the General Assembly, Senate, House of Representatives, local political subdivisions, special purpose districts, and special taxing districts, shall enter into a settlement of any litigation, dispute, or claim over one hundred thousand dollars requiring the expenditure of monies appropriated or provided for in a general or supplemental appropriations act, or from any other source of public funds without prior written approval from the State Fiscal Accountability Authority.

(B) The intent of this provision is to prevent state agencies or instrumentalities of the State, other than local political subdivisions, special purpose districts, and special taxing districts, from entering into settlements that can bind and commit the State to unreasonable funding requirements from current or future revenues of the State. In keeping with this intent, the State Fiscal Accountability Authority may exempt in its discretion any entity or specific litigation matter from this provision.

HISTORY: 1994 Act No. 497, Part II, Section 24.

Code Commissioner's Note

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

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF November 7, 2016

REGULAR SESSION
ITEM NUMBER 2

AGENCY: State Fiscal Accountability Authority

SUBJECT: Reimbursement Resolution for Certain Expenditures from the Issuance and Sale Of Not Exceeding \$45,000,000 Lease Revenue Bonds (Department Of Mental Health Project), Series 2016 of the South Carolina State Fiscal Accountability Authority and Other Matters Relating Thereto

In order to commence work in connection with its Sexually Violent Predator treatment facility to ensure the project is completed timely, the Department of Mental Health (the Department) intends to expend certain of its own funds, pending the issuance of Bonds, in accordance with its development agreement with Correct Care of South Carolina, LLC. In order to be reimbursed from Bond proceeds when available (anticipated to be in late January or early February 2017) the Department requests the State Fiscal Accountability Authority adopt the attached reimbursement resolution which is required by the Internal Revenue Code and related regulations in the event of a reimbursement from the proceeds of federally tax-exempt bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution declaring the intent of the State Fiscal Accountability Authority to reimburse the Department of Mental Health or allow the Department of Mental Health to reimburse itself for certain expenditures from the issuance and sale of not exceeding \$45,000,000 Lease Revenue Bonds (Department of Mental Health Project), Series 2016 of the South Carolina State Fiscal Accountability Authority and other matter relating thereto.

ATTACHMENTS:

Pope 8/24/16 letter; Resolution



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

October 12, 2016

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 \$45,000,000 Lease Revenue Bonds (Department of Mental Health Project), Series 2016 of the South Carolina State Fiscal Accountability Authority (the "Bonds")

Dear Delbert:

Pending the issuance of the Bonds, the Department of Mental Health (the "Department") intends to expend certain of its own funds in accordance with its development agreement with Correct Care of South Carolina, LLC in order to commence work in connection with its Sexually Violent Predator treatment facility to ensure the project is completed timely. Accordingly, in order to be reimbursed from Bond proceeds when available (anticipated to be in late January or early February of 2017), the Department requests the South Carolina State Fiscal Accountability Authority adopt the enclosed resolution, which is required by the Internal Revenue Code and related regulations in the event of a reimbursement from the proceeds of federally tax-exempt bonds.

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: Keith McCook, General Counsel, State Fiscal Accountability Authority
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Mark Binkley, Deputy Director, Div. of Administrative Services, Department of Mental Health

Enclosures

A RESOLUTION

TO DECLARE THE OFFICIAL INTENT OF THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY TO REIMBURSE THE SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH, OR ALLOW THE SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH TO REIMBURSE ITSELF, FOR CERTAIN EXPENDITURES FROM THE ISSUANCE AND SALE OF NOT EXCEEDING FORTY-FIVE MILLION DOLLARS (\$45,000,000) PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (DEPARTMENT OF MENTAL HEALTH PROJECT), SERIES 2016 OF THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY; AND OTHER MATTERS RELATING THERETO.

Adopted November 7, 2016

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this “Resolution”) and the declaration of intent to reimburse 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.

Section 1.01 General Findings.

(a) The South Carolina State Fiscal Accountability Authority (the “Authority”) adopted “A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FORTY-FIVE MILLION DOLLARS (\$45,000,000) PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (DEPARTMENT OF MENTAL HEALTH PROJECT), SERIES 2016 OF THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO” on September 20, 2016 (the “Bond Resolution”). The Bond Resolution makes provision for the sale and issuance of not exceeding \$45,000,000 of Lease Revenue Bonds (Department of Mental Health Project), Series 2016 of the Authority (the “Bonds”), to defray the costs of (1) constructing, equipping, improving and renovating a facility to house and treat individuals adjudicated as Sexually Violent Predators and civilly committed to the South Carolina Department of Mental Health (the “Department”) pursuant to the Sexually Violent Predators Act on a portion of the land located at 4546 Broad River Road, Columbia, South Carolina (the “Project”), and (2) issuance of the Bonds.

(b) The Authority has been advised by the Department, that in order to ensure the completion of the Project in an expeditious manner, the Department anticipates providing funds to begin work on the Project in anticipation of the issuance of the Bonds and that such scope of work is properly payable from Bond proceeds and will be paid from Bond proceeds when available.

[End of Article I]

ARTICLE II
DECLARATION OF INTENT

Section 2.01 Declaration of Intent.

The Authority hereby declares its intention to reimburse the Department, or allow the Department to reimburse itself, for all or a portion of the original expenditures relating to the costs of the Project and the costs of issuance of the Bonds, from the proceeds of the issuance of the Bonds in a maximum aggregate principal amount reasonably expected not to exceed \$45,000,000. To that end, the Authority determines and declares as follows:

(a) no funds from any sources other than the Bonds may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the Authority pursuant to the budget or financial policies of the Authority for the financing of the portion of the costs of acquisition, construction, and equipping of the Project to be funded with the Bonds;

(b) the Authority reasonably expects that all or a portion of the original expenditures incurred for the Project and the issuance of the Bonds will be paid prior to the date of issuance of the Bonds;

(c) the Authority intends and reasonably expects to reimburse the Department, or allow the Department to reimburse itself, for all such expenditures paid by the Department with respect to the Project prior to the issuance of the Bonds, from the proceeds of the Bonds, and such intention is consistent with the budgetary and financial circumstances of the Authority;

(d) the Authority intends and reasonably expects to reimburse the Department, or allow the Department to reimburse itself, for all such expenditures no later than 18 months after the later of (i) the date the original expenditure is paid, or (ii) the date the Project is placed in service or abandoned for federal income tax purposes, but in no event more than 3 years after the original expenditure is paid;

(e) all of the costs to be paid or reimbursed from the proceeds of the Bonds, will be for costs incurred in connection with the issuance of the Bonds or will, at the time of payment thereof, be properly chargeable to the capital account of the Project (or would be so chargeable with a proper election) under general federal income tax principles; and

(f) this Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

[End of Article II]

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Project for A&E Design

- (a) Summary 3-2017: JBRC Item 1. (H15) College of Charleston
 Project: 9665, McAlister Residence Hall Renovation
 Included in Annual CPIP: No

CHE Recommended Approval: 10/24/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Housing Revenue	0.00	0.00	0.00	88,980.00	88,980.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>88,980.00</u>	<u>88,980.00</u>

Funding Source: \$88,980 Other, Housing Revenue, which is a self-supporting auxiliary enterprise generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

Request: Establish project and budget for \$88,980 (Other, Housing Revenue Fund) to begin design work for renovations to McAlister Residence Hall at the College of Charleston. The 152,142 square foot building and system(s) to be renovated are 14 years old. This project will address HVAC issues and structural deficiencies, as well as, refresh the residence hall's exterior and interior paint, flooring, furniture and plumbing fixtures. The elevator's electronic controls will also be upgraded. A concentration of the facility's HVAC units are discharging hot air into corridors requiring the constant use of large noisy centrifugal box fans during warm weather. This will be remedied by installing a new HVAC system on the roof for this section of the building. There will also be select replacement of failing individual suite HVAC units throughout the rest of the facility. Building envelope failures are allowing water intrusion. Visible damage can be seen at window openings and corrosion is suspected on the wall framing meter components. The building envelope will be repaired then waterproofed. The facility provides housing for approximately 535 co-ed underclassman students. The agency estimates that the completed project will cost approximately \$5,932,000.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (b) Summary 3-2017: JBRC Item 2. (H51) Medical University of South Carolina
Project: 9835, MUSC/SCEO PEER Program Energy Performance Contract 2016
Included in Annual CPIP: No

CHE Recommended Approval: 10/24/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, E&F Operating Funds	0.00	0.00	0.00	675,000.00	675,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>675,000.00</u>	<u>675,000.00</u>

Funding Source: \$675,000 Other, E&F Operating Funds, which are department generated funds for facilities services provided to others in the university.

Request: Establish project and budget for \$675,000 (Other, E&F Operating Funds) to begin design work for participation in the South Carolina Energy Office's PEER program. MUSC is requesting to enter into a contract for design work with AMERESCO Inc. of Charlotte NC to conduct an engineering study and perform an investment grade audit to identify potential energy savings measures in all MUSC buildings. AMERESCO was selected from a group of three applicants using the RFQ/RFP process in accordance with the SC Consolidated Procurement Code. The investment grade audit will identify potential energy conservation measures and the guaranteed yearly utility cost savings associated with each of those measures. Phase 2 approval will then be requested to implement the measures identified in the engineering study and investment grade audit that have a reasonable payback period from the guaranteed yearly utility cost savings. The agency reports that they do not have exact costs and the results of the study and audit will assist in determining a firm estimate to complete the project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (c) **Summary 3-2017:** JBRC Item 4. (J12) Department of Mental Health
 Project: 9751, Crafts Farrow Campus Electrical Distribution System Renovations
 Included in Annual CIP: Yes – CIP Priority 2 of 4 in FY17

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improvement & Maintenance Fund	0.00	0.00	0.00	54,000.00	54,000.00
All Sources	0.00	0.00	0.00	54,000.00	54,000.00

Funding Source: \$54,000 Other, Capital Improvement & Maintenance Funds, which are comprised of irregular one time funds from legal settlements, operating revenue (Medicaid fee-for-service earned revenue), sale of land, and interest earned on the Deferred Maintenance Fund account.

Request: Establish project and budget for \$54,000 (Other, Capital Improvement & Maintenance Fund) to begin design work for the renovation of the Crafts Farrow Campus electrical distribution system located on Farrow Road in Northeast Columbia. The utilities on this campus serve multiple facilities including the G. Werber Bryan Psychiatric Hospital and the Morris Village Alcohol & Drug Addiction Treatment Center, as well as other SCDMH support functions. The Department of Mental Health owns and maintains the electrical substation, as well as the overhead and underground portions of the distribution system. Many of the existing components including the substation, transformers, wooden poles and the pole mounted switches are in poor condition and need to be replaced. Most of the supporting electrical distribution infrastructure is at least 40 years old. Over 4,000 feet of the underground feed cables to Morris Village and Bryan Hospital are over 40 years old, have exceeded their useful life and require replacement. The current population includes approximately 500 clients and approximately 1,000 staff. The agency estimates that the completed project will cost approximately \$3,600,000. (See attachment 1 for additional annual operating cost savings.)

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Summary 3-2017: JBRC Item Separate. (P28) Department of Parks, Recreation & Tourism

Project: 9760, Edisto Beach State Park – Hurricane Matthew Recovery

Included in Annual CPIP: No

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, State Park Revenue	0.00	0.00	0.00	15,000.00	15,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>15,000.00</u>

Funding Source: \$15,000 Other, State Park Revenue.

Request: Establish budget and project for \$15,000 (State Park Revenue) to begin design work for the reconstruction and repair efforts needed for the beachfront campground at Edisto Beach State Park as a result of Hurricane Matthew. Hurricane Matthew caused severe damage to the beach front campground, roads, the septic system and comfort stations at the park. Due to the storm surge floodwaters resting in the beach front campground, the entire utility infrastructure needs to be replaced, which includes electric and plumbing to 64 campsites and replacement of two septic tank systems. In addition, all campsite fixtures were lost so there will be a replacement cost for 64 picnic tables, fire rings/grills, etc. The roads were heavily damaged and need replacement surface material. The two comfort stations were damaged and require repairs to include painting, roofing, fixtures and walkways. The comfort stations were constructed in 1973 but were renovated within the last 5 years. The park receives 90,000 visitors at the beach front campground each year. The agency reports that the completed project will cost approximately \$1,000,000 and no additional annual operating costs will result from the project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(e) Summary 3-2017: JBRC Item Separate. (P28) Department of Parks, Recreation & Tourism

Project: 9761, Hunting Island State Park – Hurricane Matthew Recovery

Included in Annual CPIP: No

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, State Park Revenue	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>37,500.00</u>

Funding Source: \$37,500 Other, State Park Revenue.

Request: Establish budget and project for \$37,500 (State Park Revenue) to begin design work for reconstruction and repair efforts needed for the beachfront campground and day use areas at Hunting Island State Park as a result of Hurricane Matthew. Hurricane Matthew brought a documented nine-foot tidal surge which resulted in significant erosion and flooding. Due to these events, the entire beachfront campground needs utility replacement for 89 campsites and replacement of campsite fixtures. Two campground comfort stations are now on the edge of the high tide mark that will need to be demolished and rebuilt. In addition, due to salt-water damage, four sewer lift stations will have to be replaced. In the day use area, erosion caused permanent damage to two restrooms that will have to be rebuilt and flooding destroyed three sewer lift stations. There were also six beach access walkways in the campground and day use areas that were destroyed that will need to be built to provide safe access to the beach for visitors. The park receives 135,000 visitors at the beach front campground each year. The comfort stations were originally constructed in 1973 but were renovated within the last 5 years. The agency reports that the completed project will cost approximately \$2,500,000 and no additional annual operating costs will result from the project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (f) Summary 3-2017: JBRC Item Separate. (H27) USC Columbia
Project: 6114, Football Operations Facility Construction
Included in Annual CPIP: Yes – CPIP Priority 3 of 8 in FY17

CHE Recommended Approval: 10/24/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Revenue Bonds, Athletic Facilities	0.00	0.00	0.00	44,000,000.00	44,000,000.00
Athletic Operating Funds	1,000,000.00	0.00	1,000,000.00	(1,000,000.00)	0.00
Other, Private Gift Funds	0.00	0.00	0.00	6,000,000.00	6,000,000.00
All Sources	<u>1,000,000.00</u>	<u>0.00</u>	<u>1,000,000.00</u>	<u>49,000,000.00</u>	<u>50,000,000.00</u>

Funding Source: \$44,000,000 Athletic Facilities Revenue Bonds, which are issued to raise money to provide permanent financing for the cost of the construction, enlargement of, and improvements to Williams-Brice Stadium and other athletic facilities. \$6,000,000 Other, Private Gift Funds which are donations/gifts to the Athletics Department.

Request: Increase budget to \$50,000,000 (add \$49,000,000 Athletic Facilities Revenue Bonds and Other Private Gift Funds) to begin final design and construction of a new Football Operations Facility to be located at the west end of Gamecock Park adjacent to the existing indoor football practice facility. This project was established in January 2016 for Phase I, which is now complete. The project will be certified for energy savings using the Green Globes system. The project will be certified at the level of two Green Globes and will have a 30 year life cycle projected cost savings of \$2,173,500. The proposed building will be approximately 105,000 gross square feet and will consolidate all training, coaching, operational and administrative activities associated with the football program. The building will contain public spaces, players lounges, locker rooms, team meeting rooms, a weight room, a nutrition area, training rooms equipped for physical therapy, an equipment storage area and

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administrative/coaches offices. Site work, utilities, parking and associated landscaping and hardscaping will also be included as part of the project. Consolidation will enhance operational efficiency and eliminate the need for student athletes to cross Bluff Road going from locker rooms at Williams-Brice Stadium to the practice fields. This facility will be an important component of the football recruiting process. The agency reports the total projected cost of this project is \$50,000,000 with additional operating costs of \$624,177 in year one, \$569,177 in year two, and \$569,177 in year three. The agency also reports the projects date for execution of the construction contract is May 2017 and for completion of construction is December 2018. (See attachment 2 for additional annual operating costs.)

- (g) Summary 3-2017: JBRC Item 7. (H59) Orangeburg Calhoun Technical College
Project: 6106, OCtech Health Sciences and Nursing Building
Included in Annual CIP: Yes – CIP Priority 2 of 2 in FY18

CHE Recommended Approval: 10/24/16

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Capital Reserve Fund, FY15-16	0.00	0.00	0.00	5,000,000.00	5,000,000.00
Appropriated State, Proviso 118.16 – FY14-15	1,000,000.00	0.00	1,000,000.00	0.00	1,000,000.00
Federal, EDA Grant	0.00	0.00	0.00	1,971,110.00	1,971,110.00
Other, Orangeburg County	0.00	0.00	0.00	500,000.00	500,000.00
Other, Calhoun County	0.00	0.00	0.00	32,000.00	32,000.00
Other, College Funds	0.00	0.00	0.00	3,517,010.00	3,517,010.00
Other, Private Donations	0.00	0.00	0.00	325,000.00	325,000.00
All Sources	<u>1,000,000.00</u>	<u>0.00</u>	<u>1,000,000.00</u>	<u>11,345,120.00</u>	<u>12,345,120.00</u>

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Funding Source: \$1,000,000 Appropriated State FY14-15 (Proviso 118.16, nonrecurring funds). \$5,000,000 FY15-16 Capital Reserve Fund. \$1,971,110 Federal, EDA Grant. \$32,000 Other, Calhoun County, which are funds provided through an appropriation. \$500,000 Other, Orangeburg County, which are funds provided from their Capital Project Sales tax fund. \$3,517,010 Other, College Funds, which are funds from their capital projects account comprised mostly of excess operating revenues (mostly excess tuition revenues). \$325,000 Other, Private Donations from the OCtech Foundation.

Request: Increase budget to \$12,345,120 (add \$11,345,120 Appropriated State, Capital Reserve, Federal, Other, Orangeburg & Calhoun Counties, Local and Private Donation Funds) to begin construction of a new health sciences and nursing building to be constructed on the campus of OCtech. This project was established in March 2015 for Phase I, which is now complete. The college has a need for additional classroom and laboratory space in the health sciences and nursing areas. The current nursing and health science facility was constructed in the 1980s and lacks adequate space to operate current programs or add new programs. The college has been forced to use space in nearby industrial bays for its Physical Therapy Assistant, EMT and Patient Care Technician programs. The Advanced Manufacturing programs need this space back. Additional space would also allow the college to consider additional programs, such as occupational therapy, pharmacy tech, electronic health records, and others. The college has evaluated current facilities and believes new construction is the best route for obtaining this desired space. The college has worked with an architect in Phase I to obtain a schematic design and cost estimates. Specifically the proposed design includes 3 large tiered classrooms, an 8 station nursing simulation lab, a 29 bed nursing skills lab, an instructional laboratory/assessment center, faculty offices, and student study space. The proposed design is a 32,669 square foot facility that will primarily serve the nursing programs (ADN and PN) but some labs, such as the simulation lab, will be used by all health science programs as well. The large tiered lecture rooms will also be available to other programs requiring large capacity lecture rooms. The facility is expected to have 15 faculty offices, but classrooms and labs could serve all nursing and health science programs which is 27 full-time faculty. Three large classrooms could serve a minimum of 200+ students daily. In addition, a new simulation lab could serve 300-400 students in multiple programs. Faculty located in this building will advise approximately 1,100 students, who are either enrolled in health related programs or preparing for

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entrance into these programs. The agency reports the total projected cost of this project is \$12,345,120 with additional operating costs of \$104,000 in year one, \$107,000 in year two, and \$110,000 in year three. The agency also reports the projects date for execution of the construction contract is July 2017 and for completion of construction is October 2018. (See attachment 3 for additional annual operating costs.)

(h) Summary 3-2017: JBRC Item 8. (E24) Office of the Adjutant General

Project: 9793, Armory Revitalization 2016-2017

Included in Annual CIP: Yes – CIP Priority 1 of 3 in FY17

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>
Capital Reserve Fund, FY15-16	0.00	0.00	0.00	5,000,000.00	5,000,000.00
Federal	0.00	0.00	0.00	5,500,000.00	5,500,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,500,000.00</u>	<u>10,500,000.00</u>

Funding Source: \$5,000,000 Capital Reserve Fund. \$5,500,000 Federal, which are Construction and Facilities Management Office's Master Cooperative Agreement funds.

Request: Establish budget and project for \$10,500,000 (Capital Reserve and Federal Funds) to begin the design and repairs/replacements at ten (10) Readiness Centers (aka; Armories). This project request is being requested at Phase II because the funding is legislatively authorized. These centers have been identified as being in the worst condition of disrepair of the 63 Readiness Centers on the CIP. Only 10 of these were funded fully or partially. Wellford was omitted and Easley was reduced. Each armory is an average of 65,000 square feet and over 50 years old. Each of these facilities have varying issues that need to be repaired or renovated, but the major cost items include; 1) Roof replacement or repairs. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site

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improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure and exterior wall repairs. In most cases, items require replacement since they have exceeded their service life. The agency reports the total projected cost of this project is \$10,500,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2017 and for completion of construction is May 2018.

Final Land Acquisition

- (i) Summary 3-2017: JBRC Item 12. (H59) Florence-Darlington Technical College
Project: 6122, Acquisition of property
(Cosmetology Building & Land in Darlington & Florence County)
Included in Annual CPIP: Yes – CPIP Priority 1 of 1 in FY17

CHE Recommended Approval: 09/01/16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, College Funds	20,000.00	0.00	20,000.00	1,852,500.00	1,872,500.00
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>1,852,500.00</u>	<u>1,872,500.00</u>

Funding Source: \$1,872,500 Other, College Funds, which are funds coming from the College's facilities operational budget.

Request: Increase budget to \$1,872,500 (add \$1,852,500 Other, College Funds) to acquire a building currently leased for the Cosmetology program, along with 50.74 acres of vacant land adjacent to Florence-Darlington Technical College. The project was established in March 2016 for Phase I, which is now complete. The leased 11,600 square foot building and 44.38 acres of vacant land is adjacent to two other separated pieces of land, comprised of 16 acres and 1.7 acres, currently owned by the College. This acquisition would place the entire 62 acre tract under ownership of the college. The acquisition also includes a 6.36 acre tract near the college's main campus. The college has grown from 3,956 to 6,215 students in the last 7 years. From 2007 to 2014 it was the fastest growing technical college in the state system, growing by 57%. Facilities on the

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existing campuses are limiting the growth in many programs. The main campus is essentially landlocked, limiting options for new buildings and parking areas. This property will allow relocation of the Continuing Education Healthcare programs from the downtown Florence Health Science Campus. Thus, opening up space there for the growth of the academic Health Science programs, which have student waiting lists. The acreage available in this acquisition will allow the college the opportunity to add additional buildings to meet academic and instructional expansion needs in the future. The property is being offered to the college by the Florence-Darlington Technical College Educational Foundation for \$1,850,000 and the appraised value of the property is \$1,932,000. The agency reports the total projected cost of this project is \$1,872,500 and no additional annual operating costs will result from the project. The agency also reports the projects date for completion is January 2017.

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

4. What is the Authority asked to do?

Consider approval of the permanent improvement project establishment requests and budget revisions.

5. What is the recommendation of the Executive Budget Office?

Consider approval of the permanent improvement project establishment requests and budget revisions.

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of Supporting Documents:

Attached:

1. Department of Mental Health Crafts Farrow Campus Electrical Distribution System Renovations annual operating costs savings.
2. USC Columbia Football Operations Facility Construction additional annual operating costs.
3. Orangeburg Calhoun Technical College Health Sciences and Nursing Building annual operating costs.
4. Permanent Improvement Project Information.
5. Additional Information on Funding Sources for Higher Education Projects

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

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

2. PROJECT Project # 9751 Name Crafts Farrow Campus Electrical Distribution System Renovations

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

☐ COSTS ☒ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019	\$ 75,000.00	\$	\$	\$ 75,000.00
2) 2020	\$ 75,000.00	\$	\$	\$ 75,000.00
3) 2021	\$ 75,000.00	\$	\$	\$ 75,000.00

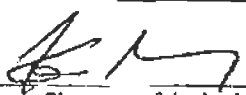
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Energy savings attributable to reduced power</u>	<u>\$75,000.00</u>
2. <u>transmission losses and more efficient equipment</u>	<u></u>
3. <u></u>	<u></u>
4. <u></u>	<u></u>
5. <u></u>	<u></u>
6. <u></u>	<u></u>
7. <u></u>	<u></u>
8. <u></u>	<u></u>
TOTAL	<u>\$75,000.00</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:  Director, Physical Plant Services 09/07/2016
 Signature of Authorized Official and Title Date

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

1. AGENCY
Code H27 Name USC Columbia

2. PROJECT
Project # 6114 Name Football Operations Facility Construction- Revised 9/12/16

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



COSTS



SAVINGS



NO CHANGE

NOTE: During Phase I planning, operating costs will be analyzed and reported with Phase II submittal.

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2016-2017	\$	\$	\$ 624,177	\$ 624,177.00
2) 2017-2018	\$	\$	\$ 569,177	\$ 569,177.00
3) 2018-2019	\$	\$	\$ 569,177	\$ 569,177.00

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

6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO

If no, how will additional funds be provided?

The additional cost will be absorbed into our operating budget with the additional revenues from the SEC Network and additional multimedia revenues from a new ten year contract which will begin July 1, 2017.

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

COST FACTORS		AMOUNT
1.	<u>Personnel</u>	<u>159,057</u>
2.	<u>Supplies/Contracts</u>	<u>50,750</u>
3.	<u>Waste Management</u>	<u>7,920</u>
4.	<u>Utilities</u>	<u>311,850</u>
5.	<u>Administrative</u>	<u>39,600</u>
6.	<u>One time equipment expense</u>	<u>55,000</u>
7.		
8.		
TOTAL		<u>624,177</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 45

9. Submitted By: [Signature] Director, Planning and Programming
Signature of Authorized Official and Title
September 17, 2016
Date

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

1. AGENCY Code H59 Name Orangeburg Calhoun Technical College
2. PROJECT Project # 6106 Name OCtech Health Sciences and Nursing Building (Phase II)

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

☒ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018-19	\$	\$	\$ 104,000.00	\$ 104,000.00
2) 2019-20	\$	\$	\$ 107,000.00	\$ 107,000.00
3) 2020-21	\$	\$	\$ 110,000.00	\$ 110,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.). These costs are approximately 1/2 of 1% of the college's annual operating budget and can be absorbed into the operating budget through various means, such as reallocation of existing budget funds, reductions in non-recurring budget items, and projected excess revenues over expenses. The college will also request funding from Orangeburg and Calhoun counties to help offset these costs as well.
6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
If no, how will additional funds be provided?
7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS		AMOUNT
1. Utilities		\$45,000.00
2. Additional Custodial		34,000.00
3. Maintenance & Supplies		25,000.00
4.		
5.		
6.		
7.		
8.		
TOTAL		\$104,000.00

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

9. Submitted By: K. A. H. VP Business 9-27-16
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for November 7, 2016 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H15-9865	College of Charleston - McAlister Residence Hall Renovation	N/A	N/A	\$88,980	N/A	No	\$5,032,000
H51-9835	Medical University of SC - MUSC/SCEO PEER Program Energy Performance Contract 2016	N/A	N/A	\$675,000	N/A	No	To Be Determined
J12-9751	Mental Health - Crafts Farrow Campus Electrical Distribution System Renovations	N/A	N/A	\$54,000	N/A	Yes	\$3,600,000
P28-9760	Parks, Recreation & Tourism - Edisto Beach State Park- Hurricane Matthew Recovery	N/A	N/A	\$15,000	N/A	No	\$1,000,000
P28-9761	Parks, Recreation & Tourism - Hunting Island State Park- Hurricane Matthew Recovery	N/A	N/A	\$37,500	N/A	No	\$2,500,000
H27-0114	USC Columbia - Football Operations Facility Construction	\$1,000,000	2/1/16	\$1,000,000	2/1/16	Yes	\$50,000,000
H59-6106	Orangeburg Calhoun Technical College - Octech Health Sciences and Nursing Building	\$1,000,000	3/11/15	\$1,000,000	3/11/15	No	\$12,345,120
E24-9793	Adjutant General - Armory Revitalization 2016-2017	N/A	N/A	\$10,500,000	N/A	Yes	\$10,500,000
H59-6122	Florence-Darlington Technical College - Acquisition of property (Cosmetology Building & Land in Darlington & Florence County)	\$20,000	3/11/16	\$20,000	3/11/16	Yes	\$1,872,500

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

Item (a) – College of Charleston – McAlister Residence Hall Renovation

The source of funds for pre-design is Other, Housing Revenue Funds, which are generated primarily through the Student Housing Fee, paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

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

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

Item (b) – Medical University of South Carolina – MUSC/SCEO PEER Program Energy Performance Contract 2016

The source of funds for pre-design is Other, Engineering & Facilities Operating Funds, which are department generated funds for facilities services provided to others in the university.

The source of funds for construction is anticipated to be the State Treasurer's Office Master Lease Program.

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

Item (d) – USC Columbia – Football Operations Facility Construction

The source of funds for construction are Athletic Facilities Revenue Bonds and Private Funds, which are donations/gifts to the Athletics Department.

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

Item (e) – Orangeburg Calhoun Technical College – Health Sciences and Nursing Building

The source of funds for construction are Appropriated State FY14-15 (Proviso 118.16, nonrecurring), FY15-16 Capital Reserve, Federal EDA Grant, Calhoun County, Orangeburg County, Other, College Funds, which is mostly excess tuition revenues transferred to the capital projects account to be used for capital improvements and large maintenance projects and Other, Private Donations from the OCtech Foundation.

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

Item (g) – Florence-Darlington Technical College – Acquisition of property (Cosmetology Building & Land in Darlington & Florence County)

The source of funds for construction is Other, College Funds, which are funds coming from the College's facilities operational budget.

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

AGENCY: Department of Administration, Real Property Services

SUBJECT: Medical University of South Carolina Parking Lease - 99 WestEdge in Charleston

The Medical University of South Carolina (MUSC) requests approval to lease 322 parking spaces from the City of Charleston to be located within the 99 WestEdge parking garage. The purpose of the lease is to replace parking spaces that will be lost due to the WestEdge Development Project taking place in downtown Charleston.

A solicitation was conducted for parking spaces either in close proximity to the MUSC campus or on the MUSC transit system, and the selected location was the only response received.

The term of the lease will be five (5) years beginning upon the date of substantial completion of the parking garage (estimated to be March 1, 2017) at a rate of \$125.00 per space. Thereafter, the rate per space shall increase annually by three (3) percent. MUSC will not be responsible for any operating costs. As such, the total amount the University will pay over the term is \$2,564,304.96 as shown in the chart below:

Period	Rate/space	# of spaces	Total
Year 1	\$125.00	322	\$483,000.00
Year 2	\$128.75	322	\$497,490.00
Year 3	\$132.61	322	\$512,405.04
Year 4	\$136.59	322	\$527,783.76
Year 5	\$140.69	322	\$543,626.16
TOTAL			\$2,564,304.96

MUSC will also have the option to add up to 100 additional spaces during the term should they become available and based on the University's need, subject to any required governmental approvals. These spaces would be charged at the rate in effect at the time.

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

Location	Rate/Space
106 Coming Street	\$285.00
158 Meeting Street	\$168.00
George Street	\$250.00

AGENCY: Department of Administration, Real Property Services

SUBJECT: Medical University of South Carolina Parking Lease-99 WestEdge in Charleston

Lease payments will be funded from parking revenues through fees charged to employees, students and visitors. 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 August 12, 2016, by the Commission on Higher Education on October 24, 2016, and by JBRC on October 25, 2016.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Real Property Services, approve the proposed parking lease for the Medical University of South Carolina at 99 WestEdge in Charleston.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; MUSC Letter Dated October 19, 2016

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 7, 2016

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster
Real Property Services

2. Subject: Medical University of South Carolina Parking Lease-99 WestEdge in Charleston

3. Summary Background Information:

The Medical University of South Carolina (MUSC) requests approval to lease 322 parking spaces from the City of Charleston to be located within the 99 WestEdge parking garage. The purpose of the lease is to replace parking spaces that will be lost due to the WestEdge Development Project taking place in downtown Charleston.

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-
4. **What is the Authority asked to do?** Approve the proposed parking lease for the Medical University of South Carolina at 99 WestEdge in Charleston.

-
5. **What is recommendation of the Department of Administration?** Approve the proposed parking lease for the Medical University of South Carolina at 99 WestEdge in Charleston.

6. **List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated October 19, 2016

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

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

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

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

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

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

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

Code Commissioner's Note



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

October 19, 2016

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

RE: Request for Leased Space / 99 WestEdge (Parking)

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to lease 322 parking spaces with the option to expand up to 100 parking spaces upon availability at the 99 WestEdge Parking Garage from the City of Charleston. Please prepare this lease for the next SFAA meeting in September. The purpose of this lease is to replace 400 parking spaces MUSC leases on a month to month basis at 150 Lockwood / 162 Lockwood that is used by our employees and students. The WestEdge Development Project will permanently displace these parking spaces and they will no longer be available to MUSC.

Number of spaces: 322 parking spaces, option to expand up to 500 upon availability
Cost per space: \$125.00
Annual rent increase: 3% Annual Increase
Estimated Start Date: March 2017
Lease Term: 5 Years

Initial Lease Term / Max Amount

Period	Rate/space	# of spaces	Total
Year 1	\$125.00	322	\$483,000.00
Year 2	\$128.15	322	\$497,490.00
Year 3	\$132.61	322	\$512,405.04
Year 4	\$136.59	322	\$527,783.76
Year 5	\$140.69	322	\$543,626.16

Please let me know if you have any questions

Sincerely,

Rachel Jones
Medical University of South Carolina
Leasing Manager

AGENCY: Department of Administration, Real Property Services

SUBJECT: Office of the State Auditor - Lease at 1401 Main Street in Columbia

The Office of the State Auditor is requesting approval to continue leasing space located at 1401 Main Street in Columbia from MS Joint Venture. The agency currently leases 10,745 SF of office space and 1,000 SF of storage space and wishes to increase its square footage to 12,200 SF of office space and 1,000 SF of storage space due to an increase in staff and to accommodate a training room. A total of fifty-six (56) employees will utilize the office space, and the training space will accommodate up to fifteen (15) people at a time.

A solicitation was conducted and eight responsive proposals were received; however, one location was eliminated based on the building condition during the site visit. While the selected location does not represent the lowest bid, it was the lowest bid for space in the downtown area. After considering moving costs, the selected location is \$319,676 more than the lowest bid over the ten (10) year term and \$430,065 less than the highest bid. The Office of the State Auditor has provided the attached justification for the site selection. In occupying this space, the agency will be below the state's space standards of 210 RSF/person, with an average of 184 RSF/person.

The term of the lease will be ten (10) years beginning January 1, 2017, and ending on December 31, 2026. Rent for the office space for the first year of the term will be at a rate of \$16.75/SF, \$9.48/SF allocated to rental space and \$7.27/SF to operating costs, and rent for the storage space for the first year of the term is \$9.00/SF. Rent will increase annually as follows:

<u>TERM</u>	<u>ANNUAL RENT ROUNDED</u>	<u>MONTHLY RENT ROUNDED</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1 - Office	\$ 204,350.00	\$ 17,029.17	\$ 16.75
YEAR 1 - Storage	\$ 9,000.00	\$ 750.00	\$ 9.00
YEAR 2 - Office	\$ 208,437.00	\$ 17,369.75	\$ 17.09
YEAR 2 - Storage	\$ 9,000.00	\$ 750.00	\$ 9.00
YEAR 3 - Office	\$ 212,606.00	\$ 17,717.17	\$ 17.43
YEAR 3 - Storage	\$ 9,000.00	\$ 750.00	\$ 9.00
YEAR 4 - Office	\$ 216,858.00	\$ 18,071.50	\$ 17.78
YEAR 4 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50
YEAR 5 - Office	\$ 221,195.00	\$ 18,432.92	\$ 18.13
YEAR 5 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50
YEAR 6 - Office	\$ 225,619.00	\$ 18,801.58	\$ 18.49
YEAR 6 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50
YEAR 7 - Office	\$ 230,131.00	\$ 19,177.58	\$ 18.86
YEAR 7 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50
YEAR 8 - Office	\$ 234,734.00	\$ 19,561.17	\$ 19.24
YEAR 8 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
YEAR 9 - Office	\$ 239,429.00	\$ 19,952.42	\$ 19.63
YEAR 9 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
YEAR 10 - Office	\$ 244,217.00	\$ 20,351.42	\$ 20.02
YEAR 10 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
TOTAL	\$2,332,576.00		

AGENCY: Department of Administration, Real Property Services

SUBJECT: Office of the State Auditor - Lease at 1401 Main Street in Columbia

The agency will be responsible for its pro rata share of any increases in building operating costs over the first year with a cap of three (3) percent. The maximum potential amount the agency could pay over the term in additional operating costs is \$129,837. The Landlord will provide up to 56 parking spaces in the adjacent garage subsidized by fifty (50) percent. The remaining fifty (50) percent of the cost for parking will be paid by employees directly to the Landlord. The current parking rate is \$40/month. Any increases in the parking rate will continue to be divided 50/50 between the Landlord and the employee. The Landlord shall also provide \$100,000 for upfitting costs.

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

Location	Tenant	Rent Rate/SF
1400 Pickens Street	Vacant	\$18.00
1813 Main Street	Vacant	\$18.34
1333 Main Street	Workers Compensation Commission	\$16.25
1201 Main Street	Clemson University	\$17.74

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

Additionally, the Colliers 2016 Q2 Research & Forecast Report indicates a current average asking rate of \$23.48/SF in downtown Columbia and also notes that rates are projected to increase.

There are adequate funds for the lease according to a Budget Approval Form submitted by the Office of the State Auditor. The lease was approved by JBRC on September 13, 2016.

AUTHORITY ACTION REQUESTED:

Approve the proposed lease for the Office of the State Auditor at 1401 Main Street in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the State Auditor dated August 4, 2016; SC Code of Laws Section 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 7, 2016

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster
Real Property Services

2. Subject: Office of the State Auditor Lease at 1401 Main Street in Columbia

3. Summary Background Information:

The Office of the State Auditor is requesting approval to continue leasing space located at 1401 Main Street in Columbia from MS Joint Venture. The agency currently leases 10,745 SF of office space and 1,000 SF of storage space and wishes to increase its square footage to 12,200 SF of office space and 1,000 SF of storage space due to an increase in staff and to accommodate a training room. A total of fifty-six (56) employees will utilize the office space, and the training space will accommodate up to fifteen (15) people at a time.

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Additionally, the Colliers 2016 Q2 Research & Forecast Report indicates a current average asking rate of \$23.48/SF in downtown Columbia and also notes that rates are projected to increase.

There are adequate funds for the lease according to a Budget Approval Form submitted by the Office of the State Auditor. The lease was approved by JBRC on September 13, 2016.

4. What is the Authority asked to do? Consider approval of the proposed lease for the Office of the State Auditor at 1401 Main Street in Columbia.

5. What is recommendation of the Department of Administration? Consider approval of the proposed lease for the Office of the State Auditor at 1401 Main Street in Columbia.

6. List of Supporting Documents:

- Letter from the State Auditor dated August 4, 2016
- SC Code of Laws Section 1-11-55 and 1-11-56



**South Carolina
Office of the State Auditor**

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

August 4, 2016

Ms. Ashlie Lancaster
The South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: Lease for 1401 Main Street, Suite 1200

Dear Ms. Lancaster:

The Office of the State Auditor requests approval by the State Fiscal Accountability Authority (SFAA) at its meeting on September 20, 2016, of a lease with EM & L Commercial Real Estate for approximately 13,200 square feet of office space at 1401 Main Street in Columbia.

Nine proposals were received in response to our solicitation, with eight proposals meeting the minimum space requirements. Site visits were made to three properties, and after evaluation we concluded that our current location best meets our needs. Among our considerations were the proximity of the location to our clients, stakeholders and partners, and avoiding the estimated \$300,000 cost of moving and the associated loss of productivity.

Additionally, we evaluated each proposed space not just in terms of the space itself, but also in terms of how well the building location and surrounding environment contribute to a positive vibe for our current and prospective employees. Analysis shows that Millennials, a critical component of our workforce, place high value on professional office space and surrounding environment. While we cannot compete for talent on base compensation, we can better retain our high-performing employees and win sought-after prospects by offering a strong benefits package and work-life balance. Also, offering a working environment in a vibrant and desirable location with the excitement of being at the center of state government can keep us in the game for top talent. Of the locations under consideration, our current location possesses the strongest combination of these attributes.

Thank you for your assistance in this process and for your consideration of our request.

Very truly yours,

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

George L. Kennedy, III, CPA
State Auditor

GLKIII/ttb

**SC Office of the State Auditor
Analysis of Proposals for Office Space**

The SC Office of the State Auditor received 9 responses to its Request for Proposal for office space. After site visits to three locations, we determined that remaining in our current location at 1401 Main Street is the best option. OSA has been in its current location for approximately 30 years. Previous locations include other office buildings along Main Street and offices within the State Capitol Complex.

Pros and Cons of Each Proposed Location

1. 1401 Main (current location)

Pros

- In the city core
- Walking distance to key clients/stakeholders
- Provides a sense of connection to central government (constitutional officers, legislature and their staffs)
- Manned building lobby security which extends beyond normal business hours
- Access to large group meeting space in the state house and several nearby state agency offices
- Convenient to public transportation
- Walkable location, providing easy access to area eateries, retail and amenities
- Location and space that puts us more on par with competitors for top talent, primarily private accounting organizations
- No downtime or cost for a move

Cons

- Parking is spread across several locations, some not contiguous to the building
- Public garage or on-street metered parking only is available for visitors

2. 1813 Main

Pros

- In the city core
- Walking distance to key clients/stakeholders
- Provides a sense of connection to central government
- Convenient to public transportation

Cons

- Cost compared to current space does not justify move

3. 1233 Washington

Pros

- In the city core
- Walking distance to key clients/stakeholders
- Provides a sense of connection to central government
- Convenient to public transportation

**SC Office of the State Auditor
Analysis of Proposals for Office Space**

Cons

- Cost compared to current space does not justify move

4. 1400 Pickens

Pros

- Convenient to public transportation

Cons

- Walking to key client/stakeholder locations is more challenging than a location inside of the city center
- Cost compared to current space does not justify move

5. Browning Road (site visit 8/3/16)

Pros

- Functional space, which can be upfit to meet our specific needs
- Manned building lobby security which extends beyond normal business hours
- Ample parking around building
- Dedicated parking for visitors
- Common break/vending areas that offer more conveniences than we could on our own
- Use of on-site fitness center included with lease

Cons

- On-site interaction with our largest clients will require a car drive and paid parking
- Access to public transportation is challenging
- Area around building is not walkable, making auto use necessary to reach nearby eateries and retail
- Poor overall impression of building and area upon approach

6. 246 Stoneridge (site visit 8/3/16)

Pros

- Functional space, which can be upfit to meet specific needs
- Manned security which extends beyond normal business hours
- Ample employee parking around building
- Ample parking for visitors
- Common break/vending areas that offer more conveniences than we could on our own
- Access to large group meeting spaces onsite (fee could apply)
- Use of on-site fitness center included with lease

Cons

- On-site interaction with our largest clients will require a car drive and paid parking
- Access to public transportation is challenging
- Area around building is not walkable, making auto use necessary to reach nearby eateries and retail

**SC Office of the State Auditor
Analysis of Proposals for Office Space**

- Strip club is located at entrance to property, presenting a poor impression to visitors, including recruiting prospects
- Cost compared to current space does not justify move

7. Dutch Center

Pros

- Functional space, which can be upfit to meet our specific needs
- Ample parking around building
- Convenient to public transportation
- Easy parking for visitors
- Common break/vending areas that offer more conveniences than we could on our own
- Use of small on-site fitness center included with lease

Cons

- On-site interaction with our largest clients will require a car drive and paid parking
- Building security is not as robust as others buildings
- Safety of area surrounding building is a concern, particularly before and after hours
- Area around building has limited walkability, making auto use necessary to access nearby eateries and retail
- A deteriorating retail center sits prominently across the street, making a poor impression

8. Farrow Road

- *Doesn't meet space requirement, therefore did not evaluate further*

9. Two Notch Road

Pros

- None

Cons

- Strip mall space that doesn't fit our profile
- Safety of area is a concern

**SC Office of the State Auditor
Analysis of Proposals for Office Space**

Overall Analysis and Basis for Selection

Aside from the economics and the interruption a move would create, we have summarized three major considerations for why our current location best fits our office space needs:

1. Close to those we serve

When evaluated against locations outside of the downtown area, our current location offers the significant advantage of being close to those we serve:

- 1) The Comptroller General's Office is less than 3 blocks away, where, during the audit of the State's Comprehensive Annual Financial Report, our staff spend significant amounts of time, including before and after normal business hours for nearly six months of the year. We also have meetings with the Comptroller General Office staff periodically throughout other times of the year, and can walk to their offices within 10 minutes.
- 2) Similarly, we collaborate on an ongoing basis with the Treasurer's Office and SFAA, both less than 3 blocks away.
- 3) SC Department of Health and Human Services, our Medicaid Division client, is 4 blocks away.
- 4) Our Internal Audit Services Division, which operates in SC DOT Headquarters, is 5 blocks away.
- 5) Many of our contract CPA relationships, including the joint auditors for the CAFR and Single Audit, are anywhere from next door to within 10 blocks of our current location.
- 6) Numerous state agencies, where we perform work throughout the year, are located within a 3-mile radius of our current location.

OSA staff often walk to nearby locations, eliminating the need to find and pay for parking.

2. A connection to central government

The state auditor is an important part of central government. A location close to the Comptroller General, Treasurer, Governor and Legislature, underscores this importance.

This close relationship to central government is reflected by our peer organizations in other states. Of 12 Southeastern US state auditor offices, 10 are located within the capitol building office complex and 2 (including SC) are within a few blocks of the capitol building office complex.

3. Ability to recruit and retain employees

There is an abundance of analysis available which discusses the differences between the Millennial and Baby Boomer generations. A recent article appearing on accountingweb.com, for example, discusses the importance office space has in attracting Millennial talent saying "The kind of vibe you feel when you walk into a space directly impacts those working there, sending a stronger message than any 'about us' statement ever will."

Millennial talent is a critical component of the OSA workforce. When vacancies occur, OSA fills those positions with recent accounting graduates and targets top candidates with strong academic performance. This puts us in direct competition with private sector accounting

**SC Office of the State Auditor
Analysis of Proposals for Office Space**

organizations, particularly for bright, energetic, driven accounting graduates who thrive in having choices for where they begin their career. While we cannot always compete on base compensation, we can win many top prospects with a 37.5 hour workweek, a flexible work arrangement and other fringe benefits. We must also be mindful of our office space and the environment around it, and while we cannot trump competitors that have much deeper pockets, offering a working environment in a vibrant and connected location can keep us in the game for top talent.

Our current location better fits the image we are working to create for the Office of the State Auditor: modern, professional, business-minded, energetic. A location in the core business district provides close proximity to our most important partners, in a highly walkable area hosting a variety of eateries, retail and other amenities. A relatively safe area with easy access to public transportation, the day-time population is dominated by state employees and other professionals, providing lunch and after hours networking opportunities for our staff.

The competitive locations in the St. Andrews market are situated near Broad River Road and Bush River Road. The actual spaces, once built out, would serve our purposes adequately. But none of these locations offer the total package we find in our current location. The St. Andrews market has recently experienced an uptick in office space occupancy. A key reason, however, is that building lease rates are low in part to compensate for an area which overall is in decline. Key retail businesses have vacated the area, including the most desirable tenants of a once-vibrant mall. Restaurant offerings, while abundant, consist primarily of fast food, with a noticeable lack of cafes/coffee shops and healthy, fresh and local restaurant choices. While close by auto to the Capitol Complex, these office locations emphasize a distinct disconnection from central government and only detract from the image we are trying to create by projecting a stale and decaying vibe. Access to public transportation is not convenient.

While there are options for office space that provide adequate function and attractive cost, the physical locations of these options, when compared to our current location, are less convenient to our most important clients and would provide one more obstacle to overcome in the competition with the private sector for talent.

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.
- (D) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$46,000,000 Principal Amount of Athletic Facilities Revenue Bonds, Series 2017A, of the University of South Carolina and Authorize the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes Pending the Issuance of the Athletic Facilities Revenue Bonds

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$46,000,000 Principal Amount of Athletic Facilities Revenue Bonds, Series 2017A, of the University of South Carolina and authorize the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes pending the issuance of the Athletic Facilities Revenue Bonds.

The proceeds of the bonds will be used to (i) reimburse the University for capital expenditures previously made in connection with, and paying the costs to construct and equip an approximately 105,000 square foot football operations facility, including the acquisition, parking and associated landscaping and hardscaping, located at the west end of Gamecock Park and adjacent to the Indoor Football Practice Facility, and athletic facilities revenue bond anticipation notes, including capitalized interest on the Series 2017A Bonds, if any; (ii) funding the Series 2017A Debt Service Reserve Fund or purchasing a debt service reserve fund substitute, if any; and (iii) paying certain costs and expenses relating to the issuance and Series 2017A Bonds, including a municipal bond insurance premium, if any.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$46,000,000 Principal Amount of Athletic Facilities Revenue Bonds, Series 2017A, of the University of South Carolina and authorize the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes pending the issuance of the Athletic Facilities Revenue Bonds.

ATTACHMENTS:

Seezen 10/19/16 letter; Resolution; NDIF; Summary of Financing

October 19, 2016

Delbert Singleton
State Fiscal Accountability Authority
Wade Hampton Office Building
6th Floor

Re: Not exceeding \$46,000,000 principal amount of Athletic Facilities
Revenue Bonds, Series 2017A (the "Bonds") of the University of
South Carolina

Dear Delbert:

Attached is a resolution adopted by the Board of Trustees of the University of South Carolina (the "University") on October 19, 2001 entitled: "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" authorizing the issuance, from time to time, of Athletic Facilities Revenue Bonds, upon the adoption of a series resolution.

Also attached is a series resolution adopted by the Board of Trustees of the University on September 16, 2016 entitled: "A SERIES RESOLUTION "PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA, IN ONE OR MORE SERIES, TO BE DESIGNATED SERIES 2017A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$49,000,000; AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO".

Also attached is a resolution proposed to be adopted by the State Fiscal Accountability Authority entitled: "APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$46,000,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA THE PROCEEDS OF WHICH WILL BE USED TO FUND THE CONSTRUCTION AND EQUIPPING OF CERTAIN ATHLETIC FACILITIES, AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE ATHLETIC FACILITIES REVENUE BONDS." (the "State Fiscal Accountability Authority Authorizing Resolution").

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A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$46,000,000 AGGREGATE PRINCIPAL AMOUNT ATHLETIC FACILITIES REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA THE PROCEEDS OF WHICH WILL BE USED TO FUND THE CONSTRUCTION AND EQUIPPING OF CERTAIN ATHLETIC FACILITIES, AND AUTHORIZING THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE ATHLETIC FACILITIES REVENUE BONDS.

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

ARTICLE I

FINDINGS OF FACT

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

Section 1.01

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

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

ARTICLE II

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

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2017A Bonds in the principal amount not exceeding \$46,000,000 at public sale or negotiated sale as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2017A Resolution.

Section 2.02

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

Section 2.03

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

Dated: November 7, 2016.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 11/07/16

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: University of South Carolina Series: 2017A
 Borrower (if not Issuer): _____
 Bond Caption: Athletic Facility Revenue Bonds - 2017A
 Bond Resolution Amount: \$46,000,000.00 Est. Production Amount: \$46,000,000.00
 (* Used to calculate initial COI percentages: this \$ Amount / Est \$ COI on Page 2 should reconcile to "Summary of Financing Proposal" percentages *)

Initial/Current Version:

ENTITY

NAME: University of South Carolina
 BY: Charles D. FitzSimons
 ITS: Director of Capital Budget

Final:

ENTITY

NAME: _____
 BY: _____
 ITS: _____

2. FINANCING (NEW PORTION)

Project #: TBD Project Name: Football Operations Building
 Project Address/Location: Columbia, SC Amount: \$44,358,600.00
 Project Type: New Construction County: Richland
 Projected Avg Interest Rate: 3.50% Final Maturity: 2047

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturity	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svcgs. (\$)	Est NPV Svcgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: PFM Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: McNair Issuer's Counsel: _____
 Underwriter: Barclays Other: Nexsen Pruet
 Other: _____ Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

This project is for the construction of a Football Operations Building. The total project costs are estimated to be \$50 million, based on the project development (Phase I/II) process.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	09/15/16	
JBRC Approval:		
SFAA Approval:	11/07/16	

Project Approvals - (Must be Same Entity as above)		Notes:
Issuer/Borrower Approval:		
JBRC Approval:	09/13/16	Proposed
SFAA Approval:	09/20/16	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☐ ☒

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

☐ ☒

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

Sq. Footage - TBD
 Cost Estimate - TBD

Summary of Financing Proposal for
University of South Carolina
Related to
Athletic Facilities Revenue Bonds, Series 2017A

PRELIMINARY – SUBJECT TO CHANGE

October 18, 2016

Bonds proposed to be financed	\$46,000,000 in total principal
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Average interest rate of bonds	3.50%
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Projected average interest rate of bonds	3.50%
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True interest cost of bonds	3.50%
-----------------------------	-------

Estimated costs (costs as a percentage of bonds)

Underwriter's fee	\$177,100 (0.39%)
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Legal fees – bond, disclosure and general counsel	\$80,500 (0.18%)
---	-------------------

Rating agency fees	\$32,000 (0.07%)
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Financial Advisor fee	\$34,500 (0.08%)
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Bond trustee/registrar	\$7,500 (0.02%)
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Accounting and verification	N/A
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Credit enhancement/bond insurance	N/A
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Publication, printing, contingencies and all other expenses	\$27,000 (0.06%)
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Total	\$358,600 (0.78%)
-------	-------------------

Prepared by: University of South Carolina

Date: October 18, 2016

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF November 7, 2016

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, December 13, 2016, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2016

Tuesday, December 13

State Fiscal Accountability Authority Meeting 2017

Tuesday, January 31

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, December 13, 2016, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: