STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, September 20, 2016 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

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Α.	ADOPTION OF PROPOSED AGENDA		
В.	MINUTES OF PREVIOUS MEETING		
C.	BLUE AGENDA		
1.	State Treasurer's Office	Bond Counsel Selection	
2.	Department of Administration, Executive Budget Office	State Auditor FTE Change in Source of Funding	
3.	Department of Administration, Real Property Services	Easements	
4.	Department of Administration, Real Property Services	Real Property Conveyance	
5.	Division of Procurement Services	Procurement Audit of the Midlands Technical College Enterprise Campus Authority and Request for Re-authorization of the Midland's Technical College Enterprise Campus Authority's Procurement Policy	
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STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, September 20, 2016 -- 10:00 A.M. Room 252, Edgar A. Brown Building

-	REGULAR SESSIO	N AGENDA INDEX Page 2
<u>Item</u>	Agency	Subject
D.	REGULAR SESSION	
1.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
2.	Department of Administration, Real Property Services	Office of the Adjutant General Lease-out to South Carolina Electric & Gas Company (SCE&G) At 5 National Guard Road in Columbia
3	Department of Administration, Real Property Services	Office of the State Auditor – Lease at 1401 Main Street in Columbia
4.	State Fiscal Accountability Authority	Not Exceeding \$45,000,000 Lease Revenue Bonds (Department of Mental Health), Series 2016
5.	Department of Mental Health	Proposed New Facility to House the Sexually Violent Predator Treatment Program (SVPTP) and Associated Operations Agreement
6.	Division of Procurement Services	Waiver to Extend the Maximum Time on a Multi- term Contract for the University of South Carolina
7.	State Fiscal Accountability Authority	Future Meeting

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA	
ITEM NUMBER	

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, other revenue issues, and special assignment of bond counsel for which Authority approval is requested:

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

Description	Agency/Institution	Borrower's	Issuer's
of Issue	(Borrower)	Counsel	Counsel
\$165,000,000 SC JEDA	AnMed Health	McNair Law Firm	Parker Poe Adams & Bernstein
\$13,000,0000 SC JEDA	Clemson Heritage, LLC	McNair Law Firm	Pope Flynn
\$14,000,000 SC JEDA	CR Senior Living, LLC (Lakewood Senior Living- Boiling Springs)	Parker Poe Adams & Bernstein	Haynsworth Sinkler Boyd
\$51,000,000 SC JEDA	Aiken Advanced Manufacturing Partnership	Hanysworth Sinkler Boyd	McNair Law Firm
\$25,000,000 SC JEDA	CR Senior Living, LLC (River Park Senior Living-Little River)	Parker Poe	Nexsen Pruit
\$7,000,000 SC JEDA	Mason Preparatory School	Haynsworth Sinkler Boyd	Howell Linkous Nettles
\$30,000,000 SC JEDA	East Point Academy	Pope Flynn	Haynsworth Sinkler Boyd

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$ 45,000,000 South Carolina State Fiscal	SFAA	Pope Flynn
Accountability Authority		-

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$37,500,000 SC State University	SC State University	Pope Flynn

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows: Items for September 20, 2016 State Fiscal Accountability Authority

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

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Description	Agency/Institution	Borrower's	Issuer's	Date STO
of Issue	(Borrower)	Counsel	Counsel	Approved
\$165,000,000 SC JEDA	AnMed Health	McNair Law Firm	Parker Poe Adams &	8/17/2016
			Bernstein	
\$13,000,0000 SC JEDA	Clemson Heritage, LLC	McNair Law Firm	Pope Flynn	8/17/2016
\$14,000,000 SC JEDA	CR Senior Living, LLC (Lakewood Senior	Parker Poe Adams & Bernstein	Haynsworth Sinkler Boyd	8/17/2016
	Living- Boiling Springs)			
\$51,000,000 SC JEDA	Aiken Advanced Manufacturing Partnership	Hanysworth Sinkler Boyd	McNair Law Firm	8/17/2016
\$25,000,000 SC JEDA	CR Senior Living, LLC (River Park Senior	Parker Poe	Nexsen Pruit	8/17/2016
	Living-Little River)			
\$7,000,000 SC JEDA	Mason Preparatory School	Haynsworth Sinkler Boyd	Howell Linkous Nettles	8/18/2016
\$30,000,000 SC JEDA	East Point Academy	Pope Flynn	Haynsworth Sinkler Boyd	8/22/2016

OTHER REVENITE ISSUES:

UTHER REVENUE ISSUES:			
Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$ 45,000,000 South Carolina State Fiscal Accountability Authority	SFAA	Pope Flynn	8/18/2016

SPECIAL ASSIGNMENT OF BOND COUNSEL.

SPECIAL ASSIGNMENT OF BOIND COUNSEL:	COUNSEL:		
Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$37,500,000 SC State University	SC State University	Pope Flynn	8/18/2016

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA		
ITEM NUMBER	2	

AGENCY:	Department of Administration, Executive Budget Office

SUBJECT: State Auditor FTE Change in Source of Funding

The State Auditor's Office received a \$109,804 general fund increase in the FY 2016-17 Appropriation Act for Audit staff. The Appropriation Act, however, did not include a change in the source of funding for two FTEs impacted by the change in funding source. As a result, a change in the source of funds from Other Funds to General Funds for 2 FTEs has been requested by the State Auditor's Office. This action will not result in an increase in the total number of FTEs for the State Auditor's Office.

The Department of Administration, Executive Budget Office pursuant to Proviso 117.14(1) of the FY 2016-17 Appropriation Act which states "[t]hat no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the State Fiscal Accountability Authority" is requesting a source in fund change for 2 Other Funded positions to General Funded positions for the State Auditor's Office.

AUTHORITY ACTION REQUESTED:

Approve the request to change the source of funds for 2 FTEs from Other Funds to General Funds for the State Auditor's Office, as recommended by the Department of Administration, Executive Budget Office.

ATTACHMENTS:

Agenda item worksheet; State Auditor's Office Requested FTE Breakdown; FY 2016-17 Appropriation Act, Proviso 117.14 (1)

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2016 Blue Agenda

1. Submitted by:

(a) Agency: ADMIN, Executive Budget Office:

2. Subject: State Auditor FTE Change in Source of Funding

- (b) Authorized Official Signature:
- ...
- 3. Summary of Background Information: The State Auditor's Office received a \$109,804 general fund increase in the FY 2016-17 Appropriation Act for Audit staff. The Appropriation Act, however, did not include a change in the source of funding for two FTEs impacted by the change in funding source. As a result, a change in the source of funds from Other Funds to General Funds for 2 FTEs has been requested by the State Auditor's Office. This action will not result in an increase in the total number of FTEs for the State Auditor's Office.

The Department of Administration, Executive Budget Office pursuant to Proviso 117.14(1) of the FY 2016-17 Appropriation Act which states "[t]hat no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the State Fiscal Accountability Authority" is requesting a source in fund change for 2 Other Funded positions to General Funded positions for the State Auditor's Office.

- **4.** What is Authority asked to do? Consider approval of the request to change the source of funding for 2 FTEs from Other Funds to General Funds for the State Auditor's Office.
- **5.** What is recommendation of Department of Administration involved? Recommend approval of the request to change the source of funds for 2 FTEs from Other Funds to General Funds for the State Auditor's Office.
- 6. List of Supporting Documents:
- 1. State Auditor's Office Requested FTE Breakdown
- 2. FY 2016-17 Appropriation Act, Proviso 117.14 (1)

GENERAL APPROPRIATIONS ACT FY 2016-17

State Auditors's Office

	As En	acted	As Requ	iested
	Total Funds	State Funds	Total Funds	State Funds
FTEs	53.00	36.00	53.00	38.00

State Auditor's Office Breakdown of FTES To be Transferred from Other Funds to State Funds

				Current Source of	Proposed Source
Classification	FTE Count	Pay Band	Program/Subprogram	Funding	of Funding
Auditor III	1.00	5	Audits	Earmarked	State
Auditor IV	1.00	6	Audits	Earmarked	State
FTE Total	2.00				

GENERAL APPROPRIATIONS ACT FY 2016-2017

PART IB OPERATION OF STATE GOVERNMENT

- **117.14.** (GP: Personal Service Reconciliation, FTEs) In order to provide the necessary control over the number of employees, the Executive Budget Office is hereby directed to maintain close supervision over the number of state employees, and to require specifically the following:
- (1) That no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the State Fiscal Accountability Authority.
- (2) That the Executive Budget Office shall maintain and make, as necessary, periodic adjustments thereto, an official record of the total number of authorized full-time equivalent positions by agency for state and total funding sources.
- (a) That within thirty days of the passage of the Appropriation Act or by August first, whichever comes later, each agency of the State must have established on the Executive Budget Office records all positions authorized in the Act. After that date, the office shall delete any non-established positions immediately from the official record of authorized full-time equivalent positions. No positions shall be established by the office in excess of the total number of authorized full-time equivalent positions. Each agency may, upon notification to the Executive Budget Office, change the funding source of state FTE positions established on the Executive Budget Office records as necessary to expend federal and other sources of personal service funds to conserve or stay within the state appropriated personal service funds. No agency shall change funding sources that will cause the agency to exceed the authorized number of state or total full-time equivalent positions. Each agency may transfer FTE's between programs as needed to accomplish the agency mission.
- (b) That by September thirtieth, the office shall prepare a personal service analysis, by agency, which shows the number of established positions for the fiscal year and the amount of funds required, by source of funds, to support the FTE's for the fiscal year at a funding level of one hundred percent. The office shall then reconcile each agency's personal service detail with the agency's personal service appropriation as contained in the Act adjusted for any pay increases and any other factors necessary to reflect the agency's personal service funding level. The office shall provide a copy of each agency's personal service reconciliation to the Senate Finance and House Ways and Means Committees.
- (c) That any position which is shown by the reconciliation to be unfunded or significantly underfunded may be deleted at the direction of the State Fiscal Accountability Authority.
- (3) That full-time equivalent (FTE) positions shall be determined under the following guidelines:
- (a) The annual work hours for each FTE shall be the agency's full-time standard annual work hours.
- (b) The state FTE shall be derived by multiplying the state percentage of budgeted funds for each position by the FTE for that position.
- (c) All institutions of higher education shall use a value of 0.75 FTE for each position determined to be full-time faculty with a duration of nine months.

The FTE method of accounting shall be utilized for all authorized positions.

- (4) That the number of positions authorized in this act shall be reduced in the following circumstances:
 - (a) Upon request by an agency.
 - (b) When anticipated federal funds are not made available.
- (c) When the Executive Budget Office, through study or analysis, becomes aware of any unjustifiable excess of positions in any state agency.
- (5) That the Executive Budget Office shall annually reconcile personal service funds with full-time employee count. Unfunded positions will be eliminated no later than January fifteenth of the current fiscal year unless specifically exempted elsewhere in this act or by the Executive Budget Office. The Executive Budget Office must report the full-time employee count and unfunded position status to the Senate Finance Committee and the Ways and Means Committee by February first of the current fiscal year.
- (6) That no new permanent positions in state government shall be funded by appropriations in acts supplemental to this act but temporary positions may be so funded.
- (7) That the provisions of this section shall not apply to personnel exempt from the State Classification and Compensation Plan under item I of Section 8-11-260 of the 1976 Code.

The Governor, in making his appropriation recommendations to the Ways and Means Committee, must provide that the level of personal service appropriation recommended for each agency is at least ninety-seven percent of the funds required to meet one hundred percent of the funds needed for the full-time equivalents positions recommended by the Governor (exclusive of new positions).

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER 3

Department of Administration, Real Property Services AGENCY:

SUBJECT: Easements

(a) County Location: Charleston

From: To:

Department of Administration North Charleston Sewer District

Consideration:

\$5

Description/Purpose: To grant a 0.019 acre easement for the construction, location, installation, operation, maintenance, repair and replacement of one or more underground sewer lines, together with the right of ingress and egress, on property of the Vocational Rehabilitation Department's Charleston Area Office and Work Training Center. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to the Vocational Rehabilitation Department and the North Charleston Sewer District. Real Property Services has determined that Voc Rehab 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.

County Location: (b)

Florence

From:

Department of Mental Health

To:

City of Florence

Consideration:

Other good and valuable consideration

Description/Purpose: To grant a permanent ten foot building setback and restrictions

together with a pedestrian access easement upon property of the Department of Mental Health's Pee Dee Mental Health Center for the purpose of demolition of a portion of the existing East Evans Street and constructing a hotel structure. The setback and pedestrian access easement is needed to realign Evans Street and accommodate the new Hyatt Place Hotel which will be located at the corner of Dargan and Evans Streets in downtown Florence. The setback and pedestrian access easement will be of mutual benefit to the Department of Mental Health (DMH) and the City of Florence as it will provide a pedestrian walkway that adjoins the DMH parking lot for use by DMH staff. Additionally, the City of Florence will relocate the fence east of the facility back towards the Pee Dee Mental Health building to open the street view and will landscape the area for use by DMH staff and patients. All costs associated with this landscaping including future maintenance will be the responsibility of the City. Real Property Services has determined that the Department of Mental Health 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.

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER 3

AGENCY: Department of Administration, Real Property Services

SUBJECT: Easements

(c) County Location: Horry

From:

Clemson University

To:

South Carolina Public Service Authority (Santee Cooper)

Consideration:

\$5

Description/Purpose: To grant a 0.46 acre easement for the construction, installation, operation and maintenance of underground electric lines and associated facilities upon property of Clemson University to provide service to the new Socastee Middle School, Clemson parcels and future developments on Esso Road. The term of the easement will be ninety-nine (99) years. The easement will be of mutual benefit to Clemson University and the South Carolina Public Service Authority. Real Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

County Location: (d)

Horry

From:

Clemson University

To:

Horry Telephone Cooperative, Inc.

Consideration:

\$1

Description/Purpose: To grant a 0.46 acre easement for the construction, installation, operation and maintenance of a telecommunications system upon property of Clemson University to provide service to the new Socastee Middle School, Clemson parcels and future development on Esso Road. The term of the easement will be ninety-nine (99) years. The easement will be of mutual benefit to Clemson University and Horry Telephone Cooperative. Real Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

(e) County Location: Richland

From:

Midlands Technical College

To:

Central Midlands Regional Transit Authority (COMET)

Consideration:

\$1

Description/Purpose: To grant a 0.007 acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. COMET will erect a bus shelter at Midlands Technical College's Beltline Campus on Rosewood Drive. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to Midlands Technical College and COMET. Real Property Services

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

BLUE AGENDA
ITEM NUMBER 3

AGENCY:	Department of Administration, Real Property Services	
SUBJECT:	Easements	

has determined that the Midlands Tech 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 easements 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: September 20, 2016

Blue Agenda

1. Submitted by:

(a) Agency: Department of Administration,

Real Property Services

(b) Authorized Official Signature:

Ashlie Lancaster, Director

2. Subject:

EASEMENTS

3. Summary Background Information:

The Division of General Services, Real Property Services, requests approval of the following easements in accordance with SC Code of Laws:

(a) County Location:

Charleston

From: To:

Department of Administration
North Charleston Sewer District

Consideration:

\$5

Description/Purpose:

To grant a 0.019 acre easement for the construction, location, installation, operation, maintenance, repair and replacement of one or more underground sewer lines, together with the right of ingeress and across an apparatus of the Vecetional Bakehilitation.

and egress, on property of the Vocational Rehabilitation

Department's Charleston Area Office and Work Training Center. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to the Vocational Rehabilitation Department and the North Charleston Sewer District. Real Property Services has determined that Voc Rehab 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.

(b) County Location:

Florence

From:

Department of Mental Health

To:

City of Florence

Consideration:

Other good and valuable consideration

Description/Purpose:

To grant a permanent ten foot building setback and restrictions together with a pedestrian access easement upon property of the

Department of Mental Health's Pee Dee Mental Health Center for the purpose of demolition of a portion of the existing East Evans Street and constructing a hotel structure. The setback and pedestrian access easement is needed to realign Evans Street and accommodate the new Hyatt Place Hotel which will be located at the corner of Dargan and Evans Streets in downtown Florence. The setback and pedestrian access easement will be of mutual benefit to the Department of Mental Health (DMH) and the City of Florence as it will provide a pedestrian walkway that adjoins the DMH parking lot for use by DMH staff. Additionally, the City of Florence will relocate the fence

east of the facility back towards the Pee Dee Mental Health building to open the street view and will landscape the area for use by DMH staff and patients. All costs associated with this landscaping including future maintenance will be the responsibility of the City. Real Property Services has determined that the Department of Mental Health 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.

(c) County Location:

Horry

From:

Clemson University

To:

South Carolina Public Service Authority (Santee Cooper)

Consideration:

\$5

Description/Purpose:

To grant a 0.46 acre easement for the construction, installation, operation and maintenance of underground electric lines and associated facilities upon property of Clemson University to provide service to the new Socastee Middle School, Clemson parcels and future developments on Esso Road. The term of the easement will be ninety-nine (99) years. The easement will be of mutual benefit to Clemson University and the South Carolina Public Service Authority. Real Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage is

it.

(d) County Location:

Horry

From:

Clemson University

To:

Horry Telephone Cooperative, Inc.

Consideration:

\$1

Description/Purpose:

To grant a 0.46 acre easement for the construction, installation, operation and maintenance of a telecommunications system upon property of Clemson University to provide service to the new Socastee Middle School, Clemson parcels and future development on Esso Road. The term of the easement will be ninety-nine (99) years. The easement will be of mutual benefit to Clemson University and Horry Telephone Cooperative. Real Property Services has determined that the University has complied with the requirement of the statute in that the easement does not appear to materially impair

the utility of the property or damage it.

(e) County Location:

Richland

From:

Midlands Technical College

To:

Central Midlands Regional Transit Authority (COMET)

Consideration:

\$1

Description/Purpose:

To grant a 0.007 acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. COMET will erect a bus shelter at Midlands Technical College's Beltline Campus on Rosewood Drive. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to Midlands Technical

College and COMET. Real Property Services has determined that the Midlands Tech 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 easements.
- 5. What is recommendation of the Department of Administration? Recommend approval of the referenced easements.
- 6. List of Supporting Documents:
 - 1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
 - 2. Exhibits (maps, plats, etc.)
 - (a) North Charleston Sewer District (VRD)
 - (b) City of Florence (DMH)
 - (c) South Carolina Public Service Authority (Clemson)
 - (d) Horry Telephone Cooperative, Inc. (Clemson)
 - (e) Central Midlands Regional Transit Authority (MTC)

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.

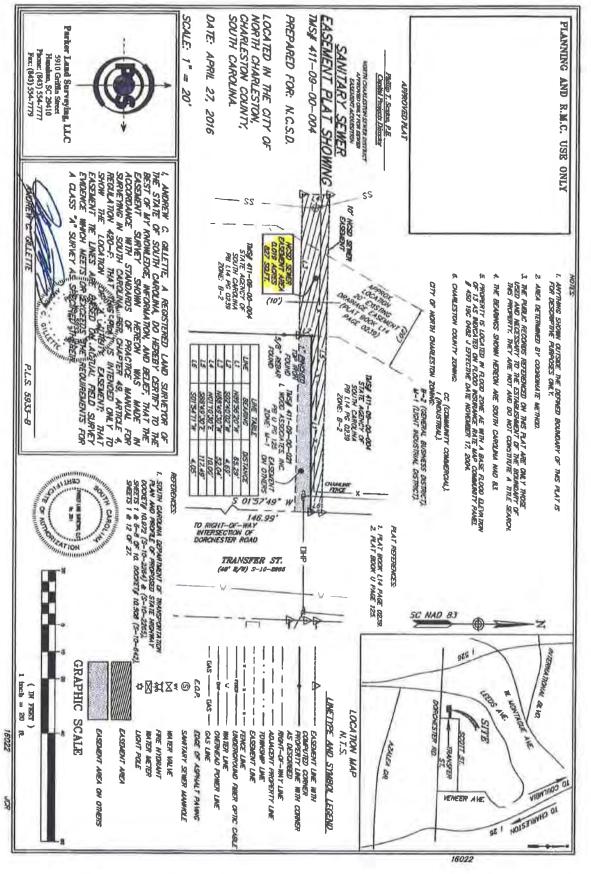
SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

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.







SECRITIFIC AT THE P.O.B. — THE BITERSECTION OF THE EAST BROWT OF BMY OF DARIGANI STREET AND THE SOUTH REGIST OF BMY OF EAST EVAMS STREET PROCEED 1884-45-22"E A DISTANCE OF 112-88 FEET TO A POINT, THENCE 884-720-12"E A DISTANCE OF 110-40 FEET TO A POINT, THENCE 884-720-12"E A DISTANCE OF 110-40 FEET TO A POINT, THENCE 91-13-15"E A DISTANCE OF 140-78 FEET TO A POINT, THENCE 501-13-15"E TO A POINT, THENCE 101-13-13" A DISTANCE OF 15-10 FEET TO A POINT, THENCE 101-13-13" A DISTANCE OF 48-78 FEET TO A POINT, THENCE 803-13-14" A DISTANCE OF 68-10-10" A DISTANCE OF 140-74" THENCE 103-13-14" A DISTANCE OF 14-15" EVAMS 103-14" EVAMS

LEGAL DESCRIPTION TRACT 2

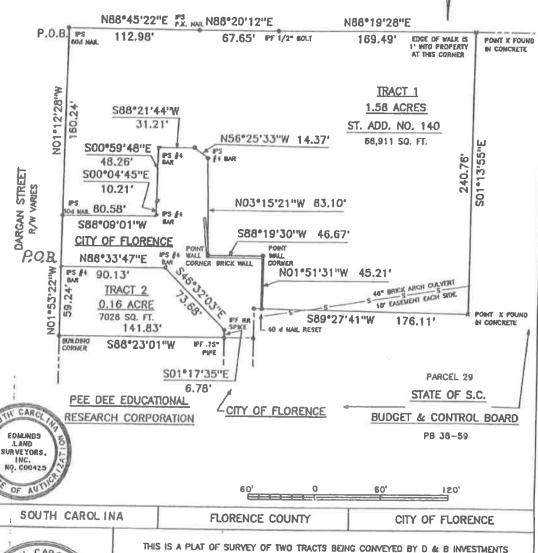
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D.D. EDMUNDS, PLS DATE: MAY 30, 1807 12 MORTH 0

TO ALL PARTIES WITERESTED IN TITLE TO PREMISES SURVEYED:

THES IS TO CERTIFY THAT THE SURVEY WAS ACTUALLY MADE ON THE GROUND AS PER RECORD DESCRIPTION AND A CORRECT; THAT THERE ARE NO ENCROACHMENTS ETHER WAY ACRO'S PROPERTY LINES.

EAST EVANS STREET R/W VARIES



TO:

COUTH CAROL IN CONTROL IN

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PEE DEE MENTAL HEALTH BOARD

EDMUNDS LAND SURVEYORS, INC.

2 LAW RANGE SUNTER, 3.C. 20150 PM: 603-773-1030

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1"=60"

90-169-01-013,014, 015, TAX MAP 017 & 019

D/C 97112 JULY 21, 1997

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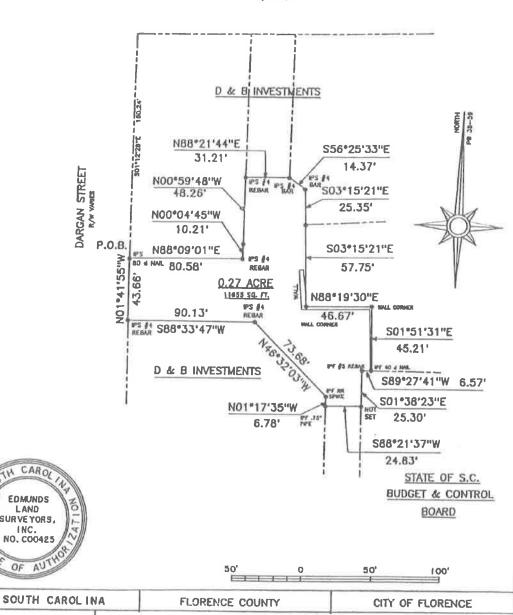
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DATE: JULY 28, 1997

O.D. EDMUNOS, PLS

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SOUTH CAROLINA

EDMUNDS LAND

SURVE YORS, INC. NO. CO0425

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LAND SURVEYOR

> 8340 DAY

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THIS IS A PLAT OF SURVEY OF A PROPERTY BEING CONVEYED BY THE CITY OF FLORENCE TO:

PEE DEE MENTAL HEALTH BOARD

EDMUNDS LAND SURVEYORS, INC.

2 LAW RANCE SUMTER, S.C. 89150

PH: 803-773-1038

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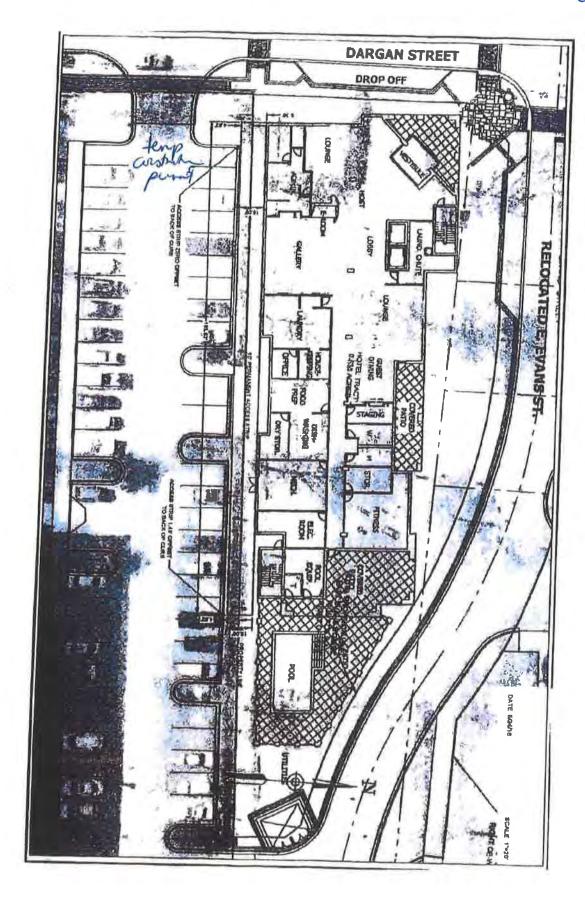
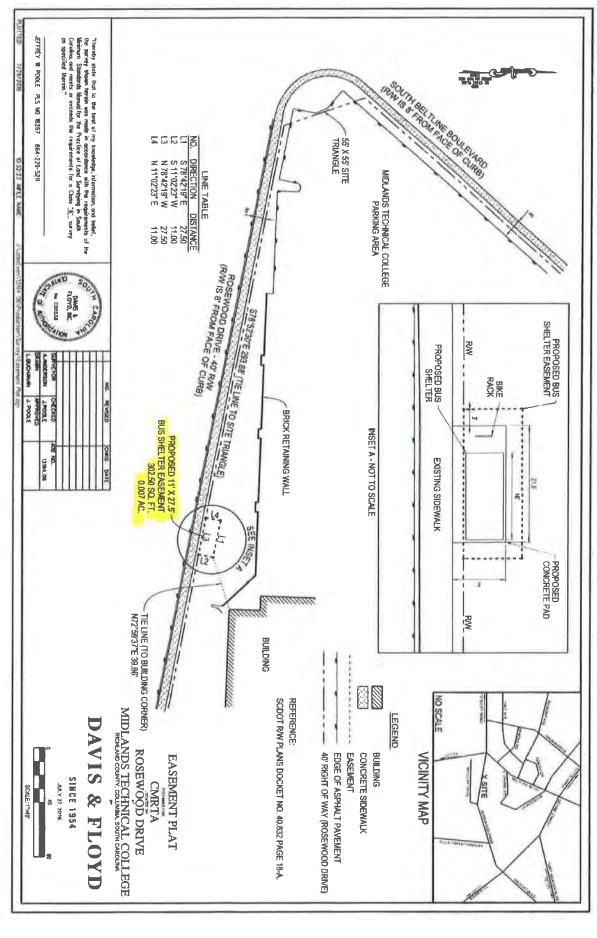


EXHIBIT A 中国 城村 南山 等 Exhibit of a SCPSA-HTC NON-EXCLUSIVE EASEMENT Socialise Township, Harry County, South Carblina





STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER 4

AGENCY: Department of Administration, Real Property Services

SUBJECT: Real Property Conveyance

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

Controlling Agency: Department of Agriculture

Acreage:

 $23 \pm acres$

Location:

Greenville Farmers Market, Greenville

County:

Greenville

Purpose:

To convey property at the Greenville Market to House of

Raeford (HOR) for the proposed expansion of HOR's

processing facilities.

Price/Transferred To:

Not less than appraised value/House of Raeford

Disposition of

Proceeds:

To be retained by the Department of Agriculture pursuant to the

Conditional Property Release of Greenville County's reversionary interests as approved by Greenville County

Council.

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2016			Blue Agend
1.	(a) Agency: Departme	nt of Administration, erty Services Signature:	Ashlie Lancaster, Director
2.	Subject:	REAL PROPERTY CONVEYAN	CE
3.	Summary Background In	formation:	
	Controlling Agency:	Department of Agriculture	
	Acreage:	23 ± acres	
	Location:	Greenville Farmers Market, Greenvil	le
	County:	Greenville	
	Purpose:	To convey property at the Greenville (HOR) for the proposed expansion of	
	Price/Transferred To:	Not less than appraised value/House	of Raeford
	Disposition of Proceeds:	To be retained by the Department of Conditional Property Release of Gree interests as approved by Greenville C	enville County's reversionary
4.	What is Authority asked	to do? Approve the property conveyar	ce as requested.
5.	What is recommendation	of Department of Administration?	Approve the property conveyance

6. List of Supporting Documents:

- 1. Letter from Department of Agriculture dated July 12, 2016
- 2. Greenville County Council September 6, 2016 Meeting Agenda and Actions
- 3. SC Code of Laws Section 1-11-65
- 4. 2016-2017 Appropriations Bill H.5001, Part 1B, Proviso 93.23

Bepartment of Agriculture



Hugh E. Weathers
Commissioner

July 12, 2016

Wade Hampton Office Building P.O. Box 11280 Columbia, S.C. 29211

Telephone: (803) 734-2190 Fax: (803) 734-2192 E-Mall: hweathe@scda.sc.gov

Mr. Delbert Singleton, Secretary State Fiscal Accountability Authority (SFAA) PO Box 12444 Columbia, SC 29211

Dear Mr. Singleton:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Agriculture (the "Department") to seek the approval of the State Fiscal Accountability Authority ("SFAA") at its meeting on August 23, 2016 to sell the majority of the land underlying the State Farmers Market in Greenville (the "Greenville Market") for "Project Icebox," an agribusiness economic development project that the Department is working in conjunction with the Department of Commerce ("Commerce").

I. PROJECT ICEBOX

Project Icebox is a significant agribusiness economic development opportunity that is contingent on the ability of the House of Raeford, parent company of poultry processor Columbia Farms ("HOR"), to expand the company's current footprint adjacent to the Greenville Market. As set forth in the attached letter from Secretary of Commerce Bobby Hitt, HOR currently has 800 full-time employees in Greenville County and will create a minimum of 100 new full-time jobs and invest approximately \$40 million in the proposed expansion of HOR's processing facilities. See Exhibit A. HOR desires to purchase approximately 23 of the 28 acres of the Greenville Market site for FMV or better and to make cosmetic improvements to the existing entrance to the Greenville Market for shared use by HOR for truck traffic and by the Department for access to the market. Greenville County supports Project Icebox because HOR is the county's largest water user and one of its largest employers. The South Carolina State Ports Authority ("SCSPA") also supports the project because HOR will increase the company's export volume at of the Port of Charleston in connection with the Greenville expansion. The SCSPA has submitted a letter in support of the project, see Exhibit B, as has Greenville County, see Exhibit C.

¹ The proposed cosmetic improvements are not expected to exceed \$250,000.

² As evidence of the company's commitment to South Carolina, HOR has already shifted its existing weekly export of 400,000 lbs of poultry from Savannah to Charleston. See Exhibits A and B.

³ Significantly, Greenville County was the original grantor of the Greenville Market property to the state in 1979, and the deed contains a restriction stating that if the property ceases to be used for "agricultural marketing purposes" it reverts to the grantor. However, Greenville County has expressed its support for the project and agreement to waive any enforcement of the reverter clause if a portion of the property is sold to HOR so long as the proceeds from the sale are reinvested in the Upstate for agricultural purposes.

II. BACKGROUND & JUSTIFICATION

The proposed sale of approximately 23 of the 28 acres owned by the Department at the site of the Greenville Market makes sense for the Department on several levels. First, and foremost, as stated by Secretary Hitt, this is a significant agribusiness economic development opportunity for Greenville County. Second, agricultural production and marketing has changed through the years in the Upstate and statewide, and the current use at the Greenville Market favors reduction of the market footprint to focus on retail sales. See March 28, 2016 Memorandum from Martin Eubanks, Assistant Commissioner for Agriculture Services, attached as Exhibit D. Finally, the current Greenville Market facilities are in significant need of upgrade for which the Department does not have sufficient funding. The proposed sale of a significant portion of the market property for FMV or better would provide funding to renovate the retail operations retained and divest the Department of significant deferred maintenance and repair liability, see Exhibit D, while also providing funding not only for agribusiness marketing in the upstate but also for operating costs until such time as the new retail operation becomes self-sustaining.

III. TRANSACTIONS & ISSUES REQUIRING APPROVAL

A. Sale of 23 Acres of Greenville Market Property

HOR wishes to acquire approximately 23 of the 28.2 acres owned by the Department at the Greenville Market with the Department retaining approximately five (5) acres to continue and upgrade the Department's retail operation. Subject to requisite approvals, the Department has agreed in general to the property division of the Greenville Market site, which was appraised at \$1,830,000.00 as of July 31, 2015. HOR has prepared a presentation outlining HOR's investment history in South Carolina and its proposed new investment in Greenville County. The presentation includes a conceptual rendering of the proposed expansion at the Greenville Market site. See Exhibit E.

B. Retention of Sale Proceeds

Because the Department lacks funding to improve the existing retail operations at the Greenville Market, the Department requests authorization to retain proceeds from the property sale. The Department proposes to reinvest the proceeds of the Greenville Market sale as follows:

- 1. Renovation of the remaining Greenville Market property, facilities, and equipment;
- 2. Marketing and agribusiness development to support the GSFM and local food systems;
- 3. Escrow of funds to replace lost operating revenue until such time as the remaining retail operations are self-sustaining;
- \$150,000 paid directly to Greenville County at closing to enhance community based farmers markets and to relocate food-related businesses negatively impacted by the property transaction.

As noted above, Greenville County gave the Greenville Market property to the state subject to a reversionary right to the title if the state ceased to use the property for "agricultural marketing"

purposes." See Title to Real Estate, attached as Exhibit F. However, so long as the sale proceeds are used in the Upstate in a manner that is consistent with the original reversionary clause, Greenville County has stated its support for the sale of the property and will not enforce the reverter clause in the deed. See Greenville County Support Letter, attached as Exhibit C.

IV. REQUEST FOR APPROVAL

As described more fully above, the Department respectfully requests that the SFAA take the following actions:

- 1. Approve the sale for FMV or greater of approximately 23 acres of the Greenville Market property to HOR and authorize Department of Administration staff to review and approve relevant agreements when they become available.
- 2. Authorize the Department to retain the proceeds from the sale of real property to HOR for the purpose of renovating the Department's retail operations at the Greenville Market and to set aside remaining funds for agribusiness marketing in the Upstate (including \$150,000 to be paid directly to Greenville County) and to offset operating costs of the retail operation until that operation becomes self-sustaining.

Sincerely,

Hugh E. Weathers

HEW/km/aw Attachments

cc: Marcia Adams, Executive Director, South Carolina Department of Administration Grant Gillespie, Executive Director, SFAA

GREENVILLE COUNTY COUNCIL REGULAR MEETING September 6, 2016 6:05 p.m. Council Chambers - County Square

- 1. CALL TO ORDER
- 2. INVOCATION
- 3. PLEDGE OF ALLEGIANCE
- 4. APPROVAL OF MINUTES
 - a. August 16, 2016 Regular County Council meeting

Approved

5. PUBLIC HEARINGS

a.	Infrastructure Tax Credit Ordinance / Matrix Properties	Conducted Public Hearing - There were no speakers
b.	Lake Cunningham Fire District / Millage Continuation	Conducted Public Hearing - There were no speakers
c.	Dunklin Fire District / Millage Continuation	Conducted Public Hearing - There were no speakers
d.	Project Edison / Greenville-Anderson Multi County Industrial Business Park Agreement Amendment	Conducted Public Hearing - There were no speakers
e,	Project Edison / Fee In Lieu of Tax Agreement and Infrastructure Financing Agreement - CANCELLED	Public Hearing was cancelled
f.	Meyer Tool Inc. (formerly Project Snap)/ Fee In Lieu of Tax Agreement	Conducted Public Hearing - There were no speakers
g.	Meyer Tool Inc. (formerly Project Snap) / Greenville – Anderson Multi County Industrial Business Park Agreement Amendment	Conducted Public Hearing - There were no speakers
h.	Boiling Springs Fire District / Conditional Issuance of General Obligation Bonds	Conducted Public Hearing - There were no speakers

6. APPEARANCES

There were no appearances

Current Agenda Items

7. CONSENT AGENDA

a. <u>Community Project Application / Clemson Extension Services – South Greenville Fair (\$1,500)</u> (Finance)

Approved

b. Conditional Property Release / TMS #P011000201200 and #P011000200300

Approved

8. **RESOLUTIONS**

a. Lake Cunningham Fire District and Dunklin Fire District – Millage Continuation **

Adopted

A resolution to provide for continuation of current ad valorem property tax to be levied by the Lake Cunningham Fire District and the Dunklin Fire District, which represents no increase in taxes or millage rate.

Resolution

b. Greater Greenville Sanitation Annexation of Properties off Hudson Road – Request for Public Hearing

Adopted

A resolution to hold a public hearing to consider enlarging the Greater Greenville Sanitation District to include a certain property located off of Hudson Road.

CZ-2016-43, Property of Marshall Daniel Williams and Dunean Baptist

District 24), R-M20 to O-D

Church, 200 Edgewood Drive and 822 Marue Drive (Council

Resolution

9. ORDINANCES - THIRD READING

a. Zoning Ordinances *

1.	CZ-2016-32, Property of Stephanie King, Three Tree Hill, LLC, 245 Hicks Road (Council District 25), R-10 to S-1, as amended	Adopted
2,	CZ-2016-36, Property of Eugenia H. Greer, Kenneth T. Barrett, 2400, 2500, and 2702 Pelham Road (Council District 21), R-20 to FRD	Adopted
3.	CZ-2016-38, Property of Michael Merheb, 624 S. Washington Avenue (Council District 25), I-1 to R-15	Adopted
4.	CZ-2016-39, Property of Walter Panagakos, Staunton Bridge Road and Frontage Road (Council District 25), R-S to S-1	Adopted
5.	CZ-2016-42, Property of Evelyn Rice (Life Estate), 1205 East Georgia Road (Council District 27), R-15 to R-M5	Adopted

Adopted

b. Meyer Tool Inc. (formerly Project Snap) / Fee In Lieu of Tax Agreement **

Adopted

An ordinance authorizing the execution and delivery of a fee in lieu of tax agreement by and between Greenville County, South Carolina and Meyer Tools Inc. with respect to certain economic development property in the County, whereby such property will be subject to certain payments in lieu of taxes; and other matters related thereto.

Ordinance Agreement

c. Meyer Tool Inc. (formerly Project Snap) / Greenville – Anderson Multi County Industrial Business Park Agreement Amendment **

Adopted

An ordinance to amend an agreement for the development of a joint county industrial and business park (2010 Park) of Anderson and Greenville Counties so as to enlarge the park.

Ordinance

d. Project Edison / Greenville-Anderson Multi County Industrial Business Park Agreement Amendment **

Adopted

An ordinance to amend an agreement for the development of a joint county industrial and business park (2010 Park) of Anderson and Greenville Counties so as to enlarge the park.

Ordinance

e. Greenville – Laurens Multi-County Industrial Business Park / Ordinance No. 2560 Amendment *

Adopted

An ordinance to amend the park agreement authorized by Ordinance No. 2560 relating to the multi county industrial business park of Greenville County and Laurens County so as to provide for the continuation of the park.

Ordinance

f. Infrastructure Tax Credit Ordinance / Matrix Properties **

Adopted

An ordinance amending Ordinance No. 3606 in order to authorize an amended and restated infrastructure tax credit (Matrix Project); authorizing the execution and delivery of an amended and restated infrastructure credit agreement; authorizing the entering into of certain covenants and agreements and the execution and delivery of certain documents, agreements and instruments relating to the issuance of the aforesaid amended and restated infrastructure tax credit (Matrix Project); and other matters relating thereto.

Ordinance Agreement

10. ORDINANCES - SECOND READING

a. Zoning Ordinances *

1. <u>CZ-2016-40</u>, Property of Cedar Commons, LLC, 200 Block of Crestwood Drive (Council District 23), R-15 to FRD

Denied

2. <u>CZ-2016-41</u>, Property of Terry Blakely, Blakely Family Limited Partnership, Furr Road and Emily Lane (Council District 26), R-S to R-1215

Approved as Amended

3. <u>CZ-2016-45</u>, Property of Said I. Makhtoub, 610 Gordon Street Extension (Council District 25), C-1 to C-3

Denied

4. <u>CZ-2016-46</u>, Property of Jose Rivera, 3916 White Horse Road (Council District 25), R-10 to C-1

Denied

5. CZ-2016-49, Property of TCC Venture LLC, Townes at Cardinal Creek HOA and Goldjin Company Inc., 225 Smith Hines Road (Council District 28), R-12 and PD to R-M9 and PD (Major Change)

Approved

6. <u>CZ-2016-50</u>, Property of Tori Wallace-Babcock, Central Realty Holdings LLC 10 Beacon Drive (Council District 21), C-3 and R-20 to C-2

Denied

7. <u>CZ-2016-51</u>, Property of Alfred P. Sellars c/o Nancy Fleming, 25 Bell Road (Council District 28), R-S to R-20

Approved

b. Amendment to Greenville County Comprehensive Plan for the Taylors Community (CP-2016-02)

Approved

An ordinance to adopt the Taylors Community Plan as an amendment to the Imagine Greenville County Comprehensive Plan.

Ordinance Exhibits Summary

c. Project Vigil / Fee In Lieu of Tax Agreement

Approved

An ordinance authorizing the execution and delivery of a fee in lieu of tax agreement by and between Greenville County, South Carolina, Project Vigil and sponsor affiliate with respect to certain economic development property in the County; whereby such property will be subject to certain payments in lieu of taxes; and other matters related thereto.

Ordinance Agreement

d. Anderson / Greenville Multi County Industrial Business Park Agreement Amendment - Project Strike

Approved

An ordinance to amend an agreement for the development of a joint county industrial and business park (2010 Park) of Anderson and Greenville Counties so as to enlarge the park.

Ordinance

e. Caesar's Head Fire Service Area / Millage Request

Approved

An ordinance to provide for an increase to the millage rate levied by the Caesar's Head Fire Service Area, and to authorize the Chairman of County Council and the County Administrator to renew the contract for fire protection and first responder services with Cedar Mountain Fire Rescue, Inc.

Ordinance

f. Cell Tower Lease

Approved as Amended

An ordinance to authorize the Chairman of County Council and the County Administrator to execute a lease with Milestone Development, Inc. for the purpose of installing, constructing, and maintaining one or more telecommunications monopoles thereon.

Ordinance Exhibits

g. Boiling Springs Fire District / Conditional Issuance of General Obligation Bonds **

Approved

An ordinance finding that Boiling Springs Fire District may conditionally issue not exceeding \$2,100,000 General Obligation Bonds; to authorize the Board of Fire Control of Boiling Springs Fire District to issue such bonds and to provide for the publication of notice of the said findings and authorization; and other matters relating thereto.

Ordinance

h. False Alarm Ordinance - Biennial Registration

Returned to the Finance Committee

An ordinance to amend Chapter 11, Article IV of the County of Greenville, South Carolina Code of Ordinances so as to require alarm users to provide for a biennial alarm user registration renewal process and fee.

Current Ordinance Ordinance with Title Amendment

Approved

An ordinance authorizing the conversion of a fee in lieu of ad valorem taxes arrangement under Title 4, Chapter 12, Code of Laws of South Carolina, 1976, as amended, between Greenville County and IVP, LLC to a simplified fee in lieu of ad valorem taxes arrangement under Title 12, Chapter 44 Code of Laws of South Carolina, 1976, as amended; the cancellation and termination of certain lease and associated agreements between the County and the Company; the reconveyance by the County of related property to the Company; and other matters related thereto.

Ordinance Agreement

11. ORDINANCES – FIRST READING

a. Greenville / Laurens Multi County Industrial Business Park Agreement Amendment / Project Rain Boots

An ordinance to authorize and approve the amendment of the agreement for development of joint county industrial business park, dated as of August 27, 1993, by and between Laurens County, South Carolina and Greenville County, South Carolina in order to remove certain property from the multi-county industrial park created by such agreement; and to provide for other matters related thereto.

Ordinance

b. CH2M Hill Inc. / Addition of Sponsor Affiliate

An ordinance authorizing the execution and delivery of an amended ordinance by Greenville County, so as to include HP Greenville, LLC as sponsor affiliate, amending the Ordinance No. 4732 dated September 15, 2015; and other matters related thereto.

Ordinance Agreement

c. Hospitality Tax Refunding COPs Series 2016

An ordinance authorizing Greenville County, South Carolina, to execute documents including a third supplement to lease agreement by and between Greenville County, South Carolina and Greenville County Tourism Public Facilities Corporation; consenting to the issuance of refunding Certificates of Participation in the third supplement to lease agreement in the aggregate principal amount of not exceeding \$10,100,000; approving the form of a third supplement to trust agreement between Greenville County Tourism Public Facilities Corporation and the Trustee named thereunder; authorizing a pledge of and lien on the Hospitality Tax revenues to secure the payment of the lease rentals under the lease agreement; and other matters relating thereto.

Ordinance
Lease Agreement
Trust Agreement

Presented for First Reading

Presented for First Reading

Presented for First Reading

d. Foothills Fire Service Area / Millage Request

An ordinance to provide for the millage rate to be levied by the Foothills Fire Service Area.

Ordinance

12. **COMMITTEE REPORTS**

No Further Reports

13. APPEARANCES BY CITIZENS - Items not listed on the current agenda

"No matter shall be heard by Council unless it is within Council's authority or jurisdiction." - County Council Rules

• Ed Paxton, 1 York Circle, Greenville - appeared regarding "we paid too much for our whistle"

14. ADMINISTRATOR'S REPORT

County Administrator Joe Kernell stated an update of the County Square project was included in the Council agenda packet. He stated the project was moving along very well and Pazdan Smith had done an excellent job putting together some space analyses. He stated they also used Chin Planning, who was known throughout the country for public space planning. Mr. Kernell stated a report would be forthcoming.

Mr. Kernell stated on the past Friday; the Greenville County Planning Department received state-wide recognition for the outstanding work that was done on the creation of the Scuffletown Area Plan. The South Carolina Chapter of the American Planning Association acknowledged the County's Scuffletown Area Plan as an "Outstanding Planning Project for a Rural Area." The plan was cited for innovation in preserving the rural character of the area while planning for growth. The plan created a "rural conservation district" specific to and only for the Scuffletown Area. The amendment to the Land Development Regulations, Comprehensive Plan, and Zoning Ordinance would help maintain rural character as new development occurred. He stated Paula and her staff had done an excellent job with the plan.

Mr. Kernell stated the handout he just passed out to Council was a copy of JEMS (Journal of Emergency Medical Services). He stated it was a publication that every fire department and every EMS service organization throughout the country had. On the cover of the copy he provided Council members was Greenville County EMS personnel. An article in the journal featured the Greenville County EMS Sepsis Program.

In order to make Council aware of what they were dealing with, Mr. Kernell explained that severe sepsis and septic shock were the end result of an overwhelming infection throughout the body through a number of potential sources. Pulmonary (pneumonia) urinary (urinary tract infections) and gastrointestinal were the most common causes. In certain patients, the body reacted with a severe inflammatory response in an attempt to kill the bacteria; common in patients with suppressed immune systems or difficulties battling an infection. The inflammatory response caused vasodilation, cells to die, and ultimately death if not corrected early. Severe sepsis was still the #1 cause of death in non-cardiac ICUs and was the 6th leading cause of death in Greenville County (2014). The disease also accounted for significant healthcare cost across the United States due to the significant lengths of stays in ICU. Mortality was 40% for all patients diagnosed with severe sepsis or septic shock but the mortality could be significantly decreased (8% per hour) if identified and treated early.

With all of that in mind, GCEMS began to train providers to identify the inflammatory response from sepsis and begin treatment in the ambulance prior to arrival in the hospital. This was a novel idea that, to our understanding, had never been done in the prehospital setting by a 911 service in the United States. Once identified, paramedics would draw a set of blood cultures (blood tubes used to determine what bacteria is in the blood, commonly used in the emergency room but not in EMS) which were given to the emergency room upon arrival. After blood culture collection, EMS began IV

antibiotics and IV fluids in an attempt to stop the spreading bacteria. The time that is saved has the potential to significantly decrease mortality by cutting the time to antibiotics by 2 hours (a 16% decrease in mortality). He stated the article goes into explaining how difficult it was to draw blood in the field and keep it from getting contaminated. He stated Greenville County had perfected that procedure.

In Summary: Sepsis was a complexed autoimmune response to a pathogen in the blood stream. In an attempt to destroy the bacteria, the body uses regulators that cause low blood pressure, decreased blood flow to vital organs, and ultimately death if not treated. The disease was classified as sepsis (inflammatory response), severe sepsis (with organ failure), and Septic shock (organ failure with low blood pressure). The treatment was early identification, IV fluids, and IV antibiotics as soon as possible. With the County's program, they have aimed to decrease the time to antibiotics and thereby decrease mortality in the community. Greenville County EMS has trained several other counties in the state to emulate their protocol and was now part of the State of South Carolina EMS treatment protocols. He stated this was something to be very proud of.

15. REQUESTS AND MOTIONS BY COUNCIL MEMBERS

- Councilor Kirven informed every one of the "Rise of 2040" meetings that would be taking place between now
 and the end of October. He stated there would be eight long-range transportation planning meetings held
 throughout the area covered by GPATS. The public was encouraged to participate during these drop-in style
 events with the kick-off meeting being held on Wednesday, September 7th from 6-8:00 p.m. at the TD
 Convention Center.
- Councilor Payne stated he and Mr. Ballard were members of the Augusta Road Ruritan Club. He stated this
 week the Ruritan National Foundation would be having their annual Fellowship Weekend in Greenville. He
 stated one of the weekend events would be to honor the 911 uniformed heroes.
- Councilor Dill requested the Finance Committee take up the matter of the Community Projects Account Policy
 at their next meeting. He stated the recent policy amendment incorporated the word "non-reoccurring" which he
 would like to see removed.
- Councilor Baldwin expressed how proud he was that Greenville County had a silver medalist in the Summer Olympics. He then stated his appreciation in having the White Horse Magistrate's office move forward.
- Councilor Cates stated he was sad to hear of the passing of Ms. Phyllis Schlafly, who was very active in supporting traditional women's values.
- Councilor Burns stated he had attended the Visit Greenville SC Board meeting where it was shared that in a single week, during the past summer, there were three major sporting events; a swim meet, a baseball tournament and a soccer tournament. He stated these events filled over 10,000 room nights and had an economic impact of \$6-10 million.
- Councilor Norris stated she was very pleased in the expansion of the Farmer's Market to the Traveler's Rest area and the Simpsonville area as well as retaining the current site on Rutherford Road.
- Councilor Seman stated the Donaldson Field runway rehabilitation and painting project was nearly complete, and the airport had resumed regular operating hours. She stated the project, which got underway June 1, was funded by an FAA grant.
- a. Reopen Application Period for the Chanticleer Community Commission

Approved

denotes items that have had a public hearing and are not eligible for public comments this evening
 ** denotes items that have public hearings scheduled on the evening's agenda

Page 9



County Administrator's Office

Joseph Kernell County Administrator

MEMORANDUM

To:

County Council Members

From:

Joseph Kernell, County Administrator

Subject: Economic Development Project - Releasing Property at Tax Map Numbers

P011000201200 and P011000200300

Date:

September 2, 2016

Greenville County has the opportunity to receive an economic development project with a capital investment of \$46 million and the creation of 1,000 new jobs within 5 years.

In order for the company to make a final decision, Greenville County has been asked to authorize the release of its (County's) reversionary rights in the properties to be acquired by the company. The properties are a portion of the Farmer's Market site located off of Rutherford Road. In 1979, the County Council deeded these properties to the State of South Carolina for so long as they are used as a farmer's market. Any use, other than that of a farmer's market, would cause the properties to revert to Greenville County.

The South Carolina Department of Agriculture intends to sell the properties to the prospective company once the County has authorized the release. As a condition of authorizing the release, the Department of Agriculture has offered to direct the portion of the proceeds of the land to be reinvested in Greenville County for agricultural purposes.

As recommended by the Finance Committee, approval of this item by County Council will: authorize the Chairman of County Council and County Administrator to execute documents releasing the County's reversionary interest in the properties identified at Greenville County Tax Map Numbers P011000201200 and P011000200300, so long as the proceeds of the sale of the land are reinvested in Greenville County for agricultural purposes and with \$150,000.00 of the proceeds provided to Greenville County for grants to Simpsonville and Travelers Rest Farmers Markets.

State of South Carolina Department of Agriculture



July 12, 2016

Wade Hampton Office Building P.O. Box 11280 Columbia, S.C. 29211

Telephone: (803) 734-2190 Fax: (803) 734-2192 E-Mail: hweathe@acde.ec.gov

Mr. Joseph Kernell Greenville County Administrator 301 University Ridge Suite 2400 Greenville, SC 29601

Dear Mr. Kernell,

Our agency has been working with your staff, and others, for quite some time on a property transaction and economic development project involving a portion of land at the current Greenville State Farmers Market (GSFM). In order for this project to move forward, it must be approved by the State Fiscal Accountability Authority (SFAA) at their August 23, 2016 meeting. I'm requesting a letter of support from Greenville County to include in the package, which must be submitted by July 19. My draft notification letter to SFAA is enclosed.

South Carolina Department of Agriculture (SCDA) commits to invest all the proceeds of the portion of land to be sold back in the Greenville County through the following:

- 1. Renovation and/or replacement of the remaining GSFM property, facilities, and equipment
- 2. Replace and rebuild income streams lost due to the sale of property
- 3. Marketing and agribusiness development to support the GSFM and local food systems
- 4. \$150,000 paid directly to Greenville County at closing to enhance community based farmers markets, and to relocate food-related businesses negatively impacted by the property transaction

There has been discussion about SCDA building a brand new Farmers Market in another location.

Unfortunately neither the land sale proceeds, projected operating revenue, nor consumer market research in the Greenville area, supports this.

What SCDA is proposing is a good compromise, and the opportunity cost for Greenville, the State, and the agriculture industry is too high. I look forward to hearing from you this week.

Sincerely,

Hughenleathers

Hugh E. Weathers

Enclosure

Lancaster, Ashlie

From:

Wood, Aaron

Sent:

Monday, September 12, 2016 11:44 AM

To: Cc: Lancaster, Ashlie

Subject:

Leach, Clint FW: Farmer's Market properties

Ashlie,

Language below.

Aaron Wood

Assistant Commissioner, Agency Operations

SCDA / 803-734-2182

From: Gaddy, Tavia [mailto:TMurphy@greenvillecounty.org]

Sent: Monday, September 12, 2016 9:50 AM

To: Wood, Aaron

Subject: FW: Farmer's Market properties

FYI

From: Wunder, Kimberly

Sent: Friday, September 09, 2016 8:54 AM

To: Gaddy, Tavia

Subject: Farmer's Market properties

Hi Tavia,

Here is the motion that Greenville County Council approved on Tuesday night (September 6th). I am also attaching a link of the memo that was attached to the Council agenda regarding the request.

I move to authorize the Chairman of County Council and County Administrator to execute documents releasing the County's reversionary interest in the properties identified at Greenville County Tax Map Numbers P011000201200 and P011000200300, so long as the proceeds of the sale of the land are reinvested in Greenville County for agricultural purposes and with \$150,000.00 of the proceeds provided to Greenville County for grants to Simpsonville and Travelers Rest Farmers Markets.

Here is the

memo: http://www.greenvillecounty.org/County-Council/-Agenda/Meetings%20of%202016/County%20Council/2016. http://www.greenvillecounty.org/County-Council/-Agenda/Meetings%20of%202016/County%20Council/-2016. https://www.greenvillecounty.org/county-council/-2016. https://www.greenvillecounty.org/county-council/-2016. https://www.greenvillecounty-council/-2016. http

Let me know if you need anything else.

Thanks!

Kim

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 State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board 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.



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.

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

BLUE AGENDA
ITEM NUMBER

5

AGENCY: Procurement Services Division

SUBJECT: Procurement Audit of the Midlands Technical College Enterprise Campus

Authority and Request for Re-authorization of the Midlands Technical College

Enterprise Campus Authority's Procurement Policy

Procurement Audit

In accordance with Section 59-53-1784(B) of the South Carolina Code of Laws, the Division of Procurement Services has reviewed the procurement system of the Midlands Technical College Enterprise Campus Authority. The audit report is submitted as information only.

Request for Re-Authorization of Procurement Policy

Midlands Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority re-authorize the Midlands Technical College Enterprise Campus Authority's Procurement Policy.

The Midlands Technical College Enterprise Campus Authority makes this request in accordance with Section 59-53-1784(B) of the South Carolina Code of Laws, which exempts Midlands Technical College Enterprise Campus Authority from the South Carolina Consolidated Procurement Code, provided the authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with and approved by the State Fiscal Accountability Authority. The Budget and Control Board originally approved the procurement policy at its September 2006 meeting and again at its September 2013 meeting. That approval expires at the end of the second quarter of the fifth calendar year following approval. Midlands Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority re-authorize the Procurement Policy. Midlands Technical College Enterprise Campus Authority requested no substantive changes to the current policy.

AUTHORITY ACTION REQUESTED:

- 1. Receive the audit report as information only; and,
- 2. As requested by Midlands Technical College Enterprise Campus Authority, reauthorize the Midlands Technical College Enterprise Campus Authority's Procurement Policy.

ATTACHMENTS:

Agenda item worksheet; Section 59-53-1784(B) of the South Carolina Code of Laws; Summary comparison of Procurement Policy to the South Carolina Consolidated Procurement Code Midlands Technical College Enterprise Campus Authority Procurement Policy Walker letter dated 8/27/16

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

M	eeting scheduled for: September 20, 2016	Blue Agenda	
1.	Submitted by: (a) Agency: Division of Procurement Services (b) Authorized Official Signature:	John St. C. White, Materials Management Officer	
2.	2. Subject: Procurement Audit of the Midlands Technical College Enterprise Campus Authority		
3.	Summary Background Information: In accordance with Section 59-53-1784(B) of the South Carolina Code of Laws, the Division of Procurement Services has reviewed the procurement system of the Midlands Technical College Enterprise Campus Authority. The audit report is submitted as information only.		
4.	. What is Authority asked to do? Receive the audit report as information only.		
5.	What is recommendation of Authority division involved? We recommend the report be received as information only.		
6.	Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name:		
7	List of supporting documents.		

7. List of supporting documents:

(a) Section 59-53-1784(B) of the South Carolina Code of Laws

SECTION 59-53-1784. Lease agreements for construction and use of Enterprise Campus facilities; procurement policy; disposal of surplus property.

(B) For all matters associated with the Enterprise Campus, the authority is exempt from the South Carolina Consolidated Procurement Code, however, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Fiscal Accountability Authority. The policy must include provisions for audit and recertification.

NIKKI RHALEY, CHAIR

CURTIS M. LOFTIS, JR. STATE TREASURER

RICHARD ECKSTROM, CPA COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES DELBERT H. SINGLETON, JR. DIVISION DIRECTOR (803) 734-8018

JOHN ST. C. WHITE MATERIALS MANAGEMENT OFFICE (803) 737-0600 FAX: (803) 737-0639 HUGH K. LEATHERMAN, SR. CHAIRMAN, SENATE FINANCE COMMITTEE

W. BRIAN WHITE CHAIRMAN, HOUSE WAYS AND MEANS

GRANT GILLESPIE EXECUTIVE DIRECTOR

August 30, 2016

Mr. Delbert H. Singleton Jr.
Director
Division of Procurement Services
6th Floor-Wade Hampton Building
Columbia, South Carolina 29201

Dear Delbert:

I have attached the Midlands Technical College Enterprise Campus Authority's procurement audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the State Fiscal Accountability Authority re-authorize the Midlands Technical College Enterprise Campus Authority procurement policy as noted in the audit report.

John A.C. white

John St. C. White

Materials Management Officer

Attachment

MIDLANDS TECHNICAL COLLEGE
ENTERPRISE CAMPUS AUTHORITY
PROCUREMENT AUDIT REPORT
JANUARY 1, 2013 – MARCH 31, 2016

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STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA
ITEM NUMBER _

6

AGENCY: Procurement Services Division

SUBJECT: Procurement Audit of the Trident Technical College Enterprise Campus Authority

and Request for Re-authorization of the Trident Technical College Enterprise

Campus Authority's Procurement Policy

Procurement Audit

In accordance with Section 59-53-480(B) of the South Carolina Code of Laws, the Division of Procurement Services has reviewed the procurement system of the Trident Technical College Enterprise Campus Authority. The audit report is submitted as information only.

Request for Re-authorization of Procurement Policies

Trident Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority re-authorize the Trident Technical College Enterprise Campus Authority's Procurement Policy.

The Trident Technical College Enterprise Campus Authority makes this request in accordance with Section 59-53-480(B) of the South Carolina Code of Laws, which exempts Trident Technical College Enterprise Campus Authority from the South Carolina Consolidated Procurement Code, provided the Trident Technical College Enterprise Campus Authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with and approved by the State Fiscal Accountability Authority. The Budget and Control Board originally approved the procurement policy at its September 2006 meeting and again at its June 2011 meeting. That approval expired at the end of the second quarter of the fifth calendar year following approval which was June 30, 2016. Trident Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority reauthorize the Procurement Policy. The Trident Technical College Enterprise Campus Authority requested no substantive changes to the current policy.

AUTHORITY ACTION REQUESTED:

- 1. Receive the audit report as information only; and,
- 2. As requested by Trident Technical College Enterprise Campus Authority, re-authorize the Authority's Procurement Policy.

ATTACHMENTS:

Agenda item worksheets; Section 59-53-480(B) of the South Carolina Code of Laws; Section 59-53-480(B) of the South Carolina Code of Laws; Summary comparison of Procurement Policy to the South Carolina Consolidated Procurement Code; Trident Technical College Enterprise Campus Authority Procurement Policy; Poelker letter dated 6/30/16

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

M	seting scheduled for: September 20, 2016	Blue Agenda
1.	Submitted by: (a) Agency: Division of Procurement Services (b) Authorized Official Signature:	John St. C. White, Materials Management Officer
2.	2. Subject: Procurement Audit of the Trident Technical College Enterprise Campus Authority	
3.	Summary Background Information: In accordance with Section 59-53-480(B) of the South Carolina Code of Laws, the Division Procurement Services has reviewed the procurement system of the Trident Technical College Enterpri Campus Authority. The audit report is submitted as information only.	
4.	What is Authority asked to do? Receive the audit report as information only.	
5.	What is recommendation of Authority division involved? We recommend the report be received as information only.	
6.	Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name:	
7.	List of supporting documents:	

(a) Section 59-53-480(B) of the South Carolina Code of Laws

SECTION 59-53-480. Exemptions from statutory bonding, leasing, procurement, and disposition of surplus property requirements; adoption of procurement policy.

(B) For all matters associated with the enterprise campus, the authority is exempt from the South Carolina Consolidated Procurement Code; except that, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Fiscal Accountability Authority. The policy must include provisions for audit and recertification.

NIKKI R.HALEY, CHAIR GOVERNOR

CURTIS M. LOFTIS, JR. STATE TREASURER

RICHARD ECKSTROM, CPA COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES
DELBERT H. SINGLETON, JR.
DIVISION DIRECTOR
(803) 734-8018

JOHN ST. C. WHITE MATERIALS MANAGEMENT OFFICE (803) 737-0600 FAX: (803) 737-0639 HUGH K. LEATHERMAN, SR. CHAIRMAN, SENATE FINANCE COMMITTEE

W. BRIAN WHITE CHAIRMAN, HOUSE WAYS AND MEANS

GRANT GILLESPIE EXECUTIVE DIRECTOR

August 30, 2016

Mr. Delbert H. Singleton Jr.
Director
Division of Procurement Services
6th Floor-Wade Hampton Building
Columbia, South Carolina 29201

Dear Delbert:

I have attached the Trident Technical College Enterprise Campus Authority's procurement audit report made by the Office of Audit and Certification. I concur and recommend the State Fiscal Accountability Authority re-authorize the Trident Technical College Enterprise Campus Authority procurement policy as noted in the audit report.

Sincerely,

John St. C. White

Materials Management Officer

the white

Attachment

TRIDENT TECHNICAL COLLEGE
ENTERPRISE CAMPUS AUTHORITY
PROCUREMENT AUDIT REPORT
OCTOBER 1, 2010 – MARCH 31, 2016

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NIKKI R. HALEY, CHAIR GOVERNOR CURTIS M. LOFTIS, JR. STATE TREASURER RICHARD ECKSTROM, CPA COMPTROLLER GENERAL State Fiscal Accountability Authority

THE DIVISION OF PROCUREMENT SERVICES
DELBERT H. SINGLETON, JR.
DIVISION DIRECTOR
(803) 734-8018

JOHN ST. C. WHITE MATERIALS MANAGEMENT OFFICE (803) 737-0600 FAX: (803) 737-0639

August 22, 2016

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

W. BRIAN WHITE CHAIRMAN, HOUSE WAYS AND MEANS

GRANT GILLESPIE EXECUTIVE DIRECTOR

Mr. John St. C. White Materials Management Officer Division of Procurement Services 1201 Main Street, Suite 600 Columbia, South Carolina 29201

Dear John:

We have examined the procurement policies and procedures of the Trident Technical College Enterprise Campus Authority for the period October 1, 2010 through March 31, 2016. As part of our examination, we studied and evaluated the system of internal control over procurement transactions to the extent we considered necessary.

The evaluation was used to establish a basis for reliance upon the system of internal controls to assure adherence to the Trident Technical College Enterprise Campus Authority Procurement Policy. Additionally, the evaluation was used in determining the nature, timing, and extent of other auditing procedures necessary for developing an opinion on the adequacy, efficiency, and effectiveness of the procurement system.

The administration of the Trident Technical College Enterprise Campus Authority is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgments by management are

required to assess the expected benefits and related costs of control procedures. The objectives

of a system are to provide management with reasonable, but not absolute, assurance of the

integrity of the procurement process, that affected assets are safeguarded against loss from

unauthorized use or disposition, and transactions are executed in accordance with management's

authorization and recorded properly.

Because of inherent limitations in any system of internal controls, errors or irregularities may

occur and not be detected. Also, projection of any evaluation of the system to future periods is

subject to the risk that procedures may become inadequate because of changes in conditions or

that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal controls over procurement transactions, as

well as our overall examination of procurement policies and procedures, were conducted with

professional care. However, because of the nature of audit testing, they would not necessarily

disclose all weaknesses in the system.

We performed the audit for the period October 1, 2010 through March 31, 2016. Our

examination did not disclose any findings.

Sincerely.

Robert J. Aycock IV, Manage

Audit and Certification

2

INTRODUCTION

We conducted an examination of the internal procurement operating policies and procedures of the Trident Technical College Enterprise Campus Authority (TTCECA). The audit was conducted under authority of Section 1230 of the Trident Technical College Enterprise Campus Authority Procurement Policy, which states in part, "The Materials Management Office in consultation with TTCECA shall develop written plans for the auditing of procurements conducted pursuant to this Procurement Policy. Auditors from the Materials Management Office shall review the adequacy of the TTCECA internal controls in order to ensure compliance with the requirement of this Procurement Policy."

The TTCECA Procurement Policy is authorized by Section 59-53-480(B) of the South Carolina Code of Laws and applies to all procurements of supplies, services, or construction by TTCECA for matters associated with the Enterprise Campus as that term is defined in Section 59-53-465.

The TTCECA Procurement Policy was originally approved by the State Budget and Control Board¹ on September 19, 2006. TTCECA had its Procurement Policy reauthorized in May 2011. Section 841 of the TTCECA Procurement Policy requires that the Policy shall be resubmitted to the State Budget and Control Board for re-approval during the first quarter of the fifth calendar year following initial approval. The TTCECA Procurement Policy expires at the end of the second quarter of the fifth calendar year following initial approval unless reauthorized by the State Fiscal Accountability Authority.

Our audit was performed primarily to determine if reauthorization of the TTCECA Procurement Policy was warranted.

¹ The South Carolina Restructuring Act 121 of 2014 abolished the Budget and Control Board as of June 30, 2015 and created the State Fiscal Accountability Authority effective July 1, 2015.

SCOPE

We conducted our examination in accordance with Generally Accepted Auditing Standards as they apply to compliance audits. Our examination encompassed a detailed analysis of the internal procurement operating procedures of TTCECA and its procurement policy to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions.

We requested procurement transactions for the period October 1, 2010 through March 31, 2016 for compliance testing and performed other audit procedures that we considered necessary to formulate this opinion. Specifically, the scope of our audit included, but was not limited to a review of the following:

- (1) Sole source and emergency procurements for the period October 1, 2010 through March 31, 2016, for which there were none
- (2) Procurement transactions for the period January 1, 2013 through March 31, 2016 as follows:
 - a) All Payments exceeding \$10,000 for which there were none
 - b) A block sample review testing the use of order splitting and favoring vendors. TTCECA made one purchase during the audit period for which no exceptions were noted
- (3) Minority Business Enterprise (MBE) annual plans and quarterly progress reports for the period October 1, 2010 through March 31, 2016 with no exceptions noted
- (4) Ratification of unauthorized procurements for which there were none
- (5) Review of all Architect and Engineer procurements for which there were none
- (6) Review of all Blanket Purchase Orders for which there were none
- (7) Other tests performed as deemed necessary with no exceptions

RESULTS OF EXAMINATION

Our examination revealed no material findings.

RECOMMENDATION

Section 1230 of the Trident Technical College Enterprise Campus Authority Procurement

Policy requires the auditors from the Materials Management Office to review the adequacy of

Trident Technical College Enterprise Campus Authority internal controls to ensure compliance

with the requirements of this procurement policy. Any noncompliance discovered through audit

must be transmitted in management letters to the Trident Technical College Enterprise Campus

Authority and the State Fiscal Accountability Authority. The auditors shall provide in writing

proposed corrective action to the Trident Technical College Enterprise Campus Authority.

Based on the testing performed, our examination did not reveal any material findings. In our

opinion, Trident Technical College Enterprise Campus Authority complies with TTCECA

Procurement Policy in all material respects.

Under the authority described in Section 841 of the Trident Technical College Enterprise

Campus Authority Procurement Policy, we recommend reauthorization of Trident Technical

College Enterprise Campus Authority Procurement Policy for another period of up to five years.

Mary Jefferson

Senior Auditor

Robert J./Aycock, IV, Wanager

Audit and Certification



August 24, 2016

Mr. Robert J. Aycock, iV Manager Audit and Certification 1201 Main Street, Suite 600 Columbia, SC 29201

Dear Mr. Aycock:

Re: Audit of Trident Technical College Enterprise Campus Authority Period: 10/01/10 – 03/31/16

We have reviewed your audit draft dated August 22, 2016, for the period October 1, 2010 through March 31, 2016 and concur with the report. We will continue to comply with the Trident Technical College Enterprise Campus Authority Procurement Policy.

We appreciate your recommendation for the reauthorization of the TTCECA Procurement Policy.

Working with Mary on this audit was a pleasure. Even though she was in Columbia, she made us feel as though she was right here on-site with us.

Sincerely,

Carol A. Belcher, C.P.M.

Director, Procurement & Risk Management

Card A Believe

John God

Vice President, Finance & Administration

NIKKI R.HALEY, CHAIR GOVERNOR

CURTIS M. LOFTIS, JR. STATE TREASURER

RICHARD ECKSTROM, CPA COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES
DELBERT H. SINGLETON, JR.
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JOHN ST. C. WHITE MATERIALS MANAGEMENT OFFICE (803) 737-0600 FAX: (803) 737-0639 HUGH K. LEATHERMAN, SR. CHAIRMAN, SENATE FINANCE COMMITTEE

W. BRIAN WHITE CHAIRMAN, HOUSE WAYS AND MEANS

GRANT GILLESPIE EXECUTIVE DIRECTOR

August 30, 2016

Mr. John St. C. White Materials Management Officer Division of Procurement Services 1201 Main Street, Suite 600 Columbia, South Carolina 29201

Dear John:

We have reviewed the response from the Trident Technical College Enterprise Campus Authority to our audit report for the period of October 1, 2010 through March 31, 2016. In our opinion, the Authority 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. Therefore, we recommend the State Fiscal Accountability Authority re-authorize the Trident Technical College Enterprise Campus Authority's procurement policy for five years.

Sincerely,

Robert J. Aycock, IV, Manager Audit and Certification

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STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

M	eeting scheduled for: September 20, 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: Request for re-authorization of the Trid Procurement Policy	dent Technical College Enterprise Campus Authority's	
3.	3. Summary Background Information: Trident Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority re-authorize the Trident Technical College Enterprise Campus Authority's Procurement Police The Trident Technical College Enterprise Campus Authority makes this request in accordance wis Section 59-53-480(B) of the South Carolina Code of Laws, which exempts Trident Technical College Enterprise Campus Authority from the South Carolina Consolidated Procurement Code, provided to Trident Technical College Enterprise Campus Authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with an approved by the State Fiscal Accountability Authority. The Budget & Control Board originally approved the procurement policy at its September, 2006 meeting and again at its June, 2011 meeting. The approval expired at the end of the second quarter of the fifth calendar year following approval which we June 30, 2016. Trident Technical College Enterprise Campus Authority requests that the State Fiscal Accountability Authority re-authorize the Procurement Policy. The Trident Technical College Enterprise Campus Authority requested no substantive changes to the current policy.		
4 .	What is Authority asked to do? As requested by Trident Technical College Enterprise Campus Authority, re-authorize the Trident Technical College Enterprise Campus Authority's Procurement Policy.		
5.	What is recommendation of Authority division Re-authorize the Trident Technical College Enterp		
5.	Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name:		

7. List of supporting documents:

- (a) Section 59-53-480(B) of the South Carolina Code of Laws
- (b) Summary comparison of Procurement Policy to the South Carolina Consolidated Procurement Code
- (c) Trident Technical College Enterprise Campus Authority Procurement Policy
- (d) Poelker letter dated 6/30/16

SECTION 59-53-480. Exemptions from statutory bonding, leasing, procurement, and disposition of surplus property requirements; adoption of procurement policy.

(B) For all matters associated with the enterprise campus, the authority is exempt from the South Carolina Consolidated Procurement Code; except that, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Fiscal Accountability Authority. The policy must include provisions for audit and recertification.

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

Department of Health and Human Services (for a period of three years): service provider contracts (service provider being a provider of services directly to a client, \$3,000,000 per contract per year (limit four one-year extension options); supplies and services, \$600,000* per commitment; information technology, \$300,000* per commitment; consultants, \$300,000* per commitment.

The Department of Health and Human Services 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 South Carolina Department of Health and Human Services the certification limits noted above.

b. In accordance with Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations, the Division of Procurement Services has reviewed the procurement system of Florence-Darlington Technical College. The Division noted thirty instances in which the College made purchases inappropriately as sole sources and an additional twenty sole source transactions where the written determinations did not provide sufficient information to support the procurements as sole sources. Because of a significant number of inappropriate sole source procurements, the Division of Procurement Services is recommending the Authority consider suspending the College's sole source authority for one year, the maximum time allowed by statute. With the exception of sole source procurements, the Division recommends the College be allowed to continue to procure all supplies and services, construction, information technology, and consultant services up to the basic level of \$50,000 as outlined in the South Carolina Consolidated Procurement Code. The Division is not recommending higher procurement certification as the College requested. Also, the Division will perform another full procurement audit reporting the results to the State Fiscal Accountability Authority by this time next year.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF September 20, 2016

BLUE AGENDA 7 Page 2

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

AUTHORITY ACTION REQUESTED:

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

Department of Health and Human Services (for a period of three years): service provider contracts (service provider being a provider of services directly to a client, \$3,000,000 per contract per year (limit four one-year extension options); supplies and services, \$600,000* per commitment; information technology, \$300,000* per commitment; consultants, \$300,000* per commitment.

The Department of Health and Human Services 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 of Procurement Services recommends the State Fiscal Accountability Authority grant the South Carolina Department of Health and Human Services the certification limits noted above.

b. Consider suspending Florence-Darlington Technical College's sole source authority for one year per Section 11-35-1560(C), the maximum time allowed by statute, because of a significant number of inappropriate sole source procurements.

ATTACHMENTS:

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

M	eeting scheduled for: September 20, 2016	0	Blue Agenda
1.	Submitted by: (a) Agency: Division of Procurement Service (b) Authorized Official Signature:		C, while Materials Management Officer
2.	Subject: Procurement Certification for the S	South Carolina Department of H	ealth and Human 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 Health and Human Services and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.			
		Current Certification	Certification Recommended
I.	Service Provider Contracts Service Provider being a Provider of Services directly to a client.	\$ 3,000,000 Per Contract, per year Limit four one-year extension options.	\$ 3,000,000 Per Contract, per year Limit four one-year extension options.
II.	Supplies and Services	*\$ 300,000 Per Commitment	*\$ 600,000 Per Commitment
Ш.	Information Technology	*\$ 300,000 Per Commitment	*\$ 300,000 Per Commitment
ſV.	Consultants	*\$ 300,000 Per Commitment	*\$ 300,000 Per Commitment
De _l	e Department complies with the South Car partment's procurement policies and proceducedures are adequate to properly handle procuthority grant the South Carolina Department o	ares in all material respects and arement transactions. We recon	d the internal procurement operating mend the State Fiscal Accountability
\$.	What is Authority asked to do? Grant procurement certification for South Cathe Blue Agenda.	rolina Department of Health and	l Human Services by approval of
5.	What is recommendation of Authority divi	sion involved? Approve.	
5.	Recommendation of other office (as require) (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.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

M	eeting scheduled for: September 20, 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 Audit of Florence-Darlington Technical College		
3.	In accordance with Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 445.2020 of the accompanying regulations, the Division of Procurement Services has reviewed the procurem system of Florence-Darlington Technical College. The Division noted thirty instances in which the College me purchases inappropriately as sole sources and an additional twenty sole source transactions where the write determinations did not provide sufficient information to support the procurements as sole sources. Because a significant number of inappropriate sole source procurements, we are recommending the Authority consist suspending the College's sole source authority for one year, the maximum time allowed by statute. With exception of sole source procurements, we recommend the College be allowed to continue to procure all support and services, construction, information technology, and consultant services up to the basic level of \$50,000 outlined in the South Carolina Consolidated Procurement Code. We are not recommending higher procurement certification as the College requested. We will perform another full procurement audit reporting the results to State Fiscal Accountability Authority by this time next year.		
4.		cal College's sole source authority for one year per Section atute, because of a significant number of inappropriate sole	
	5. What is recommendation of Authority divis (a) Suspend Florence-Darlington Technical Colle		
6.	Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name:		

7. List of supporting documents:

- (a) Section 11-35-1230(1) of the Consolidated Procurement Code
- (b) Section 11-35-1560(C) of the Consolidated Procurement Code

§ 11-35-1230. Auditing & Fiscal Reporting

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

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

§ 11-35-1560. Sole Source Procurement

- (A) A contract may be awarded for a supply, service, information technology, or construction item without competition if, under regulations promulgated by the board, the chief procurement officer, the head of a purchasing agency, or a designee of either officer, above the level of the procurement officer, determines in writing that there is only one source for the required supply, service, information technology, or construction item.
- (B) These regulations must include the requirements contained in this paragraph. Written documentation must include the determination and basis for the proposed sole source procurement. A delegation of authority by either the chief procurement officer or the head of a governmental body with respect to sole source determinations must be submitted in writing to the Materials Management Officer. In cases of reasonable doubt, competition must be solicited. Any decision by a governmental body that a procurement be restricted to one potential vendor must be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.
- (C) A violation of these regulations by a purchasing agency, upon recommendation of the designated board office with approval of the majority of the State Fiscal Accountability Authority, must result in the temporary suspension, not to exceed one year, of the violating governmental body's ability to procure supplies, services, information technology, or construction items pursuant to this section.

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA	
ITEM NUMBER	_8

AGENCY:	Division	of Procureme	nt Services
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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) and 48-52-825, of the Energy Independence and Sustainable Construction Act; Background to Adoption of the U. S. Green Building Council's Leadership in Energy and Environmental Design Rating System Version 4

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: September 20, 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 System Version 4	
3. Summary Background Information: Section 48-52-825 of the Energy Independence and Sustathat the governing board of the State Fiscal Account automatically adopt by reference the most current edition Building Initiative and U.S. Green Building Council's Leasused for certification" of major facility projects pursuant to that the Authority shall refer new or updated rating system Construction Advisory Committee for consideration pursuant current edition of the U.S. Green Building Council Design Rating System is Version 4.	ntability Authority (the "Authority") "shall ns of the rating systems developed by Green adership in Energy and Environmental Design to the Act article. This Section further provides as to the Energy Independence and Sustainable tuant to Section 48-52-865(B). The latest and
4. What is Authority asked to do? Pursuant to Section 48-52-825, adopt U.S. Green Building C Environmental Design Rating System Version 4 and refer th Sustainable Construction Advisory Committee for considera	nis edition to the Energy Independence and
5. What is recommendation of Authority division involvable. Adopt U.S. Green Building Council's Leadership in Energy Version 4 and refer it to the Energy Independence and Susta	and Environmental Design Rating System
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 Act B - Background to Adoption of the U. S. Green Building Environmental Design Rating System Version 4	

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.

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

In 2007, the General Assembly passed the Energy Independence and Sustainable Construction Act of 2007 (Act). Sections 48-52-800 through 865. This Act requires all "major facility projects" to be designed and constructed following the sustainable construction practices of one of two private organizations, the United States Green Building Council (USGBC) or the Green Building Initiative (GBI). All such buildings are required to be certified by USGBC as achieving the Leadership in Leadership in Energy and Environmental Design (LEED) silver rating or GBI as achieving the Green Globes two globes rating.

Under the Act, a "major facility project" is a state funded:

- 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.

Section 48-52-810(10)(a). However, the definition expressly excludes correctional facilities; K-12 schools; and a few other type projects. Section 48-52-810(10)(b).

In 2014, the General Assembly amended the Act to require the governing board of the State Fiscal Accountability Authority (SFAA) to automatically adopt by reference the latest edition of the USGBC and GBI rating systems and refer them to a newly created Energy Independence and Sustainable Construction Advisory Committee (Committee) for review. Section 48-52-825(A)(1). The Act requires 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. Section 48-52-865(B). The Act further provides that after receiving the Committee's recommendations, SFAA "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." Section 48-52-825(A)(2).

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The projects require approval under State law. Ceiling allocation requests submitted for approval are considered for approval in a separate item on this agenda.

a. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$51,000,000 Economic Development Revenue

Bonds (Taxable)

Allocation Needed:

-()-

Name of Project:

Aiken Advanced Manufacturing Collaborative

Employment Impact: maintain employment for 50 people, create additional employment

for approximately 120 people within 12 months and approximately 185 people within 24 months, and provide additional employment

for approximately 60-80 people when the project is in full

operation.

Project Description:

Constructing and equipping an Advanced Manufacturing

Collaborative (AMC) facility of which approximately 64,394

square feet will be leased to Savannah River Nuclear Solutions and approximately 1,100 square feet will be leased rent free to the Aiken County Commission on Higher Education for the benefit of the University of South Carolina – Aiken used for technology research, risk management and workforce development for nuclear

chemical manufacturing missions.

Note:

private sale

Bond Counsel:

Kathleen C. McKinney, Haynsworth Sinkler Boyd, P. A.

b. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$165,000,000 Hospital Refunding Revenue Bonds

(\$165,000,000 refunding involved)

Allocation Needed:

-()-

Name of Project:

AnMed Health

Employment Impact: maintaining permanent employment for approximately 3,966

people

Project Description:

refinancing of (a) \$34,585,000 original principal amount SC Jobs-

Economic Development Authority Hospital Refunding and Improvement Revenue Bonds (AnMed Health Project), Series 2009A, and (b) \$112,000,000 original principal amount SC Jobs-

Economic development Authority hospital Refunding and Improvement Revenue Bonds (AnMed Health Project), Series

2009B, which were previously issued to refund prior to

indebtedness of AnMed Health.

Note:

public or private sale

Bond Counsel:

William M. Musser, McNair Law Firm

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER

Page 2

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

c. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$13,000,000 Economic Development Revenue

Bonds

Allocation Needed:

\$13,000,000 Name of Project:

Clemson Heritage

Project Description:

Employment Impact: approximately 50 employees upon commencement of operation financing the development and construction of certain senior residential rental facilities located in the City of Clemson,

constituting "qualified residential rental property" within the meaning of Section 142(D) of the Internal Revenue Code.

Note:

negotiated private sale or limited public offering

Bond Counsel:

Rion D. Foley and Brandon T. Norris, McNair Law Firm

d. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$30,000,000 Economic Development Revenue

Bonds/Bond Anticipation Notes

Allocation Needed:

-()-

Name of Project:

East Point Academy

Employment Impact: maintain 71 existing jobs, create 7 new jobs, and create an

estimated 30 indirect, construction-related jobs during construction

of the project

Project Description:

construction of campus facilities and renovation of existing campus facilities for East Point Academy for the continued operation of a K-7 (with future plans to add 8th grade) public charter school known as East Point Academy, located in West

Columbia, Lexington County

Note:

sold to qualified institutional buyer or privately placed

Bond Counsel:

Josiah C. T. Lucas, Pope Flynn, LLC

e. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$14,000,000 Economic Development Revenue

Bonds

Allocation Needed:

\$14,000,000

Name of Project:

Lakewood Senior Living

Employment Impact: 55 (direct); 60 (indirect) within 24 months

Project Description:

constructing, owning and operating assisted living facilities with

memory care. The project will consist of approximately 66 units (approximately 48 assisted living and 18 memory care) and

comprise approximately 60,000 square feet.

Note:

limited offering

Bond Counsel:

Emily S. Luther, Parker Poe Adams & Bernstein LLP

STATE FISCAL ACCOUNTABILITY	AUTHORITY
MEETING OF September 20, 2016	

BLUE AGENDA ITEM NUMBER

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

f. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

\$7,000,000 Economic Development Revenue Bonds

Allocation Needed:

-()-

Name of Project:

Mason Preparatory School

Employment Impact: 53

Project Description:

consists of (i) refinancing the costs of constructing and equipping a new lower school building and undertaking related renovations and (ii) paying certain fees and expenses incurred in connection with

the issuance of the bonds.

Note:

negotiated sale

Bond Counsel:

Jeremy L. Cook, Haysworth Sinkler Boyd, P. A.

g. Issuing Authority:

Jobs-Economic Development Authority

Amount of Issue:

Not Exceeding \$25,000,000 Economic Development Revenue

Bonds

Allocation Needed:

\$25,000,000

Name of Project:

River Park Senior Living

Employment Impact: 65 (direct); 60 (indirect) within 24 months

Project Description:

constructing, owning and operating assisted living facilities with memory care. The project will be located in Little River in Horry County and will consist of approximately 66 assisted living and memory care units and 40 independent living unities, comprising

an aggregate of approximately 110,000 square feet.

Note:

limited offering

Bond Counsel:

Emily S. Luther, Parker Poe Adams & Bernstein LLP

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolutions with attachments

Summary of Financing Proposal for

Aiken Advanced Manufacturing Partnership, LLC

PRELIMINARY - SUBJECT TO CHANGE

August 15, 2016

Bonds proposed to be financed

South Caroline Jobs-Economic Development Authority Taxable Revenue Bonds, Series 2016 (Advanced Manufacturing Collaborative Project)

Average interest rate of bonds

4.55%

Projected average interest rate of bonds 4.55%

True interest cost of bonds

Estimated costs (costs as a percentage of bonds)

Underwriting	\$579,209
Legal fees – bond, disclosure and general counsel	\$330,000

Rating agency fees \$100,000

Advisory fees

Bond trustee/registrar \$30,000

Accounting and verification

Credit enhancement/bond insurance

Publication, printing, contingencies and all \$55,000

other expenses

Total

Prepared by	Municipal Capital Markets Group, Inc.
Submitted by	Aiken Advanced Manufacturing Partnership, LLC
Date	August 15, 2016



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 00/00/00 Final Version Date: 00/00/00

1.	AGENCY/ISSUER	&	FINANCING	INFORMATION	
L.	AGENCI/ISSUER	UK	THANCING	INTURITATION	

Agency #:	Issuer:	South Carolina Jobs-Economic Development Authority	Series:	2016	
	Borrower (if not Issuer):	Aiken Advanced Manufacturing Partnership	Amount:	\$50,750,000.00	
	Bond Caption:	South Carolina Jobs-Economic Development Authority Taxable R	evenue Bonds	s, Series 2016	
T-:45	al/Command Vanciana	TC! 1.			

Initial/Curr	ent Version:	Final:
ISSUER	South Carolina Jobs-Economic	ISSUER
NAME:	Development Authority	NAME:
BY:		BY:
ITS:		ITS:
DATE:		DATE:

2. FINANCING (NEW PORTION)

Project #:	Project Name: Advanced Manufacturing Facil	ity	
Project Address/Location:	University Parkway, Aiken SC	Amount:	\$50,750,000.00
Project Type:	Research Facilities	County:	Aiken
Projected Avg Interest Rate:	4.55%	True Interest Cost:	4.55%

3. FINANCING (REFUNDED PORTION)

Series to be Retinided	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Tst NPV Syes (8)	Ust NPV Sygs. (% of Bds)
N/A	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	00/00/00	\$	0.00%	0.00%	\$	0.00%
	Total	\$	0.00%	0.00%	\$	0.00%

4. FINANCING WORKING GROUP

Financial Advisor:	N/A	Disclosure Counsel:	Arendt & Fox	
Bond Counsel:	Haynsworth Sinkler Boyd, P.A.	Issuer's Counsel:	McNair Law Firm, P.A.	= 1
Underwriter:	Municipal Capital Markets Group, I	Other:	3	
Other:	Borrower Counsel: Kutak Rock	Other:	39	-01

5. FINANCING/PROJECT DESCRIPTION

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

Research laboratory and office facility to be occupied by Savannah River Nuclear Solutions ("SRNS"), the maintenance and operation contractor for the Savannah River National Laboratory. The facility will allow SRNS to consolidate and expand some of their functions in an Advanced Manufacturing Facility ("AMC"). The complex will stimulate innovative thinking and adapt innovative technologies to accomplish DOE missions. Locating the AMC within the University of South Carolina-Aiken Campus will increase critical government/University/industry collaboration. (There will be no nuclear material stored or kept at the proposed AMC.)

6. FINANCING/PROJECT APPROVAL DATES

Finalicing Typical	iik.	Notes:	Profest (pprovids - Phase Wisnus	Emars Origo	Notes:
Issuer/Borrower Approval:	00/00/00		Issuer/Borrower Approval:	00/00/00	
JBRC Approval:	00/00/00		JBRC Approval:	00/00/00	
SFAA 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)

<u>b</u>. 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 -	Estimated 64,300 GSF
Cost Estimate -	\$50,750,000

Est. Expenditures - Through 6 Months

Est. Expenditures - Through 12 Months Est. Expenditures - Through 18 Months

Est. Expenditures - Through 24 Months

Est. Expenditures - Through 36 Months

Est. Expenditures - Through 48 Months

- Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 16,916,666.00	00/00/00	
\$ 16,916,667.00	00/00/00	
\$ 16,916,667.00	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 50,750,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)		Uses	
(1) Bond Proceeds (Type)		\$	44,938,595.00	Project Fund	
Type -	\$ 50,750,000.00	\$	4,201,363.00	Capitalized Interest Fund	
(2) Issuer/Borrower Contribution	\$	\$	515,833.00	Debt Service Reserve Fund	
(3) Debt Service Fund Transfer	\$	\$		Redemption Price/Escrow Deposit	
(4) Debt Service Reserve		\$	1,094,209.00	Cost of Issuance (Incl. UW Disc.)	
Fund Contribution	\$	\$		Other	
(5) Other (Specify)		\$		Other	
Type -	\$	\$		Other	
Residual Project Sources		\$		Other	
6) Other		\$		Other	
(a) GF -	\$	\$		Other	
(a) FF -	\$	\$		Other	
(c) OF -	\$	\$		Other	
Total Project Budget (Source	\$ 50,750,000.00	\$	50,750,000.00	Total Project Budget (Uses)	
	Surplus/Del	\$			

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

COI Entity	Selected COI Vendor	Vendor#	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(s △)
Financial Advisor				\$	\$	\$
Bond Counsel				\$ 50,000.00	\$	\$ 50,000.00
Disclosure Counsel				\$ 75,000.00	\$	\$ 75,000.00
Issuer's Counsel				\$ 20,000.00	\$	\$ 20,000.00
Underwriter's Counsel				\$	\$	\$
Gen, Lessor and Tax Counsels				\$ 185,000.00	\$	\$ 185,000,00
				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$ 100,000.00	\$	\$ 100,000.00
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 579,209.00	\$	\$ 579,209.00
Registrar / Paying Agent				\$	\$	\$
Escrow Agent				\$ 30,000.00	\$	\$ 30,000.00
Accountant				S	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contigency				\$	\$	\$
Other				\$ 50,000.00	\$	\$ 50,000.00
				5 1,094,209,00	5	5 1,094,209.00

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%
0.00%
0.00%

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

1.14%	0.00%
0.17%	0.00%
2.16%	0.00%

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT SALE OR AUTHORITY THROUGH PRIVATE OF NOT EXCEEDING \$51,000,000 UNDERWRITING AGGREGATE PRINCIPAL AMOUNT TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (AIKEN ADVANCED MANUFACTURING COLLABORATIVE 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 (Aiken Advanced Manufacturing Collaborative Project), in one or more series, in the aggregate principal amount of not exceeding \$51,000,000 (the "Bonds"), through private sale which the Authority has determined to be most advantageous; and

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

<u>Section 1</u>. 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.

<u>Section 2</u>. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale is hereby in all respects approved.

<u>Section 3</u>. This Resolution shall take effect immediately.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$165,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REFUNDING REVENUE BONDS (ANMED HEALTH) SERIES 2016, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110, CODE OF LAWS OF SOUTH CAROLINA 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 Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Fiscal Accountability Authority of the issuance by the Authority pursuant to the Act of its Hospital Refunding Revenue Bonds (AnMed Health), Series 2016, in the aggregate principal amount of not exceeding \$165,000,000 (the "Bonds"); and

WHEREAS, the Authority represents to the State Fiscal Accountability Authority that the Bonds will be sold through a public or private sale, as may be determined by the Authority to be most advantageous.

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

<u>Section 1</u>. 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.

<u>Section 2</u>. In consequence of the foregoing, the proposal of the Authority 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.

Summary of Refinancing Proposal for AnMed Health

PRELIMINARY - SUBJECT TO CHANGE August 5, 2016

Economic Development Authority Hospital Refunding and Improvement Revenue Bonds (AnMed Health Project), Series 2009A and \$112,000,000 original principal amount SC Jobs-Economic Development Authority Hospital Refunding and Improvement Revenue Bonds

(AnMed Health Project), Series 2009B

2.65% (2009A) and 5.44% (2009B) Average interest rate of bonds refinanced

Projected average interest rate of refinancing bonds

2.52% (2009A refunding) and 2.32% (2009B True interest cost of refinancing bonds

refunding)

\$740,000 (2009A refunding) and \$16,165,551 Projected net present value savings (net of costs) (2009B refunding)

2.14% (2009A refunding) and 13.8% (2009B Projected net present value savings as a percentage of the bonds refinanced refunding)

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)

0.6% / 4.7% Underwriting 0.2% / 1.4% Legal fees - bond, disclosure and general

counsel

0.1% / 0.9% Rating agency fees

N/A Advisory fees

0.1% /0.1% Bond trustee/registrar

0.1% / 0.1% Accounting and verification

Credit enhancement/bond insurance N/A

0.1% / 0.5% Publication, printing, contingencies and all

other expenses

Total

Note: the Series 2009A is a refunding of existing variable rate debt to a fixed rate to reduce risk and potentially capture interest rate savings. Current savings levels are based on historical data since 2000 plus letter of credit and remarketing fees.

Prepared by: Josh Neaman, BofA Merrill Lynch; August 5, 2016





OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 00/00/00

Final Version Date: 00/00/00

	GENCY/ISSUER & F	INANCING 1						
A	gency #:	Issuer:	South Carolina Jobs-F	Economic Developn	nent Authority	Series: 2016		
		(if not Issuer):	AnMed Health AnMed Health Project Series 2016 Hospital Refunding Revenue Bonds					
	Bond Capt			t Series 2016 Hospi				
	Bond Reso	olution Amount:	\$165,000,000.00			uction Amount: \$0.00 date initial COI percentages:	this & dinamit list & COI	
						econcile to "Summary of Find		
	Initial/Current	Version:			Final:			
	ENTITY				ENTITY			
	NAME:				NAME:			
	BY:				BY:			
	ITS:				ITS:			
2. <u>F</u>	INANCING (NEW PO	ORTION)						
P	roject#:	_Project Name						
Р	roject Address/Location:				Amount:	\$0.00		
P	roject Type:				County:			
P	rojected Avg Interest Rate				Final Maturity:	August 1, 2016		
3. <u>F</u>	INANCING (REFUNI	DED PORTIC	ON)					
	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)	
2	009A	All	\$ 34,585,000.00	2.65%	2.52%	\$ 740,000.00	2.14%	
2	009B	All	\$ 109,915,000.00	5.44%	2.32%	\$ 15,165,551.00	13.80%	
			\$			\$		
			\$			\$		
T			\$			\$		
_		Total	\$ 144,500,000.00	*****	****	\$ 15,905,551.00		
l. <u>F</u>	INANCING WORKING	NG GROUP						
F	inancial Advisor:			Disclosure	e Counsel:			
Е	Bond Counsel:	McNair Law	Firm	Issuer's Co	ounsel:			
Ţ	Inderwriter:	BofA Merrill	Lynch	Other:				
C	Other:			Other:				
; F	FINANCING/PROJEC	T DESCRIPT	TION					
	Briefly, explain the financi			basis for these cost	estimates. Use an atta	chment if needed)		
F	ixed rate refunding of th	ne Series 2009	A bonds to reduce va	riable rate risk an	d the Series 2009B b	onds for cash flow s	avings. We	
C	urrently antipcate costs	of issuance to	be approixmlatey 1.0	% of the par issue	ed (approximatley \$1	.3 million). Note that	at the Series 2009A	
î	s a refunding of existing	variable rate	lebt to a fixed rate to	reduce risk and p	otentially capture int	erest rate savings. C	turrent savings	
1	evels are based on histor	rical data since	2000 plus letter of c	redit and remarke	ting fees.			
б. <u>Е</u>	FINANCING/PROJEC	T APPROVA	L DATES					
	Financing Appro	wals	Notes:	Project A	pprovals - Phase II (Sta	te Entities Only)	Notes:	
L I	ssuer/Borrower Approval:			li .	rower Approval:	00/00/00		

JBRC Approval:

SFAA Approval:

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

08/15/16

09/20/16

Issuer/Borrower Approval:

JBRC Approval:

SFAA Approval:

Yes

00/00/00

00/00/00

No



a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

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

-	
Sq. Footage -	
Cost Estimate -	\$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$	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	\$ 132,900,000,00	\$		Project Fund
(b) Premium/Accr. Int.	\$ 25,643,446.00	\$		Capitalized Interest Fund
2) Issuer/Borrower Contr.	\$	\$		Debt Service Reserve Fund
3) Debt Service Fund Trans,	\$	\$	157,209,449.00	Redemption Price/Escrow Deposit
4) Debt Service Reserve		\$	1,333,997.00	Cost of Issuance (Incl. UW Disc.)
Fund Contribution	\$	\$		Accrued Interest
5) Other (Specify)		\$		Other
Type -	\$	\$		Other
Residual Project Sources		\$		Other
6) Other		\$		Other
(a) GF -	S	\$		Other
(a) FF -	\$	\$		Other
(c) OF -	\$	\$		Other
Total Project Sources	S 158,543,446.00	S	158,543,446.00	Total Project Uses

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	(\$ △)
Financial Advisor	N/A			\$	\$	\$
Bond Counsel	McNair			\$ 130,000.00	\$	\$ 130,000.00
Disclosure Counsel	N/A				\$	\$
Issuer's Counsel	TBD			\$ 7,500.00	\$	\$ 7,500,00
Underwriter's Counsel	TBD			\$ 75,000.00	\$	\$ 75,000.00
Hospital Counsel				\$ 25,000.00	\$	\$ 25,000.00
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P			TA LINE THE	\$ 75,000.00	\$	\$ 75,000.00
Rating Agency - Moody's	N/A			\$	\$	\$
Rating Agency - Fitch				\$ 75,000.00	\$	\$ 75,000.00
Underwriter's Compensation				\$ 797,400,00	\$	\$ 797,400.00
Registrar / Paying Agent				\$ 5,000.00	\$	\$ 5,000.00
Escrow Agent				\$ 1,000.00	\$	\$ 1,000.00
Accountant				\$ 50,000,00	\$	\$ 50,000.00

Verification Agent		\$	2,500.00 \$	\$	2,500.00
Printing		\$	5,000.00 \$	\$	5,000.00
Publishing		\$	S	\$	
Advertising		S	\$	\$	Tree des
Contingency		\$	14,517.00 \$	\$	14,517.00
Issuer's Fee	SC JEDA / SC SHFDA	\$	71,080.00 \$	\$	71,080.00
		S	1,333,997.00 \$	S	1,333,997.00

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

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

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

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

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

STOOMD NDIFFOR HADE

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$13,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CLEMSON HERITAGE PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, FOR THE PURPOSE OF DEFRAYING THE COSTS OF CONSTRUCTION AND DEVELOPMENT OF CERTAIN QUALIFIED RESIDENTIAL RENTAL PROPERTY BY CLEMSON HERITAGE, LLC IN THE CITY OF CLEMSON, SOUTH CAROLINA.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Fiscal Accountability Authority of the State of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Clemson Project), in the aggregate principal amount of not exceeding \$13,000,000 (the "Bonds") in minimum denominations of \$25,000 through a negotiated private sale for private placement with qualified institutional buyers or institutional accredited investors for investment purposes, which the Authority has determined to be most advantageous and is acceptable to the Authority;

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

Section 1. It is hereby found, determined, and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of 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 a negotiated private sale or limited public offering be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal for

Clemson Heritage, LLC

PRELIMINARY - SUBJECT TO CHANGE

August 15, 2016

Bonds proposed to be financed

\$11,330,353 principal amount, single term, maturing in 20 years with a 30 year amortization.

Average interest rate of bonds

6.00% - 7.00%

Projected average interest rate of bonds

True interest cost of bonds

6.73% - 7.81%

Estimated costs (costs as a percentage of bonds)

Underwriting \$198,281 (1.75%)

Legal fees – bond, disclosure and general \$195,500 (1.73%)

counsel

Rating agency fees \$0 (0%)

Advisory fees \$198.281 (1.75%)

Bond trustee/registrar \$5,000 (0.04%)

Accounting and verification \$0 (0%)

Credit enhancement/bond insurance \$0 (0%)

Publication, printing, contingencies and all \$49,700 (0.44%)

other expenses

Total \$646,762 (5.71%)

Varen Passouf

Prepared by: Karen Kassouf, Cedar Ventures, registered principal with Moody Capital Solutions, Inc.

FINRA member

Date:

August 15, 2016

OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

1	Init	ial/Current Ve	rsion Date: 08/15/16		Final Version Da	te: 00/00/00	
1.	AGENCY/ISSUER & I	FINANCING	INFORMATION				
	Agency #;	Issuer:	South Carolina Jobs-	Economic Developm	ent Authority	Series: 2016	
		(if not Issuer):	Clemson Heritage, LI				
	Bond Cap		Economic Developme	ent Revenue Bonds			
	Bond Res	olution Amount	: \$13,000,000.00			duction Amount: \$11,3 culate initial COI percentages	
						reconcile to "Summary of Fin	
	Initial/Current	Version			Final:		
	ENTITY	v ci sioni,			ENTITY		
	NAME:	Clemson Her	itage LLC		NAME:		
	BY:	Ed Burrell			BY:		
	ITS:	Manager			ITS:		
2.	FINANCING (NEW PO	ORTION)					
			v Clamaan Haritaga I I	C			
	Project #:Project Address/Location:		c: Clemson Heritage LL cantburg Drive, Greenv		Amount:	\$11,330,353.00	
	Project Type:		ng/Memory Care	ine, se	County:	Pickens	
	Projected Avg Interest Rate		ing memory cure		Final Maturity:	20 years	
2	FINANCING (REFUN)N)		,		
ی.	TINANCING (REFOR		<u> </u>	ID C	F . V'11 F		F NDV C
	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)
		Waturties	\$	0.00%	0.00%	\$	(70 OLKCI, DGS)
			\$	0.00%	0.00%	\$	+
			\$	0.00%	0.00%	\$	
			\$	0.00%	0.00%	\$	
			\$	0.00%	0.00%	\$	
		Total	\$	*****	******	\$	
4.	FINANCING WORKI	NG GROUP					
	Financial Advisor:		res 404 239 8416	Disclosure	Counsel:	Dorsey Whitney	
	Bond Counsel:	McNair Law		Issuer's Co	unsel:	Pope Flynn	
	Underwriter:	Northland Se	curities	Other: (Ba	nk Cousel)	R.A. Cobb, Borrower Counsel	
	Underwriter's Counsel:			Other:		8	
5	FINANCING/PROJEC	T DESCRIPT	TION				
	(Briefly, explain the financi			basis for these cost	estimates. Use an atta	achment if needed)	
ſ	The project is the constru						no halanaa fan
	Assisted Living and Men			_			ing balance for
	Assisted Living and Men	nory Care. The	costs were based up	on the Developer	taking blus from con	ntractors	
- 1							
- 1							
I							
6.	FINANCING/PROJEC	T APPROVA	L DATES				
	Financing Appro	ovals	Notari	Project Ar	pprovals - Phase II (Sta	ate Entities Only)	Notage
ı	Issuer/Borrower Approval:		Notes:		ower Approval:	00/00/00 N/A	Notes:
	JBRC Approval:	00/00/00	N/A	JBRC App		00/00/00 N/A	
	SFAA Approval:	09/20/16	TVA	SFAA App		00/00/00 N/A	
7.	TAX AND ARBITRAG	E MATTERS	S & SPEND DOWN	SCHEDULE		Ye	es No
	$\underline{\underline{a}}$. Is any portion of the projection				nt to a management	<u> </u>	
	contract? (if yes, please atta	-	,	E A baroass		2	
	<u>b</u> . Will any third-party payn	• • •	nort organizations priv	ate entities or the for	deral government)	Ť	X
	2. min any ama-party paya		e used to pay debt servi		iorai government)		Λ.

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

55,000

\$130,000

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	FYE	Spend Down Schedule Notes
\$ 4,800,000.00	12/31/2017	
\$ 6,530,356.00	12/31/2017	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/0/00	
\$ 11,330,356.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est	t. Project Budget (Uses)	Uses	
) Bond Proceeds: (a) Par		S	9,861,136.00	Project Fund	
(b) Premium/Accr. Int.	\$ 11,330,356.00	\$	1,135,639.00	Capitalized Interest Fund	
!) Issuer/Borrower Contr.	\$ 3,491,809.00	S	840,360,00	Debt Service Reserve Fund	
) Debt Service Fund Trans.	\$	S		Redemption Price/Escrow Deposit	
) Debt Service Reserve		S	646,762.00	Cost of Issuance (Incl. UW Disc.)	
Fund Contribution	\$ 840,360.00	\$		Accrued Interest	
(Specify)		S	236,181.00	Additional Proceeds	
Type -	S	S	578,000,00	Other	
esidual Project Sources		S	222,500,00	Other	
) Other		S	733,913.00	Other	
(a) GF -	\$	S	1,334,000,00	Other	
(a) FF -	S	S	70,000.00	Other	
(c) OF -	S	S	4,034.00	Other	
Total Project Sources	\$ 15,662,525.00	\$	15,662,525.00	Total Project Uses	

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	(\$ △)
Financial Advisor	Solutions		4/22/2016	S 198,281.00	S	\$ 198,281.00
Bond Counsel	McNair Law Firm			\$ 65,000.00	S	\$ 65,000.00
Disclosure Counsel	Dorsey Whitney			\$ 25,000.00	S	\$ 25,000.00
Issuer's Counsel	Pope Flynn			\$ 15,000.00	S	\$ 15,000.00
Underwriter's Counsel	Dorsey Whitney			\$ 25,000.00	\$	\$ 25,000.00
Purchaser's Counsel				\$ 30,000.00	\$	\$ 30,000.00
Borrower's Counsel	Rodney A. Cobb, Esq.			\$ 25,000.00	S	\$ 25,000,00
Trustee/Trustee Counsel				\$ 10,500.00	\$	\$ 10,500.00
Rating Agency - S&P				S	S	S
Rating Agency - Moody's				\$	S	\$
Rating Agency - Fitch				\$	S	S
Underwriter's Compensation	Northland Securities			\$ 198,281.00	S	\$ 198,281.00
Registrar / Paying Agent				\$ 5,000.00	\$	\$ 5,000.00
Escrow Agent				\$	S	\$
Accountant				\$	S	S
Verification Agent				S	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	S
Advertising				S	\$	\$
Contingency				\$ 35,500.00	S	\$ 35,500.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 14,200.00	\$	\$ 14,200.00
				\$ 646,762,00	8	8 646,762,00

Est. / Actual COI Fees (% of Transaction)

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

1.75%	#DIV/0!
0.57%	#DIV/0!
1.73%	#DIV/0!
0.00%	#DIV/0!

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

1.75%	#DIV/0!
0.48%	#DIV/0!
5.71%	#DIV/0!

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT **AUTHORITY** THROUGH UNDERWRITING OF NOT EXCEEDING \$30,000,000 AGGREGATE PRINCIPAL AMOUNT **ECONOMIC** DEVELOPMENT REVENUE BONDS (EAST POINT ACADEMY PROJECT), IN ONE OR MORE SERIES, AND \$30,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE **BOND** ANTICIPATION NOTES (EAST POINT ACADEMY PROJECT), IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF THE CODE OF LAWS OF SOUTH CAROLINA, 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 Code of Laws of South Carolina, 1976, as amended (the "Act"), requested approval by the South Carolina State Fiscal Accountability Authority (the "State Authority") of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (East Point Academy Project), in one or more series, in the aggregate principal amount of not exceeding \$30,000,000 (the "Bonds"), and, pending the issuance thereof, Economic Development Revenue Bond Anticipation Notes (East Point Academy Project), in one or more series, in the aggregate principal amount of not exceeding \$30,000,000 (the "Notes"), through underwriting which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Authority that the Notes will be sold to qualified institutional buyers and/or accredited investors through a limited offering by an underwriter acceptable to the Authority and the Bonds will be sold to the United States Department of Agriculture, Rural Development ("USDA");

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to (i) issue the Notes which will be sold to a qualified institutional buyer or privately placed with sophisticated and/or accredited investors through a limited offering by an underwriter, and (ii) issue the Bonds which will be purchased by USDA, are hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Dated: September 20, 2016

d

Summary of Financing Proposal for

Not Exceeding \$30,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds and Bond Anticipation Notes (East Point Academy Project) Series 2016A and B

PRELIMINARY - SUBJECT TO CHANGE

August 30, 2016

Bonds proposed to be financed

Not Exceeding \$30,000,000 Economic Development Revenue Bonds and Bond Anticipation Notes, Series 2016A and 2016B (Tax-Exempt and Taxable Series)

Average interest rate of bonds (est. average coupon)	2.721%
Projected average interest rate of bonds (est. arbitrage yield)	2.708%
True interest cost of bonds	2.780%

Estimated costs (costs as a percentage of bonds)

Underwriting (est competitive)	\$	367,500 (1.225%)
Legal fees – bond, disclosure and general counsel		240,000 (0.80%)
Rating agency fees		20,000 (0.066%)
Advisory fees	K.	147,000 (0.49%)
Bond trustee/registrar		7,500 (0.025%)
Accounting and verification		30,000 (0.10%)
Credit enhancement/bond insurance		1.5
Publication, printing, contingencies and all other expenses		22,107 (0.073%)
Total	\$	834,107 (2.78%)

Prepared by: Pope Flynn, LLC, Bond Counsel, and Raymond James, Underwriter.

Dated: August 30, 2016

Note: Costs of issuance of the bonds are calculated at the full proposed not to exceed amount of \$30,000,000 in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market

conditions.

d.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date:	08/30/16	Final Version Date:	00/00/00

1								
1.	AGENCY/ISSUER & FINANCING	<u>INFORMATION</u>						
	Agency #: Issuer:	SC Jobs-Economic Dev	elopment Authority	/	Series:	2016A and 2016B		
	Borrower (if not Issuer):	East Point Academy						
	Bond Caption:	Economic Developmen						
	Bond Resolution Amount	\$30,000,000.00			luction Amount:			
						entages: this 8 Amount Est. 8 COI of y of Financing Proposal ⁿ percentage		
	Initial/Current Version:			Final:				
	ENTITY			ENTITY				
	NAME:			NAME:				
	BY:			BY:	1			
	ITS			ITS:				
2.	FINANCING (NEW PORTION)							
		: East Point Academy Pr	oiect					
		t St. & Chris Dr., W. Co		Amount:	\$29,400,000.0	0		
	Project Type: Charter School		*	County:	Lexington			
	Projected Avg Interest Rate: 2.72%			Final Maturity:	June 1, 2058			
3.	FINANCING (REFUNDED PORTIO	ON)						
	Series to be Refunded Refunded	Principal Refunded	IR of	Est Yield of	Est NPV Svg	s (\$) Est NPV Svgs		
	Maturities		Refunded Bds	Refunding Bds		(% of Ref. Bds)		
		\$			\$			
		\$			\$			
		\$			\$			
		\$			\$			
	Total	S	******	******	\$			
4	EINIANGING WODIZING CDOUD				- E			
4.	FINANCING WORKING GROUP Financial Advisor: Grey Mountai	in Charter Financing	Disclosure	Counsel:	Pope Flynn, Ll	LC		
	Bond Counsel: Pope Flynn, L		Issuer's Co			inkler Boyd, P.A.		
	Underwriter: Raymond Jam			r's Counsel:	Howell Linkou			
	Other:		Other:		-			
_	EDITALCING/DDO LECT DESCRIB	FION)			
5.	FINANCING/PROJECT DESCRIP (Briefly, explain the financing/project, the a		asia for those east a	stimates. Use an attac	hment if needed)			
	East Point Academy (the "Borrower") i							
	South Carolina Public Charter School I in English, Mandarin Chinese, math, so							
	understanding. The Borrower has requ							
	facilities located at 1401 Leaphart Street							
	facilities to be located on the eastern sid				mate, construct	and equip school		
	facilities to be located on the eastern sid	e of Chris Drive iii w	est Columbia, Soi	utii Caronna.		The second		
6.	FINANCING/PROJECT APPROVA	AL DATES						
	Financing Approvals	Notes:	Project Ap	provals - Phase II (Sta	te Entitles Only)	Notes:		
	Issuer/Borrower Approval: 08/15/16	Inducement Res	Issuer/Borr	ower Approval	00/00/00			
	JBRC Approval: 00/00/00		JBRC Appr	roval:	00/00/00			
	SFAA Approval: 09/20/16	Proposed	SFAA App	roval:	00/00/00			
~	WAS ASID A DRIVED AGE BAATESED	C & CDEND DOWN	SCHEDIH E			Vac No		
/.	TAX AND ARBITRAGE MATTER				i i	Yes No		
	<u>a</u> . Is any portion of the project, once comple contract? (if yes, please attach copy)	ted, to be managed by a	third-party pursuant	to a management		X		
	\underline{b}_* Will any third-party payments (from supprelated to the facility, however indirectly, be			eral government)	,	X		
	\underline{c} If yes to any of the above, please provide	a square footage and cos	t estimate of the po	rtion affected	Sq. Footage - Cost Estimate -	95,720 \$27,573,643		

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	TYL	Spend Down Schedule Notes
\$ 7,100,809,30	6/30/2017	(estimated) Land; COI; Construction; Capitalized Interest
\$ 8,529,190,70	6/30/2018	(estimated) Construction
\$ 9,822,313,00	6/30/2018	(estimated) Construction
\$ 2,121,330.00	6/30/2019	(estimated) Renovation
\$	00/00/00	
\$	00/00/00	
\$ 27,573,643.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budg (Uses)	Uses	
1) Bond Proceeds: (a) Par	\$ 24,400,000.00	\$ 27,573,643	.00 Project Fund	
(b) Premium/Accr. Int.	\$	\$ 992,250	00 Capitalized Interest Fund	
2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund	
3) Debt Service Fund Trans	\$	\$	Redemption Price/Escrow Deposit	
4) Debt Service Reserve		\$ 834,107	.00 Cost of Issuance (Incl. UW Disc.)	
Fund Contribution	\$	\$	Accrued Interest	
5) Other (Specify)		\$	Other	
Type - USDA Guar, Loan	\$ 5,000,000.00		Other	
Residual Project Sources		\$	Other	
6) Other		\$	Other	
(a) GF -	\$	\$	Other	
(a) FF -	\$	\$	Other	
(c) OF -	\$	\$	Other	
Total Project Sources	\$ 29,400,000.00	\$ 29,400,000	.00 Total Project Uses	

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	(5.△)
Financial Advisor				\$ 147,000.00	S	\$ 147,000.00
Bond Counsel				\$ 75,000 00	\$	\$ 75,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel				\$ 15,000 00	\$	\$ 15,000.00
Underwriter's Counsel				\$ 50,000.00	\$	\$ 50,000.00
Transaction Counsel				\$	\$	S
Legal Expenses			1 -	\$	\$	\$
Borrower's Counsel				\$ 60,000.00	\$	\$ 60,000.00
Rating Agency - S&P				\$	\$	S
Rating Agency - Moody's				\$ 20,000.00	\$	\$ 20,000.00
Rating Agency - Fitch				S	\$	\$
Underwriter's Compensation				\$ 367,500.00	\$	\$ 367,500.00
Registrar / Paying Agent				\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$	\$	\$
Accountant				\$ 30,000.00	\$	\$ 30,000.00
Verification Agent				\$	S	Š:
Printing				\$	\$	S
Publishing				\$	\$	\$
Advertising				\$	S	\$
Contingency				\$ 22,107.00	S	\$ 22,107.00
Issuer's Fee	SC JEDA / SC SHFDA	1		\$ 40,000.00	\$	\$ 40,000,00
				5 834,107,00	8	3 834,107,00

Est | Jemal COI Fees Co of Transaction):

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

0.50%	0.00%
0.26%	0.00%
0.68%	0.00%
0.07%	0.00%

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

1.25%	0.00%
0.34%	0.00%
2.84%	0.00%

STOCKBUTCH16.1436

Office of State Treasurer

New Debt Information Form (NDIF)

For

Not Exceeding \$30,000,000
SC Jobs-Economic Development Authority
Economic Development Revenue Bonds and Bond Anticipation Notes
(East Point Academy Project)
Series 2016A and B

Initial/Current Version Date: 08/30/16

Block 7b.

The Borrower will be receiving certain State of South Carolina and Federal program funds with respect to support of charter schools which it may use to pay a portion of the debt service on the Bonds (or Bond Anticipation Notes).

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$14,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (LAKEWOOD SENIOR LIVING PROJECT) IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("Act"), requested approval by the State Fiscal Accountability Authority of the State of South Carolina of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$14,000,000 (together, the "Bonds") through a limited offering, as the Authority may determine to be most advantageous; and

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

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

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

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

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal for

not exceeding \$14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lakewood Senior Living Project)

PRELIMINARY - SUBJECT TO CHANGE

August 15, 2016

Bonds proposed to be financed

Series 2016 Bonds (taxable and tax-exempt), maturing in 2051 with an anticipated par amount of \$11,345,000

Average interest rate of bonds	7.25%
Projected average interest rate of bonds	7.25%
True interest cost of bonds	7.59%
Estimated costs (costs as a percentage of bonds)	
Underwriting	3.00%
Legal fees – bond, disclosure, issuer's counsel, etc.	2.78%
Rating agency fees	0%
Advisory fees	0%
Bond trustee/registrar	0.048%
Accounting and verification	0
Credit enhancement/bond insurance	0%
Publication, printing, contingencies and all other expenses	0.73%
Total	6.56%

Prepared by BB&T Capital Markets and Parker Poe Adams & Bernstein LLP

Date August 15, 2016

STATE FISCAL ACCOUNTABILITY AUTHORITY

A RESOLUTION

APPROVING THE UNDERTAKING OF THE SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE NOT EXCEEDING \$7,000,000 SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS (MASON PREPARATORY SCHOOL) SERIES 2016 IN ONE OR MORE SERIES (the "Bonds") PURSUANT TO TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (the "Act").

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

WHEREAS, the proposed undertaking (the "Undertaking") consists of the issuance and delivery of the Bonds for the benefit of Mason Preparatory School (the "Borrower), a South Carolina nonprofit corporation and an organization described in §501(c)(3) of the Internal Revenue Code of 1986, as amended, in an aggregate amount not exceeding \$7,000,000 pursuant to the Act (i) to refinance the costs of constructing and equipping a new lower school building and undertaking related renovations (collectively, the "Project") and (ii) to pay certain fees and expenses incurred in connection with the issuance of the Bonds, all pursuant to a resolution (the "Bond Resolution") adopted by the Board of Directors of the Authority; and

WHEREAS, it is anticipated that the Bonds will be sold to a bank or other financial institution selected by the Borrower (the "Underwriter") through a negotiated sale; and

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

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

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

WHEREAS, the Authority has heretofore determined that:

- (a) the Borrower is a responsible party which is in the business of operating a K-8 school in Charleston, South Carolina;
- (b) the Project constitutes a "business enterprise" as said term is referred to in §41-43-160 of the Act, and the issuance of the Bonds in an aggregate principal amount not to exceed \$7,000,000 to finance the Undertaking will subserve the purposes and in all respects conform to the provisions and requirements of the Act;
- (c) the Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the maintenance of 53 jobs in Charleston County and surrounding area, and the number of jobs maintained as a result from the assistance herein described bears a reasonable relationship to the amount of program funds committed (i.e., the principal amount of the Bonds) taking into account factors such as the amount of dollars invested per employee at comparable facilities;
- (d) the amount of program funds committed (i.e., the principal amount of the Bonds) bears a reasonable relationship to the amount of private funds committed to the Project; and

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

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

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

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

Now, Therefore, Be It Resolved by the State Fiscal Accountability Authority in meeting duly assembled:

- 1. It has been found and determined by the State Board that the Authority has filed a proper petition with the State Board in accordance with the provisions of the Act and that it has made the findings required by the Act.
- 2. On the basis of the foregoing findings, the proposed undertaking of the Authority to finance the Undertaking through the issuance of not exceeding \$7,000,000 of the Authority's Economic Development Revenue Bonds, in one or more series, through a negotiated sale to the Underwriter pursuant to the Act, the Bond Resolution and the Loan Agreement, to be payable from the revenues to be derived by the Authority from the Loan Agreement, is hereby approved.

Summary of Financing Proposal for

Mason Preparatory School

PRELIMINARY - SUBJECT TO CHANGE

August 15, 2016

Bonds proposed to be financed

Not Exceeding \$7,000,000 South Carolina Jobs-

Economic Development Authority Economic Development Revenue Bonds, Series 2016

Projected average interest rate of bonds

2.57%

Projected true interest cost of bonds

2.57%

Estimated costs (costs as a percentage of bonds)

Underwriting

\$7,000 (.1%)

Legal fees – bond, underwriter's and issuer's

\$78,000 (1.1%)

counsel

Advisory fees

\$25,000 (.4%)

Bond trustee/registrar

Rating agency fees

0

0

Accounting and verification

0

Credit enhancement/bond insurance

0

Publication, printing, contingencies and all

other expenses

\$15,000 (.2%)

Total

\$125,000 (1.79%)

Prepared by:

Jeremy L. Cook

Date:

August 15, 2016



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 08/15/16	Final Version Date:	00/00/00
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	Initia	I/Current Ver	sion Date: 08/15/16		Final Version Date	: 00/00/00			
1.	AGENCY/ISSUER & FI	NANCING I	NFORMATION						
2		Agency #: Issuer: South Carolina Jobs-Economic Development Authority				Series:	2016		
		f not Issuer):	Mason Preparatory S		nit / tutilority	Amount: \$7,000,000.00			
	Bond Caption		Economic Developm			-			
	Initial/Current V	ersion:			Final:				
	ISSUER				ISSUER				
	NAME:		Development		NAME:				
	BY: ITS:	Harry A. Hun Executive Dir			BY: ITS:			- 16	
	DATE:	8/15/2016	ector	•	DATE:	-			
2.	FINANCING (NEW PO	RTION)							
	Project #:		Mason Preparatory S	chool					
	Project Address/Location:		ulevard, Charleston		Amount:	\$7,000,000.00)		
	Project Type:		sion and Renovations		County:	Charleston			
	Projected Avg Interest Rate:	2.57%			True Interest Cost:	2.57%			
3.	FINANCING (REFUND	ED PORTIC	<u>DN)</u>						
		Refinided	100 5 7 7 7 7	= R of	Lst Yfeld of	LSINPV Seg	- ISH X	TPV Sygs.	
	Series to be Refinided	Manurines	Principal Refunded	Refunded Bds	_ Refunding Bds		100	of Bdsi	
		00/00/00	\$	0.00%	0.00%	\$		0.00%	
		00/00/00	\$	0.00%	0.00%	\$		0.00%	
		00/00/00	\$	0.00%	0.00%	\$		0.00%	
		00/00/00	\$	0.00%	0.00%	\$		0.00%	
		Total	\$	0.00%	0.00%	\$		0.00%	
			J.	0.0070	0.0070	1 4			
4.	FINANCING WORKIN					27.1			
	Financial Advisor:	First Tryon	2.11.75.1	Disclosure		NA	P- NI-441-2		
	Bond Counsel:	Haynsworth S SunTrust Ban		Issuer's Cou Other: (Ban		Howell Linkous & Nettles Haynsworth Sinkler Boyd			
	Underwriter: Other (Borrower's Counsel):			Other: (Ban	Haylisworth Slikier Boyd				
	Other (Bollower's Counsel).	TVIOOTC & V all	Allen	Outer.					
5.	FINANCING/PROJECT								
	(Briefly, explain the financing	g/project, the a	nticipated costs of the	financing/project, and	d the basis for these co	ost estimates)			
	(1) refinancing the costs of								
	certain fees and expenses	certain fees and expenses incurred in connection with the issuance of the Bonds. The costs of the project are based on actual construction							
	costs.								
,	EIN ANCINC DDO IECT	ADDDOMA	I DATES						
0.	FINANCING/PROJECT	AFFRUVA	LDATES						
	Limited ing Approx		Notes:	Project In	provids - Phose II (Sm	e Entines (2014)	Notes:		
	Issuer/Borrower Approval:	08/15/16		Issuer/Borre	ower Approval;	00/00/00			
	JBRC Approval:	NA		JBRC Appr		00/00/00			
	SFAA Approval:	09/20/16	l	SFAA Appı	roval:	00/00/00			
-	TAV AND ADDITION A CIT		o coesto posse	A COMEDIA E			Vaa	No	
7.	TAX AND ARBITRAGE					r	Yes	No	
	a. Is any portion of the project		eted, to be managed by	a third-party pursuan	it to a management	Į.		X	
	contract? (if yes, please attack					9			
	<u>b</u> . Will any third-party paymer related to the facility, however				eral government)	l		X	

Sq. Footage -Cost Estimate

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

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		Spend Down Schedule Notes
\$ 7,000,000.00	12/31/2016	
\$ 7,000,000.00		

8. <u>ESTIMATED/ACTUAL PROJECT SOURCES AND USES</u>

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
1) Bond Proceeds (Type)	177888888888	\$ 6,875,000.00	Project Fund
Type -	\$ 7,000,000.00	\$	Capitalized Interest Fund
2) Issuer/Borrower Contribution	\$	\$	Debt Service Reserve Fund
3) Debt Service Fund Transfer	\$	\$	Redemption Price/Escrow Deposit
4) Debt Service Reserve		\$ 125,000.00	Cost of Issuance (Incl. UW Disc.)
Fund Contribution	\$	\$	Other
5) Other (Specify)		\$	Other
Type -	\$	\$	Other
Residual Project Sources		\$	Other
6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Budget (Source	\$ 7,000,000.00	\$ 7,000,000.00	Total Project Budget (Uses)

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES

Bond Counsel	COI Entity	Selected COI Vendor	Vendor#	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ △)
Disclosure Counsel	Financial Advisor	First Tryon		7/1/2016	\$ 25,000.00	\$	\$ 25,000.00
Issuer's Counsel	Bond Counsel	Haynsworth Sinkler Boyd		7/1/2016	\$ 42,000.00	\$	\$ 42,000.00
Underwriter's Counsel	Disclosure Counsel	NA				\$	\$
Borrower's Counsel	Issuer's Counsel	Howell Linkous & Nettles		7/1/2016	\$ 7,500.00	\$	\$ 7,500.00
Bank Counsel	Underwriter's Counsel	NA				\$	\$
S S S S S S S S S S	Borrower's Counsel	Moore & Van Allen		8/1/2016	\$ 8,500.00	\$	\$ 8,500.00
Rating Agency - Moody's \$ \$ \$ Rating Agency - Fitch \$ \$ \$ \$ Underwriter's Compensation SunTrust 7/1/2016 \$ 7,000.00 \$ \$ 7,000.00 Registrar / Paying Agent \$ <td>Bank Counsel</td> <td>Haynsworth Sinkler Boyd</td> <td></td> <td>7/1/2016</td> <td>\$ 20,000.00</td> <td>\$</td> <td>\$ 20,000.00</td>	Bank Counsel	Haynsworth Sinkler Boyd		7/1/2016	\$ 20,000.00	\$	\$ 20,000.00
Rating Agency - Moody's \$ \$ \$ Rating Agency - Fitch \$ \$ \$ \$ Underwriter's Compensation SunTrust 7/1/2016 \$ 7,000.00 \$ \$ 7,000.00 Registrar / Paying Agent \$ <td></td> <td></td> <td></td> <td></td> <td>\$</td> <td>\$</td> <td>\$</td>					\$	\$	\$
Rating Agency - Fitch \$ \$ \$ Underwriter's Compensation SunTrust 7/1/2016 \$ 7,000.00 \$ \$ 7,000.00 \$ \$ 7,000.00 \$ \$ 7,000.00 \$ \$ 7,000.00 \$	Rating Agency - S&P				\$	\$	\$
Underwriter's Compensation SunTrust 7/1/2016 \$ 7,000.00 \$ \$ 7,000.00 Registrar / Paying Agent \$ \$ \$ \$ \$ \$ \$ \$ Escrow Agent \$ \$ \$ \$ \$ \$ \$ \$ \$ Accountant \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ Verification Agent \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ Printing \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ Publishing \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ Advertising \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ Contigency \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Rating Agency - Moody's					\$	\$
Registrar / Paying Agent \$ \$ \$ Escrow Agent \$ \$ \$ Accountant \$ \$ \$ Verification Agent \$ \$ \$ Printing \$ \$ \$ Publishing \$ \$ \$ Advertising \$ \$ \$ Contigency \$ \$ \$	Rating Agency - Fitch				\$	\$	\$
Escrow Agent \$ <t< td=""><td>Underwriter's Compensation</td><td>SunTrust</td><td></td><td>7/1/2016</td><td>\$ 7,000.00</td><td>\$</td><td>\$ 7,000.00</td></t<>	Underwriter's Compensation	SunTrust		7/1/2016	\$ 7,000.00	\$	\$ 7,000.00
Accountant \$ \$ \$ Verification Agent \$ \$ \$ Printing \$ \$ \$ Publishing \$ \$ \$ Advertising \$ \$ \$ Contigency \$ 6,000.00 \$ \$	Registrar / Paying Agent					\$	\$
Verification Agent \$ \$ \$ Printing \$ \$ \$ Publishing \$ \$ \$ Advertising \$ \$ \$ Contigency \$ \$ 6,000.00 \$ \$	Escrow Agent				\$	\$	\$
Printing \$<	Accountant				\$	\$	\$
Publishing \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 6,000.00	Verification Agent				\$	\$	\$
Advertising \$ \$ \$ \$ \$ Contigency \$ \$ 6,000.00 \$ \$ 6,000.00	Printing					\$	\$
Contigency \$ 6,000.00 \$ \$ 6,000.00	Publishing				\$	\$	\$
	Advertising				\$	\$	S
Other (TEDA 500)							
	Other (JEDA fee)				\$ 9,000.00	S	\$ 9,000.00 \$ 125,000.00

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

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

0.36%	0.00%
0.60%	0.00%
1.11%	0.00%
0.00%	0.00%

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

0.10%	0.00%
0.21%	0.00%
1.79%	0.00%

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

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

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

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

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

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

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal for

not exceeding \$25,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (River Park Senior Living Project)

PRELIMINARY – SUBJECT TO CHANGE

August 15, 2016

Bonds proposed to be financed

Series 2016 Bonds (taxable and tax-exempt), maturing in 2051 with an anticipated par amount of \$21,100,000

5.95%

Average interest rate of bonds	7.25%
Projected average interest rate of bonds	7.25%
True interest cost of bonds	7.79%
Estimated costs (costs as a percentage of bonds)	
Underwriting	3.00%
Legal fees – bond, disclosure, issuer's counsel, etc.	1.57%
Rating agency fees	0%
Advisory fees	0%
Bond trustee/registrar	0.026%
Accounting and verification	0%
Credit enhancement/bond insurance	0%
Publication, printing, contingencies and all other expenses	1.36%

Prepared by BB&T Capital Markets and Parker Poe Adams & Bernstein LLP

Date August 15, 2016

Total





OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 08/15/16 Final Version Date: 00/00/00

1.	AGENCY/ISSUER & F	INANCING	INFORMATION						
	Agency #:	Issuer:	South Carolina Jobs Economic Development Authority			Series: Series 2016A/B			
	Borrower (if not Issuer): CR Senior Living, LLC								
	Bond Caption: Economic Development Revenue Bonds (River Park Senior Livir								
	Bond Reso	olution Amount	\$25,000,000.00			duction Amoun			
						ulate initial COI pe reconcile to "Summ			
	Initial/Current	Version:		j j	Final:				
	ENTITY			F	ENTITY				
	NAME:	CR Senior Li	ving, LLC		NAME:				
	BY:		lams & Bernstein	E	BY:				
	ITS:	Bond Counse		I	TS:				
2.	FINANCING (NEW PO	DRTION)							
	Project #:	Project Name	River Park Senior Liv	ving (Little River)					
	Project Address/Location:	Little River, S			Amount:	\$21,100,000	.00		
	Project Type:		ng and Memory Care		County:	Horry			
	Projected Avg Interest Rate:			F	inal Maturity:	7.00% (2051)		
3.	FINANCING (REFUNI	DED PORTIO	ON)						
	Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est, Yield of Refunding Bds	Est NPV Sv	gs. (\$)		
		oracorracs	\$			\$		((
			\$			s			
			\$			\$			
		1	\$			\$			
			\$			\$			
		Total	\$	******	******	\$		100	
4.	FINANCING WORKIN	G GROUP							
	Financial Advisor:			Disclosure Co	unsel:	Butler Snow			
	Bond Counsel:	Parker Poe		Issuer's Couns	el:	Nexsen Pruet			
	Underwriter:	BB&T Capita	l Markets	Other:					
	Other:				Other:				
5	FINANCING/PROJEC	r describ	TION						
J.	(Briefly, explain the financin			basis for these cost estim	ates. Use an attach	ment if needed))		
	CR Senior Living, LLC is	s a developer	and operator of assis	sted living and memor	v care facilities i	n South Carol	ina. The t	proposed	project
	is a 66 room, 80 bed assis								
	costs consist of constructi								
	These costs include but an								
,		E A DDD OVA	I DATEEC						
0.	FINANCING/PROJEC								
	Financing Appro	-	Notes:		ovals - Phase II (Sta		1	Notes:	_
	Issuer/Borrower Approval:	07/20/16	Inducement	Issuer/Borrow		00/00/00	+		_
	JBRC Approval:	00/00/00	Audiningtod	JBRC Approv		00/00/00	-		
	SFAA Approval:	09/20/16	Anticipated	SFAA Approv	at:	00/00/00			
7.	TAX AND ARBITRAG	E MATTERS	S & SPEND DOWN	N SCHEDULE			Yes	No	
	<u>a</u> . Is any portion of the project				a management		Yes		
	contract? (if yes, please attack				<u> </u>				
	b. Will any third-party payme	ents (from supp	ort organizations, priva	ate entities or the federal	government) related	1		No	
	to the facility, however indire								
	<u>c</u> . If yes to any of the above,	please provide a	square footage and co	st estimate of the portion	affected.	Sq. Footage -			,000
						Cost Estimate -		\$16,928,	500

G.

Est. Expenditures - Through 6 Months Est. Expenditures - Through 12 Months

Est. Expenditures - Through 18 Months

Est. Expenditures - Through 24 Months

Est. Expenditures - Through 36 Months

Est. Expenditures - Through 48 Months

- Estimated Expenditures: Thru FY:

\$ 5,775,000.00	5/15/2017	
\$ 5,775,000.00	11/15/2017	
\$ 5,775,000.00	5/15/2018	
\$ 5,775,000.00	11/15/2018	
\$	00/00/00	
\$	00/00/00	
\$ 23,100,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Es	t. Project Budget (Uses)	Uses	
1) Bond Proceeds: (a) Par	\$ 21,100,000.00	S	16,928,500.00	Project Fund	
(b) Premium/Accr. Int.	\$	\$	3,165,000.00	Capitalized Interest Fund	
2) Issuer/Borrower Contr.	\$ 2,000,000.00	\$	1,745,500.00	Debt Service Reserve Fund	
3) Debt Service Fund Trans.	\$	\$		Redemption Price/Escrow Deposit	
4) Debt Service Reserve	,	\$	1,256,000.00	Cost of Issuance (Incl. UW Disc.)	
Fund Contribution		\$		Accrued Interest	
5) Other (Specify)		\$	5,000.00	Additional Proceeds	
Type -	\$	\$		Other	
Residual Project Sources		\$		Other	
6) Other		\$		Other	
(a) GF -	\$	S		Other	
(a) FF -	\$	\$		Other	
(c) OF -	\$	\$		Other	
Total Project Sources	\$ 23,100,000.00	\$	23,100,000.00	Total Project Uses	
	Surplus/De	\$ - \ \			

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	(\$ ∆)
Financial Advisor				S	\$	\$
Bond Counsel	Parker Poe			\$ 100,000.00	\$	\$ 100,000.00
Disclosure Counsel	Butler Snow			\$ 75,000.00	\$	\$ 75,000.00
Issuer's Counsel	Nexsen Pruet			\$ 35,000.00	\$	\$ 35,000.00
Underwriter's Counsel	Butler Snow			\$ 100,000.00	\$	\$ 100,000.00
Trustee Counsel				\$ 5,500.00	\$	\$ 5,500.00
Borrower Counsel				\$ 15,000.00	S	\$ 15,000.00
				\$	S	\$
Rating Agency - S&P				\$	S	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 633,000.00	\$	\$ 633,000.00
Bank Appraisal	Jayroe Appraisal Co			\$ 6,000.00	S	\$ 6,000.00
Title Insurance				\$ 33,000.00	S	\$ 33,000.00
Recording Cost				\$ 4,000.00	\$	\$ 4,000.00
Feasability Consultant				\$ 80,000.00	\$	\$ 80,000.00
Trustee				\$ 5,500.00	S	\$ 5,500.00
Publishing				\$ 5,000.00	\$	\$ 5,000.00
Miscellaneous				\$ 74,000.00	S	\$ 74,000.00
Contingency				\$ 55,460.00	S	\$ 55,460.00
Issuer's Fee	SC JEDA / SC SHFDA			\$ 29,540.00	\$	\$ 29,540.00
·				5 1,256,000,00	5	\$ 1,256,000,00

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

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

0.00%	0.00%
0.47%	0.00%
1.57%	0.00%
0.00%	0.00%

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

3.00%	0.00%
1.39%	0.00%
5.95%	0.00%

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

BLUE AGENDA ITEM NUMBER ___/

AGENCY: Executive Director

<u>SUBJECT:</u> Economic Development (2016 Ceiling Allocations)

The initial balance of the 2016 state ceiling allocation is \$489,614,600. In accord with Code Section 1-11-520, \$195,845,840 (40% of the total) is designated as the state pool and \$293,768,760 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$462,614,600 remaining for 2016. Allocation requests for 2016 totaling \$79,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$52,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA, Clemson Heritage Project (Pickens County), \$13,000,000;

JEDA, Lakewood Senior Living (Spartanburg County), \$14,000,000; and

JEDA, River Park Senior Living (Horry County), \$25,000,000

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$410,614,600 (state pool - \$195,845,840; local pool - \$214,768,760) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

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

JEDA, Clemson Heritage Project (Pickens County), \$13,000,000;

JEDA, Lakewood Senior Living (Spartanburg County), \$14,000,000; and

JEDA, River Park Senior Living (Horry County), \$25,000,000

ATTACHMENTS:

2016 Ceiling Allocation Requests; Young 08/28/16 and 08/29/16 Memos; Code Section 1-11-500 et seq.

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Nikki R. Haley Governor

Robert M. Hitt III Secretary

MEMORANDUM

To:

Delbert Singleton

From: Daniel Young ADY

Date: August 28, 2016

Re:

September 20, 2016 meeting

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

After reviewing the information provided by the law firm of Parker Poe Adams Bernstein, LLP, the Department of Commerce recommends approval of Economic Development bonds at the September 20, 2016 meeting of the State Fiscal Accountability Authority for River Park Senior Living Center and Lakewood Senior Living Center..

Name	Amount	Score	County
River Park Senior Living	\$25,000,000	6	Но гг у
Lakewood Senior Living	\$14,000,000	2	Spartanburg

Please let me know if you have any questions.

Thank you.



Nikki R. Haley Governor

Robert M. Hitt III Secretary

MEMORANDUM

To:

Delbert Singleton

From: Daniel Young #P

Date: August 29, 2016

Re:

September 20, 2016 meeting

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

After reviewing the information provided by the law firm of The McNair Law Firm, PA, the Department of Commerce recommends approval of Economic Development bonds at the September 20, 2016 meeting of the State Fiscal Accountability Authority for the Clemson Heritage Project.

Name	Amount	Score	County
Clemson Heritage Project	\$13,000,000	2	Pickens

Please let me know if you have any questions.

Thank you.

2016 Ceiling Allocation Requests

	60	N	-	
08/16/16	08/16/16	2 08/16/16	06/29/16	Recd
JEDA	JEDA	JEDA	JEDA	Issuing Authority
River Park Senior Living	Lakewood Senior Living	Clemson Heritage Project	HarborChase of Riverwalk	
25,000,000	14,000,000	13,000,000	27,000,000	Request
79,000,000 €	54,000,000 Emily Luther	40,000,000 R	27,000,000 Emily Luther	Cumulative
nily Luther	nily Luther	on Faley	nily Luther	Bond Counsel
ĸ	×	×	×	Rec Alloc
Κ.	×	×	×	Request Alloc St.Law
THE RIVER	Spartanburg	Clemson	Rock Hill	V
				Location
				NOTES

2016 South Carolina State Ceiling Allocations

Allocation: 12/19/16 JEDA JEDA JEDA JEDA	Allocation: 08/23/16 JEDA	Summary, CY 2016 2016 State Ceiling Initial Allocations Expired/Relinquished Actual Allocations Certified for Issue Carried Forward
Allocation: 12/19/16 Expiration: 11/21/16 JEDA Clemson Heritage Project JEDA Lakewood Senior Living JEDA River Park Senior Living	Allocation: 08/23/16 Expiration: 11/21/16 JEDA HarborChase of Riverwalk	Name of Project
		489,614,600 79,000,000 0 79,000,000 0 0 0
13,000,000 14,000,000 25,000,000	27,000,000	Allocation
		Balance Available: Expired/ Relinquished
		Certified for Issue
		410,614,600 Issue
Foley Luther Luther	Luther	Attorney

2016 South Carolina State Ceiling Balance remaining as of September 20, 2016, if ceiling allocation granted

01/02/16	Date Allocated	Local Pool (60%) Total Local Pool (60%) Certified State Ceiling	State Pool (40%) Total State Pool (40%)
01/02/16 STATE POOL	Governmental Unit	Local Pool (60%) Total Local Pool (60%) Certifled State Ceiling 2016	0%) ool (40%)
	Name of Project		
195,845,840	Pool Total	293,768,760 293,768,760 489,614,600	195,845,840 195,845,840
	Amount Allocated		
	Balance Available		
	Certified for Issue		
	Issue Date		
	Attorney		

09/20/16	09/20/16	09/20/16	08/23/16	01/02/16	
JEDA	JEDA	JEDA	JEDA	LOCAL POOL	TOTAL, STATE POOL
River Park Senior Living	Lakewood Senior Living	Clemson Heritage Project	HarborChase of Riverwalk		
				293,768,760	195,845,840
25,000,000	14,000,000	13,000,000	27,000,000		0
					195,845,840
					0
Luther	Luther	Foley	Luther		

GRAND TOTAL	TOTAL, LOCAL POOL
489,614,600	293,768,760
79,000,000	79,000,000
410,614,600	214,768,760
0	0

REGULAR SESSI	ON
ITEM NUMBER	

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Project for A&E Design

(a) <u>Summary 2-2017</u>: JBRC Item 1. Clemson University

Project: 9925, Clemson House Demolition

CHE Approval: 08/02/16 JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance and Stewardship Funds	0.00	0.00	0.00	95,000.00	95,000.00
All Sources	0.00	<u>0.00</u>	0.00	95,000.00	95,000.00

Funding Source: \$95,000 Other, Maintenance and Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Establish project and budget for \$95,000 (Other, Maintenance and Stewardship

Funds) to begin design work for the demolition of the Clemson House located adjacent to the Douthit Hills Student Community Construction at Clemson University. The 135,000 square foot building was constructed in 1950 and has been the most expensive housing facility to operate. It is no longer in use by University Housing and Dining. The Phase I pre-design budget is requested at 2.50% of the estimated project cost and the additional amount will allow the University to procure the services of professionals to do additional environmental investigation of hazardous materials and investigations of demolition procedures needed for the building's demolition. The Clemson House does not have "good bones" worthy of reinvestment or renovation. Originally constructed as a hotel, the quality of construction and materials used are not institutional quality. Renovation of the building would require replacing the building's exterior skin, a complete seismic retrofit, and

removing the slab to create more space, resulting in only 50% space utilization. The cost to renovate the facility for use as classroom, meeting, and office or

REGULAR SESSI	ION
ITEM NUMBER _	

AGENCY:	Department of Administration, Executive Budget Office	
SUBJECT:	Permanent Improvement Projects	

conference space would exceed the cost to construct a new building on the site. The existing facility is located on a prominent site on campus which merits a building of approximately 200,000 square feet. Renovating the existing building would result in inefficient space and leave prime University land underutilized. After demolition the Clemson House site will be developed as green space with some parking. With Douthit Hills opening in 2018 and the Business School opening in 2019, both immediately adjacent to the Clemson House site, the additional area will be put to good use. The agency estimates that the completed project will cost approximately \$3,800,000. (See attachment 1 for additional annual operating cost savings.)

(b) <u>Summary 2-2017</u>: JBRC Item 2. Clemson University Project: 9931, IPTAY Center Expansion/Renovation

CHE Approval: 08/02/16 JBRC Approval: 09/13/16

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

Funding Source: \$250,000 Other, Athletic Private Gifts, which are contributions received from individuals, corporations, and other entities that are to be expended for their restricted purposes.

Request: Establish project and budget for \$250,000 (Other, Athletic Private Gift funds) to begin design work for the renovation and expansion of facilities for IPTAY at Memorial Stadium. The IPTAY Center at Memorial Stadium is approximately 14,000 square feet and approximately 28 years old. The Phase I pre-design budget is requested at 2.50% of the estimated project cost and the additional amount will provide the pre-construction services of a Construction Manager-at-Risk during the pre-design phase of the project and will provide for additional geotechnical investigations and surveys of the site. The current IPTAY space is not sufficient to house the increased and growing development staff, and has not had any major renovations since constructed in the late

AGENCY:	Department	of Administration,	Executive	Budget	Office
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SUBJECT: Permanent Improvement Projects

1980's. The space will be expanded to include office space for staff working with major gifts, annual fund, gifts and estate planning, stewardship and ticketing, and will also include support spaces. The existing facilities will be updated to improve interior finishes and functionality to enhance the overall fundraising capabilities of IPTAY. In addition, the work will include the creation of premium seating areas adjacent to and accessible from Memorial Stadium for utilization on football game days that will allow for new revenue generation. Currently, all premium spaces in the stadium are sold out with wait lists. The total square footage of the building to be renovated and expanded is 21,500 square feet. Of that, approximately 14,000 square feet is used for the IPTAY Center. The expansion for IPTAY will be approximately 9,500 square feet. Minor renovations to the remaining 7,500 square feet will be necessary to expand and renovate the IPTAY Center. The renovated space will house 20 fulltime IPTAY staff along with dozens of part-time and student workers. Additionally, up to 510 high level IPTAY members will be able to use the space for football game day functions, as meeting space throughout the year, and for other related events. The agency estimates that the completed project will cost approximately \$10,000,000. (See attachment 2 for additional annual operating costs.)

(c) <u>Summary 2-2017</u>: JBRC Item 3. Clemson University

Project: 9932, Tennis Center Construction

CHE Approval: 08/04/16 JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Athletic Improvement Funds	0.00	0.00	0.00	312,500.00	312,500.00
All Sources	0.00	0.00	0.00	312,500.00	312,500.00

Funding Source: \$312,500 Other, Athletic Improvement Funds, which are from bond covenant-required transfers from Athletic Operations to allow for the maintenance and replacement of athletic facilities.

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AGENCY:	Department of Administration, Executive Budget Office	

SUBJECT: Permanent Improvement Projects

Establish project and budget for \$312,500 (Other, Athletic Improvement Funds) to begin design work for the construction of a new stateof-the-art tennis center for the men's and women's varsity tennis teams. The existing tennis center and indoor practice facilities were constructed between 1987 and 1993 and are not sufficient for today's needs. The Phase I pre-design budget is requested at 2.50% of the estimated project cost and the additional amount will provide the pre-construction services of a Construction Managerat-Risk during the pre-design phase of the project and will provide for additional geotechnical investigations, surveys of the site, and the required LEED cost benefit analysis. The new center will retain and continue to utilize existing tennis facilities, including outdoor competition courts and a 700 seat permanent stadium. The new approximately 48,000 square foot tennis center will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, two new outdoor courts, and related site work. The existing indoor facility lacks two needed courts for practice and competition in inclement weather. There is currently no designated tennis parking or suitable vehicular or disabled access to the site, which is located along Highway 93. Existing office and support facilities are too small for today's needs. The new facilities will enhance recruiting efforts, improve student athlete playing experiences, improve opportunities for NCAA regionals and other championships, and provide for better pedestrian circulation and vehicular access. The primary users of the new facilities will remain the NCAA varsity men's and women's tennis programs. Each program has approximately three coaches, three support staff members and ten student athletes, totaling approximately 32 individuals who will use the facility. Additionally and as available, Clemson Campus Recreation will host intramurals, club team, and other recreation activities at

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ITEM NUMBER __/__, Page 5

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

the facility, as well as community-centered events such as summer tennis camps and City of Clemson sponsored tennis tournaments. Further, Clemson anticipates a total of 5,000 spectators per year for men's and women's tennis matches will also use the facilities. Renovating the existing indoor court building was considered but demolishing it and constructing a new facility was determined to be a more feasible alternative due to siting, ventilation, seismic and other issues. The construction portion of the project is planned to be funded by the issuance of Athletic Facilities Revenue Bonds that will be serviced fully with private donations. The agency estimates that the completed project will cost approximately \$12,500,000. (See attachment 3 for additional annual operating costs.)

(d) <u>Summary 2-2017</u>: JBRC Item 6. Department of Corrections Project: 9731, Deferred Maintenance and Renovations

CHE Approval: N/A JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Carry-Forward FY 2016	0.00	0.00	0.00	49,800.00	49,800.00
All Sources	0.00	0.00	<u>0.00</u>	<u>49,800.00</u>	49,800.00

Funding Source: \$49,800 Appropriated State, Carry-Forward FY15-16.

Request: Establish project and budget for \$49,800 (Appropriated State, Carry-Forward FY 2016) to begin design work for the most critical maintenance repairs, renovations, and system and equipment replacement for the Agency's 26 institutions and support service buildings located statewide which is more than 6.5 million square feet of building space. The Division of Facilities Management performs a yearly detailed assessment report of the Agency's facilities to determine the physical defects that must be corrected to maintain the buildings operationally. None of the building deficiencies are merely due to the failure to maintain the systems, equipment or structures. The project will address life cycle replacement issues for fire/life safety, accessibility, energy

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AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

conservation, HVAC and electrical/electronic and environmental health, including asbestos and indoor air quality. The buildings age range from 25 years to over 45 years with an average of 173,076 square feet. The specific systems to be replaced in this project include the following: 1) Evans Correctional Institution Chiller # 2 (Central Energy Plant), for \$360,000. 2) Camille Graham Correctional Institution Fire Alarm System (less the Dana Dorm) for \$750,000. 3) Broad River Correctional Institution Underground emergency power cabling system for \$300,000. 4) MacDougall Correctional Institution Chiller for Kitchen/Dining Building for \$250,000. 5) Lieber Correctional Institution Cooling Tower Central Energy Plant) for \$375,000. 6) Evans Correctional Institution Cooling Tower (Central Energy Plant) for \$375,000. 7) Trenton Correctional Institution Chillers (total of six) for \$910,000. The agency estimates that the completed project will cost approximately \$3,320,000.

(e) <u>Summary 2-2017</u>: JBRC Item 7. Department of Corrections Project: 9732, Cell Phone Interdiction System

CHE Approval: N/A JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, FY 2017, Proviso 65.25	0.00	0.00	0.00	20,490.00	20,490.00
All Sources	<u>0.00</u>	0.00	0.00	20,490.00	20,490.00

Funding Source: \$20,490 Other, FY16-17 Proviso 65.25 which grants the right to add a surcharge to all inmate pay phone calls to offset the cost of equipment and operations of cell phone interdiction measures.

Request: Establish project and budget for \$20,490 (Other, FY 2017, Proviso 65.25 funds) to begin design work to furnish and install a Cell Phone Interdiction System (CPIS) at Broad River (BRCI), Lieber (LCI) and McCormick (MCI) Correctional Institutions. The buildings range in age from 23 year to 30 years. The square footage and users of the facilities affected are as follows: 19,185 sq. ft. @ BRCI with 59 inmates and approximately 20 staff, 46,114 sq. ft. @ Lee with 307 inmates and approximately 20 staff, 47,328 sq. ft. @ LCI with 295

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AGENCY:	Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

inmates and approximately 20 staff and 16,948 sq. ft. @ MCI with 76 inmates and approximately 20 staff. The CPIS will be installed in the (1) Restrictive Housing Unit (RHU) at BRCI, in two (2) RHU's at Lee, in the one (1) RHU and in one the (1) Death Row unit at LCI, and in the one (1) RUHU at MCI. The system will provide real-time coverage to detect the use of unauthorized cell phones anywhere within the specified housing units and will enable facility personnel to locate the contraband cellular phone(s) being utilized by the inmate(s). The CPIS is self-monitoring and customizable to each correctional institution's housing unit. The ability to customize the interdiction system within the individual housing units will enable the system to detect multiple cellular devices by minimizing spillover from the range of one cellular device into the range of another cellular device within the housing unit(s). In addition, the system can be configured for instantaneous notification and automatic reporting of system activity to authorized SCDC personnel. The agency estimates that the completed project will cost approximately \$1,366,000. (See attachment 4 for additional annual operating costs.)

Establish Construction Budget

(f) <u>Summary 2-2017</u>: JBRC Item 9. Medical University of South Carolina Project: 9834, Psych Institute Chiller #1 Replacement

CHE Approval: Pending CHE Board approval on 09/01/16

JBRC Approval: 08/02/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Institution Deferred Maintenance	23,250.00	0.00	23,250.00	1,576,750.00	1,600,000.00
All Sources	23,250.00	0.00	23,250.00	1,576,750.00	1,600,000.00

Funding Source: \$1,600,000 Other, Institution Deferred Maintenance, which are operational funds earmarked on an annual basis to address deferred maintenance needs.

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ITEM NUMBER	, Page 8

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$1,600,000 (add \$1,576,750 Other, Institution Deferred Maintenance Funds) to begin final design and construction to replace chiller # 1 at the Psychiatric Institute Building. This project was established in June 2016 for Phase I, which is now complete. The existing chiller is original to the building making it 39 years old. It is beyond its useful life, undersized, and needs replacement. The existing 250 ton chiller will be replaced with a 350 ton chiller. Existing pumps and cooling tower will also be upgraded to match the new chiller capacity. The facility is 62,300 gross square feet and houses 25 faculty/doctors, 50 staff, 30 students, and approximately 75 patients per day. When brought for Phase I, the total projected cost of the project was \$1,550,000. The agency reports, with the addition of \$50,000 in design cost erroneously excluded from Phase I, the total projected cost of this project is \$1,600,000 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 March 2017 and for completion of construction is

(g) <u>Summary 2-2017</u>: JBRC Item 10. State Board for Technical and Comprehensive Education

Project: 6124, Greenville - Demolition of Building 602

CHE Approval: 07/26/16 JBRC Approval: 09/13/16

December 2017.

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Local	39,900.00	0.00	39,900.00	1,340,739.00	1,380,639.00
All Sources	39,900.00	0.00	39,900.00	1,340,739.00	1,380,639.00

Funding Source: \$1,380,639 Other, Local Funds, which are funds primarily from

Greenville County appropriations that are accumulated over time and

ultimately used for capital projects.

Request: Increase budget to \$1,380,639 (add \$1,340,739 Other Local funds) to begin solicitation and construction work for abatement, demolition, and mall exterior

renovations. This project was established in June 2016 for Phase I, which is

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SUBJECT: Permanent Improvement Projects

now complete. The 137,000 square foot building is 43 years old. Renovation and restoration to current building code and sustainability certification (Green Globes or LEEDS) is estimated to cost in excess of eight million dollars. Structural deterioration of the roof is leading to water penetration resulting in mold growth inside the building. Asbestos-containing material throughout the building will require abatement prior to demolition. The project will include asbestos abatement, structural demolition, mall façade restoration concept, and re-routing HVAC chilled water lines supplying tenant spaces on Bldg. 602 side of McAlister Square. When brought for Phase I, the total projected cost of the project was \$1,330,000. The agency reports, with the addition of the cost for the restoration of the mall rear entrance and relocation of a chill water line, the total projected cost of this project is \$1,380,639 with annual operating savings of \$6,707 in years 1 through 3. The agency also reports the projected date for execution of the construction contract is September 2016 and for completion of construction is April 2017. (See attachment 5 for additional annual operating costs savings.)

(h) <u>Summary 2-2017</u>: JBRC Item 11. State Board for Technical and Comprehensive

Education

Project: 6125, Tri-County - Industrial Technology Center Renovation

CHE Approval: 08/04/16 JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Capital Reserve Fund	0.00	0.00	0.00	1,000,000.00	1,000,000.00
Other, TCTC Cumulative Maintenance Funds	0.00	0.00	0.00	800,000.00	800,000.00
All Sources	0.00	<u>0.00</u>	<u>0.00</u>	1,800,000.00	1,800,000.00

Funding Source: \$1,000,000 Capital Reserve Fund. \$800,000 Other, TCTC Cumulative

Maintenance Funds, which are plant funds from unrestricted net assets.

Request: Establish budget and project for \$1,800,000 (Capital Reserve and Other, TCTC Cumulative Maintenance Funds) to begin the design and renovation of the

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AGENCY:	Department of	Administration,	Executive	Budget Office	

SUBJECT: Permanent Improvement Projects

Industrial Technology Center (ITC) and Engineering & Industrial Technology (EIT) areas at the Pendleton Campus for industrial technology programs. The project is being requested bypassing Phase I because a portion of the funding is legislatively authorized through FY15-16 Capital Reserve Funds. The facilities are approximately 25 years old and are designed to accommodate 534 individuals. EIT programs are currently housed at both Pendleton Campus and the ITC facility in Sandy Springs. The ITC has approximately 7,500 square foot of space reserved for future expansion. This project is to up fit this space to cost-effectively achieve optimal utilization and allow their industrial-focused programs to be centrally located at the ITC. Project goals include: 1) Develop a "showcase" CNC (Computer Numerical Controls) area to promote the program and the College. 2) Consolidate CNC Programming and Operations and relocate from Pendleton Campus to the ITC. 3) Move HVAC from the ITC to occupy vacated space in Cleveland Hall on the Pendleton Campus. 4) Relocate Welding Technology's grinding and fabrication areas to the vacated HVAC area. 5) Re-purpose vacated space in Cleveland and Wilson Halls on the Pendleton Campus for GET, Automotive Technology, Mechatronics, and Engineering transfer classes. The College's programs in CNC Machining and Mechatronics are growing rapidly. In addition to being able to meet student demand, employers are also asking the College to provide training for their employees which cannot currently be accommodated in existing space. The Industrial Technology Center is designed to mimic a real-world manufacturing environment which best serves the growth of these critical programs in available space at relatively low cost. The agency reports the total projected cost of this project is \$1,800,000 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 September 2016 and for completion of construction is November 2017.

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AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(i) Summary 2-2017: JBRC Item 16. Department of Transportation Project: 9732, SHEP Greenville/Spartanburg Office Phase II

> CHE Approval: N/A JBRC Approval: 09/13/16

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Capital Reserve Fund	0.00	0.00	0.00	20,000.00	20,000.00
Federal	12,000.00	0.00	12,000.00	852,000.00	864,000.00
Other, State Highway Fund	3,000.00	0.00	3,000.00	193,000.00	196,000.00
All Sources	15,000.00	0.00	15,000.00	1,065,000.00	1,080,000.00

Funding Source: \$20,000 Capital Reserve Fund, \$864,000 Federal, Highway Fund, which are funds derived from the federal motor fuel user fee, \$196,000 Other, State Highway Funds, which are funds derived from the state motor fuel user fee.

Request: Increase budget to \$1,080,000 (add \$1,065,000 Capital Reserve, Federal and Other, State Highway) to begin construction of a 2,950 square foot office to house the State Highway Emergency Program (SHEP) employees located in the Greenville/Spartanburg area. The project was established in June 2015 for Phase I, which is now complete. The scope of work includes the construction of an office to house 16 SHEP employees, their personal vehicles, and secure parking for the SHEP vehicles. The employees must physically report to an office to receive instructions/briefing, gather materials, etc. to prepare for their shift patrolling the interstates in the area. The purpose of the SHEP program is to assist motorists whose vehicles are experiencing mechanical problems and to provide support and assistance to emergency response teams during incidents. The building will be constructed on the same site as the Upstate Salt Storage Structure at exit 58 on Interstate I-85 at the Greenville/Spartanburg County line. The staff are presently located in a 360 square foot construction trailer located at a closed rest area. The trailer is 17 years old, in poor condition, and is too small to accommodate the SHEP shift employees. The trailer and location were intended to be temporary at the time the program was

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AGENCY:	Department of Administration, Executive Budget Office	
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implemented (in 1996) in the Greenville/Spartanburg area. Since the facility is remote from the Greenville Traffic Management Center and view of the roadway is imperative at times, a backup viewing room was added to the facility/project to provide access to video of the interstates. This allows strategic deployment of the SHEP vehicles; however, this added space to the building. When brought for Phase I, the total projected cost of the project was \$750,000. The agency reports, with the addition of the backup viewing room, the total projected cost of this project is \$1,080,000 with additional operating costs of \$3,000 in year 1, \$6,000 in year 2 and \$6,200 in year 3. The agency also reports the projected date for execution of the construction contract is February 2017 and for completion of construction is December 2017. (See attachment 7 for additional annual operating costs.)

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

		X SAVINGS		HANGE
		IONAL OPERATIN rojected Financing S	G COSTS/ <u>SAVINGS</u> ources	
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-18	\$	\$	\$936,000.00	\$936,000.00
2) 2018-19	\$	\$	\$954,720.00	\$954,720.00
3) 2019-20	\$	\$	\$973,814.00	\$973,814.00
Vill the additional co	n demolition will be in F osts be absorbed into yo ional funds be provided?	Housing Operating Function of the control of the co	unds.	YES NO
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ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

PROJECT 993	Name IPI	'AY Center Expansio	n/Renovation	
ADDITIONAL AND	NUAL OPERATING CO	OSTS/SAVINGS. (C	Check whether reportin	ng costs or savings,)
xx	COSTS	SAVINGS	□ NO C	HANGE
		IONAL OPERATIN rojected Financing S	G COSTS/SAVINGS ources	The state of the s
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018-19	\$	\$	\$91,000.00	\$91,000.00
2) 2019-20	\$	\$	\$92,820.00	\$92,820.00
3) 2020-21	\$	\$	\$94,676.00	\$94,676.00
f no, how will additi	evenues osts be absorbed into yo onal funds be provided; st factors that contribute	?	XX savings reported abov	YES NO
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ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1.	AGENCY Code H12	Name Cle	mson University			
2.	PROJECT 0932	Name Ten	nis Center Construction	on		
3.	ADDITIONAL ANN	UAL OPERATING CO	OSTS/SAVINGS. (C	heck whether reporting	ng costs or savings.)	
4.	xx C	COSTS	SAVINGS	No ci	HANGE	
17.40			IONAL OPERATING			
	(1)	(2)	(3)	(4)	(5)	
	Fiscal Year	General Funds	Federal	Other	Total	
	1) 2017-18	\$	\$	\$36,000.00	\$36,000.00	
	2) 2018-19	\$	\$	\$36,720.00	\$36,720.00	
	3) 2019-20	\$	\$	\$37,454.00	\$37,454.00	
7×		t factors that contribut			e in Column 5 for the first	
		COST FACTORS				
	1. Utilities	(a) (b)			26,000.00 10,000.00	
	4				10,000.00	
			TOTAL		\$36,000.00	
8.	If personal services corequired or positions		orted in 7 above, pleas	e indicate the numbe	r of additional positions	
9.	Submitted By:	1 JWN 1	C GOOD	102	7/12/16	_
		Signature of	Authorized Official ar	id little	Date	

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

PROJECT 973	A Name Cell	Phone Interdiction Sy	ystem		
ADDITIONAL ANN	UAL OPERATING C	OSTS / SAVINGS. (Check whether repor	ting costs or	savings.)
× Co	OSTS	SAVINGS	☐ NO C	HANGE	
		ONAL OPERATING rojected Financing So	COSTS / SAVINGS	3	
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Fiscal Year	General Funds	Federal	Other		Total
1)	\$	\$	\$	\$	0.00
2)	\$	\$	\$	\$	0.00
3)	\$	\$	\$	\$	0.00
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ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

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	COSTS	× SAVINGS	NO C	HANGE
	TOTAL ADDI	TIONAL OPERATING Projected Financing Sc		3
(1)	(2)	(3)	(4)	(5)
Fiscal Year		2.0	Other	Total
1) 16-17	\$ 6,707.00	\$	\$	\$ 6,707.00
2) 17-18	\$ 6,707.00	\$	\$	\$ 6,707.00
3) 18-19	\$ 6,707.00	\$	\$	\$ 6,707.00
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ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

ADDITION	9748 nal annu	Name SVP	OSTS / SAVINGS. (Check whether report	ting costs or savings.)
	× cos	STS	SAVINGS	NO C	HANGE
	Vij		ONAL OPERATING ojected Financing Sc	COSTS / SAVINGS ources	5
	1)	(2)	(3)	(4)	(5)
Fisca	l Year	General Funds	Federal	Other	Total
1) 2	018	\$ 3,900,000.00	\$	\$	\$ 3,900,000.00
0)	019	\$ 4,300,000.00	\$	\$	\$ 4,300,000.00
	020	\$ 5,400,000.00	\$	\$	\$ 5,400,000.00
Will the add If no, how we State appro	ditional cost will additior priations.	s be absorbed into you	ur existing budget? ?	2	YES NO
Will the add If no, how we State appro	ditional cost will additior priations.	s be absorbed into you hal funds be provided?	ur existing budget? ?	savings reported abov	YES NO
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Will the add If no, how we state approximately	ditional cost will addition priations. The cost of th	is be absorbed into you nat funds be provided? factors that contribute COST FACTORS	ur existing budget? ? e to the total costs or s	savings reported abov	YES NO Ye in Column 5 for the first AMOUNT \$2,700,000.00 1,200,000.00
Will the add If no, how we state appropriate the fiscal year. 1. Debt 2. Increase 3. Increase 1.	ditional cost will addition priations. ow the cost Service ased Operations	ss be absorbed into you nat funds be provided? factors that contribute COST FACTORS	ur existing budget? to the total costs or second costs or second costs or second costs.	savings reported abov	YES NO We in Column 5 for the first AMOUNT \$2,700,000.00
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ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

			. (Check v	whether reportin	g costs (or savings.)
	COSTS	SAVINGS		NO CHA	NGE	
	TOTAL AD	DITIONAL OPERATI Projected Financing		S / SAVINGS		
(1)	(2)	(3)		(4)		(5)
Fiscal Ye	ar General Fur	nds Federal		Other		Total
1) 2018-20	19 \$	\$	\$	3,000.00	\$	3,000.00
2) 2019-20	20 \$	\$	\$	6,000.00	\$	6,000.00
3) 2020-20	21 \$	\$	\$	6,200.00	\$	6,200.00
scal year.	COST E A CTC	AD C		4 %	AOI INIT	
		78.3		Au		
•				-	\$3,0	00,000
			_			
			-1			
temize below t iscal year. Additiona	additional funds be provide cost factors that cont COST FACTO 1 Utility Costs	ribute to the total costs	or savings		<u> 10UNT</u>	

Permanent Improvement Project Information for September 20, 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
H12-9925	Clemson University - Clemson House Demolition	N/A	N/A	\$95,000	N/A	Yes	\$3,800,000
H12-9931	Clemson University - IPTAY Center Expansion/Renovation	N/A	N/A	\$250,000	A/N	Yes	\$10,000,000
H12-9932	Clemson University - Tennis Center Construction	N/A	N/A	\$312,500	Ϋ́Z	Yes	\$12,500,000
N04-9731	Department of Corrections - Deferred Maintenance and Renovations	N/A	N/A	\$49,800	N/A	Yes	\$3,320,000
N04-9732	Department of Corrections - Cell Phone Interdiction System	N/A	N/A	\$20,490	A/Z	o Z	\$1,366,000
H51-9834	Medical University of South Carolina - Psych Institute Chiller # 1 Replacement	\$23,250	6/26/16	\$23,250	6/26/16	o N	\$1,600,000
H59-6124	Greenville Technical College - Demolition of Bldg. 602	\$39,900	6/26/16	\$39,900	6/26/16	Yes	\$1,380,639
H59-6125	Tri-County Technical College - Industrial Technology Center Renovation	N/A	N/A	\$1,800,000	N/A	Yes	\$1,800,000
J12-9748	Department of Mental Health - SVP Program Renovation and New Construction of a 250 Bed Capacity Facility	N/A	N/A	\$41,461,921	N/A	o Z	\$41,461,921
U12-9732	Department of Transportation - SHEP Greenville/Spartanburg Office Phase 2	\$15,000	6/16/15	\$15,000	6/16/15	Yes	\$1,080,000

Additional Information on Funding Sources for Higher Education Permanent Improvement Projects

Item (a) - Clemson University - Clemson House Demolition

The source of funds for pre-design is Other, Maintenance and Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

The source of funds for construction is anticipated to be Other, Maintenance and Stewardship Funds and Housing Improvement Funds.

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

Item (b) - Clemson University - IPTAY Center Expansion/Renovation

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

The source of funds for construction is anticipated to be Other, Athletic Private Gifts.

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

Item (c) - Clemson University- Tennis Center Construction

The source of funds for pre-design is Other, Athletic Improvement Funds, which are from bond covenant-required transfers from Athletic Operations to allow for the maintenance and replacement of athletic facilities.

The source of funds for construction is anticipated to be Other, Athletic Facilities Revenue Bonds.

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

Item (f) - Medical University of South Carolina - Psych Institute Chiller #1 Replacement

The source of funds for construction is Other, Institution Deferred Maintenance, which are operational funds earmarked on an annual basis to address deferred maintenance needs.

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

Item (g) – Greenville Tech - Demolition of Building 602

The source of funds for construction is Other, Local Funds, which are funds primarily from Greenville County appropriations that are accumulated over time and ultimately used for capital projects.

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

Item (h) - Tri-County Tech - Industrial Technology Center Renovation

The source of funds for construction is Capital Reserve Fund and Other, TCTC Cumulative Maintenance Funds, which are plant funds from unrestricted net assets.

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

REGULAR SESSION
ITEM NUMBER ________

AGENCY: Department of Administration, Real Property Services

SUBJECT: Office of the Adjutant General Lease-out to South Carolina Electric & Gas Company (SCE&G) at 5 National Guard Road in Columbia

The Office of the Adjutant General has leased 37,409 SF of office and garage space in the building formerly known as the Combined Support Maintenance Shop, along with the surrounding grounds, located at 5 National Guard Road in Columbia to SCE&G since 1999 for use as a vehicle maintenance shop. The current lease term, which was approved by the Budget and Control Board at its December 15, 2011, meeting, expires on November 30, 2018. SCE&G had planned to complete construction of a new vehicle maintenance facility by the end of the lease term but has experienced construction funding shortfalls. As such, the Office of the Adjutant General is requesting approval to amend the lease to provide for two additional two year renewal options.

The first optional renewal term would begin on December 1, 2018, and end on November 30, 2020, at a rate of \$5.05/SF, which represents a three (3) percent increase over the prior term. The term for the second optional renewal would begin on December 1, 2020 and end on November 30, 2022 at a rate of \$5.20/SF as shown in the table below:

TERM	ANNUAL RENT ROUNDED	MONTHLY RENT ROUNDED	RENT PER SF ROUNDED
YEAR 1 – First Renewal	\$ 188,915.45	\$ 15,742.95	\$ 5.05
YEAR 2 – First Renewal	\$ 188,915.45	\$ 15,742.95	\$ 5.05
YEAR 1 – Second Renewal	\$ 194,526.80	\$ 16,210.57	\$ 5.20
YEAR 2 – Second Renewal	\$ 194,526.80	\$ 16,210.57	\$ 5.20
TOTAL	\$766,884.50		

SCE&G is responsible for all maintenance and operating costs. Additionally, in 2011 SCE&G contributed \$200,000 towards a roof replacement for the facility. SCE&G employees are not permitted to use any parking spaces inside of the fenced area for football games. The spaces inside the fenced area are rented out through the TAG Employees Association pursuant to Proviso 100.4 of the FY 2016-2017 General Appropriations Act. The Office of the Adjutant General does not control any parking spaces on National Guard Road.

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF September 20, 2016

ITEM NUMBER _______, Page 2

Department of Administration, Real Property Services AGENCY:

Office of the Adjutant General Lease-out to South Carolina Electric & Gas SUBJECT:

Company (SCE&G) at 5 National Guard Road in Columbia

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

Location	Tenant	Rent Rate/SF
1601 Shop Road	Vacant	\$4.50
1080 Shop Road	Vacant	\$4.98
2840 Shop Road	Vacant	\$5.50

The funds generated by this lease are used by the South Carolina Military Department to fund maintenance and repair on the South Carolina Army National Guard's Readiness Centers throughout the state. The lease was approved by JBRC on September 13, 2016.

AUTHORITY ACTION REQUESTED:

Approve the proposed lease-out from the Office of the Adjutant General to SCE&G at 5 National Guard Road in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the Office of the Adjutant General dated March 23, 2016; SC Code of Laws Section 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 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 Adjutant General Lease-out to South Carolina Electric & Gas Company (SCE&G) at 5 National Guard Road in Columbia

3. Summary Background Information:

The Office of the Adjutant General has leased 37,409 SF of office and garage space in the building formerly known as the Combined Support Maintenance Shop, along with the surrounding grounds, located at 5 National Guard Road in Columbia to SCE&G since 1999 for use as a vehicle maintenance shop. The current lease term, which was approved by the Budget and Control Board at its December 15, 2011 meeting, expires on November 30, 2018. SCE&G had planned to complete construction of a new vehicle maintenance facility by the end of the lease term but has experienced construction funding shortfalls. As such, the Office of the Adjutant General is requesting approval to amend the lease to provide for two additional two year renewal options.

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YEAR 1 – Second Renewal	\$ 194,526.80	\$ 16,210.57	\$ 5.20
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TOTAL	\$766,884.50		

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Proviso 100.4 of the FY 2016-2017 General Appropriations Act. The Office of the Adjutant General does not control any parking spaces on National Guard Road.

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

Location	Tenant	Rent Rate/SF
1601 Shop Road	Vacant	\$4.50
1080 Shop Road	Vacant	\$4.98
2840 Shop Road	Vacant	\$5.50

The funds generated by this lease are used by the South Carolina Military Department to fund maintenance and repair on the South Carolina Army National Guard's Readiness Centers throughout the state. The lease was approved by JBRC on September 13, 2016.

- **4. What is the Authority asked to do?** Approve the proposed lease-out from the Office of the Adjutant General to SCE&G.
- 5. What is recommendation of the Department of Administration? Approve the proposed lease-out from the Office of the Adjutant General to SCE&G.
- 6. List of Supporting Documents:
 - Letter from the Office of the Adjutant General dated March 23, 2016
 - SC Code of Laws Section 1-11-55 and 1-11-56

The State of South Carolina Military Bepartment



Office of the Adjutant General

ROBERT E. LIVINGSTON, JR.
MAJOR GENERAL
THE ADJUTANT GENERAL

I NATIONAL GUARD ROAD COLUMBIA, S.C. 29201-4766

March 23, 2016

R. VAN MCCARTY
BRIGADIER GENERAL
DEPUTY ADJUTANT GENERAL

Mr. Scott Capell
Director of Real Property Services
Facilities Management & Construction Planning
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

Mr. Capell:

In 2007, the State Budget and Control Board approved the lease-out of a two story maintenance facility located on the T. Eston Marchant National Guard Complex to the South Carolina Electric & Gas Company (SCE&G) for the operation of a vehicle maintenance shop. The initial term of this lease was for three years with the option to extend the term for an additional two (2) year terms. At the time, SCE&G had planned to construct a new maintenance facility by the end of the terms of the lease. However, the company was unable to meet its construction timeline and requested that the lease be renewed for an additional two (2) years with the option to extend the term of the lease for up to two (2) consecutive periods of two years.

The Adjutant General fully supported SCE&G's request and requested permission to amend the lease. The State Budget and Control Board approved the amendment of the original lease and the additional terms in December 2011. SCE&G has exercised its renewal terms and the term of the amended lease terminates in November 2018. Due to construction funding shortfalls, SCE&G recently notified the Military Department that they will be unable to meet their construction timeline for constructing a new maintenance facility and have requested consideration for two additional two year renewal options.

The Military Department of the State of South Carolina fully supports extending the lease for two additional two year renewal options. The funds generated by this lease are used by the Military Department to fund maintenance and repair on the South Carolina Army National Guard's Readiness Centers throughout the state.

Request Real Property Services seek State Fiscal Accountability Authority (SFAA) approval of this lease amendment. Based on the benefits, the Military Department believes approval of this request to be in its best interest and to be in the best interest of the State of South Carolina.

Should you desire additional information, please contact the undersigned or MSG Robert M. Hicks at (803) 299-4304/4150.

Sincerely,

Andrew W. Batten Colonel, SCARNG

Construction & Facilities Management Officer

andrew W. Fate_

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"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

- (A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:
- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
- (a) a nonappropriation for the renting agency:
- (b) a dissolution of the agency; and

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

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

Effect of Amendment

2014 Act No. 121, Section 7.8, 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: 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:

TERM	ANNUAL RENT ROUNDED	MONTHLY RENT ROUNDED	RENT PER SF ROUNDED
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 9Office	\$ 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		

MEETING OF September 20, 2016

ITEM NUMBER 3, Page 2

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	\$16.25
	Commission	
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:

Consider approval of 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: September 20, 2016

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

Ashlie Lancaster Real Property Services

Colle

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.

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:

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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

TOTAL	\$2,332,576.00		
YEAR 10 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
YEAR 10 - Office	\$ 244,217.00	\$ 20,351.42	\$ 20.02
YEAR 9 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
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YEAR 8 - Storage	\$ 10,000.00	\$ 833.33	\$ 10.00
YEAR 8 - Office	\$ 234,734.00	\$ 19,561.17	\$ 19.24
YEAR 7 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50
YEAR 7 - Office	\$ 230,131.00	\$ 19,177.58	\$ 18.86
YEAR 6 - Storage	\$ 9,500.00	\$ 791.67	\$ 9.50

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.

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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.

- **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



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,

George L. Kennedy, III, CPA

George & Kennedy, II

State Auditor

GLKIII/trb

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)

<u>Pros</u>

- 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

<u>Pros</u>

- 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

<u>Pros</u>

- 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

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)

<u>Pros</u>

- 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

- 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

<u>Pros</u>

None

Cons

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

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

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"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

- (A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:
- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
- (a) a nonappropriation for the renting agency;
- (b) a dissolution of the agency; and

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

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

Effect of Amendment

2014 Act No. 121, Section 7.8, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C).

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

REGULAR SESSION
ITEM NUMBER 4

AGENCY: State Fiscal Accountability Authority

SUBJECT: Not Exceeding \$45,000,000 Lease Revenue Bonds (Department of Mental Health Project), Series 2016 of the South Carolina State Fiscal Accountability Authority

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$45,000,000 Lease Revenue Bonds, Series 2016, of the South Carolina State Fiscal Accountability Authority.

The proceeds of the bonds will be used to defray the costs of (1) constructing, equipping, improving and renovating a facility to house and treat individuals adjudicated as Sexually Violent Predators Act committed to the South Carolina Department of Mental Health pursuant to the Sexually Violent Predators Act on a portion of the land located at 4546 Broad River Road, Columbia, South Carolina, and (2) issuance thereof.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$45,000,000 Lease Revenue Bonds, Series 2016 of the State Fiscal Accountability Authority for the construction and ongoing operation of the proposed facility to house the Department of Mental Health's Sexually Violent Predator Treatment Program.

ATTACHMENTS:

Pope 8/24/16 letter; Summary of Financing; NDIF; Resolution



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

August 24, 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:

The Department of Mental Health (the "Department") has proposed a financing pursuant to Section 11-1-110 of the Code of Laws of South Carolina 1976, as amended. The Department is requesting consideration regarding the authorization and issuance of the Bonds by the South Carolina State Fiscal Accountability Authority (the "Authority") at its meeting scheduled for September 20, 2016. The following documents are respectfully enclosed for consideration by the Authority and comprise part of a larger package of approval items necessary to undertake the construction and ongoing operation of the proposed facility to house the Department's Sexually Violent Predator Treatment Program:

- 12 Project Background and Request for Consideration and Action;
- 2. A request of the Department's Commission regarding the Bonds:
- 3. A Summary of Financing Proposal;
- 4. A New Debt Information Form:
- 5... A memorandum regarding financing alternatives;
- A proposed opinion regarding the leases contemplated by Section 11-1-110 of the Code of Laws of South Carolina 1976, as amended;
- 7. A proposed opinion of Bond Counsel; and
- 8. A proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

Mr. Delbert H. Singleton, Jr. State Fiscal Accountability Authority August 24, 2016 page | 2

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

Summary of Financing Proposal for

SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY

PRELIMINARY - SUBJECT TO CHANGE

August 24, 2016

Bonds	proposed	to be	financed	
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Not Exceeding \$45,000,000 Lease Revenue Bonds (Department of Mental Health Project), Series 2016

Average interest rate of bonds (est. average coupon)	2.045%
Projected average interest rate of bonds (est. arbitrage yield)	2.031%
True interest cost of bonds	2.171%

Estimated costs (costs as a percentage of bonds)

Underwriting	\$ 337,500 (0.75%)
Legal fees – bond, disclosure and general counsel	81,250 (0.175%)
Rating agency fees	89,000 (0.198%)
Advisory fees	65,000 (0.144%)
Bond trustee/registrar	10,000 (0.022%)
Accounting and verification	
Credit enhancement/bond insurance	<i>ল</i> ী
Publication, printing, contingencies and all other expenses	20,000 (0.045%)
Total	\$ 602,750 (1.334%)

Prepared by Pope Flynn, LLC, Bond Counsel, and Public Resources Advisory Group, Financial

Advisor

Dated:

August 24, 2016

Note:

Costs of issuance of the bonds are calculated at the full proposed not to exceed amount of \$45,000,000 in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF)

Initial/Current Version Date: 08/24/16 Final Version Date: 00/00/00

ш							
1.	AGENCY/ISSUER & FINANCI	NG INFORMATION					
	Agency #: Issue	r: South Carolina State	Fiscal Accountability	Authority	Series	s: 2016	
	Borrower (if not Issue	er):	1972				
	Bond Caption:	Lease Revenue Bond	s (Department of Mer				
	Bond Resolution Am	ount: \$45,000,000.00				t: \$44,812,536.00	Ent 8 /2/
						ary of Financing Proposal	
	BY:	cal Acct. Authority		Final: ENTITY NAME: BY:			
2	ITS:			ITS:			
2.	FINANCING (NEW PORTION)	-					
	Project Address/Location: 4546 Bro	lame: <u>SVP Program Renova</u> <u>pad River Road, Columbia, interpretation</u>		ruction of a 250 Bed C Amount: County:	s41,461,921. Richland		
	Projected Avg Interest Rate: 2.05%	it I active		Final Maturity:	1-Sep-36		
3.	FINANCING (REFUNDED POI	RTION)		1	1 500 50		
	Dafan	lad P	IR of	Est. Yield of		Est NPV	Svgs.
	Series to be Refunded Maturi		Refunded Bds	Refunding Bds	Est NPV Sv	gs. (\$)(% of Ref	
		\$			\$		
		\$			\$		
		\$			\$		
		\$			\$		
	Tota		******	*****	\$		14 5
4.	FINANCING WORKING GROUP Financial Advisor: PRAG Bond Counsel: Pope Flynn, LLC Underwriter: TBD Other:		Disclosure Counsel: Issuer's Counsel: Other: Other:		Howell Links	ous & Nettles	
5.	FINANCING/PROJECT DESCI		basis for these cost est	timates. Use an attach	ment if needed)		
	See Project Background and Reque the bonds are calculated at the full counsel, published schedules of rat underwriter's discount, will not be and may vary with market condition	proposed not to exceed a ing agencies, past experi known until an underwri	amount of \$45,000, ence, and to take in	000 in accordance voto account that cert	with the appro- ain larger iten	ved fee schedule fo	or
6.	FINANCING/PROJECT APPRO	OVAL DATES					
	Financing Approvals	Notes:	Project Ap	provals - Phase II (Sta	te Entities Only)	Notes:	
	Issuer/Borrower Approval:		Issuer/Borro	ower Approval:			
		016 Proposed	JBRC Appr	oval:	09//2016	Proposed	
	SFAA Approval: 09/20/	16 Proposed	SFAA Appi	roval:	09/20/16	Proposed	
7.	TAX AND ARBITRAGE MATT	ERS & SPEND DOWN	SCHEDULE			Yes No	
	a. Is any portion of the project, once corcontract? (if yes, please attach copy)			to a management		X	
	b. Will any third-party payments (from a to the facility, however indirectly, be use			ral government) related	i	X	
	<u>c</u> . If yes to any of the above, please prov	ide a square footage and co	st estimate of the port	ion affected.	Sq. Footage -		TBD

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:

\$	3,011,687.00	6/30/2017	
\$	8,758,614.00	6/30/2017	
\$	15,372,446.00	6/30/2018	
\$	14,319,174.00	6/30/2019	
\$		6/30/2019	
\$		6/30/2019	
S	41.461.921.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	E	st. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 44,794,093,50	\$	41,461,921.00	Project Fund
(b) Premium/Accr. Int.	\$	\$		Capitalized Interest Fund
2) Issuer/Borrower Contr.	\$	\$	2,729,422.50	Debt Service Reserve Fund
3) Debt Service Fund Trans.	\$	\$		Redemption Price/Escrow Deposit
4) Debt Service Reserve		\$	602,750.00	Cost of Issuance (Incl. UW Disc.)
Fund Contribution	\$	\$		Accrued Interest
5) Other (Specify)		\$		Other
Type -	\$	\$		Other
Residual Project Sources		\$		Other
6) Other		\$		Other
(a) GF -	\$	\$		Other
(a) FF -	\$	\$		Other
(c) OF -	\$	\$		Other
Total Project Sources	\$ 44,794,093.50	S	44,794,093.50	Total Project Uses
	Surplus/Defic	\$		· · · · · · · · · · · · · · · · · · ·

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	(\$ ∆)
Financial Advisor	PRAG			\$ 65,000.00	\$	\$ 65,000 0
Bond Counsel	Pope Flynn, LLC			\$ 45,000.00	\$	\$ 45,000.0
Disclosure Counsel	Howell Linkous			\$ 25,000.00	\$	\$ 25,000.0
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel	TBD (Only if Negotiated)			\$ 11,250.00	\$	\$ 11,250.0
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$ 20,000.00	\$	\$ 20,000.0
Rating Agency - Moody's				\$ 29,000.00	\$	\$ 29,000.0
Rating Agency - Fitch				\$ 40,000.00	\$	\$ 40,000.0
Underwriter's Compensation	TBD			\$ 337,500.00	\$	\$ 337,500.0
Registrar / Paying Agent	US Bank	A Bearing		\$ 10,000.00	\$	\$ 10,000.0
Escrow Agent				\$	\$	\$
Accountant		A STEEL		\$	\$	\$
Verification Agent				\$	\$	\$
Printing	Image Master			\$ 5,000.00	\$	\$ 5,000.0
Publishing	TBD			\$ 1,500.00	\$	\$ 1,500.0
Advertising	The Bond Buyer			\$ 3,000.00	\$	\$ 3,000.0
Contingency		إستعارها		\$ 10,500.00	\$	\$ 10,500.0
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	S
				8 602,750,00	S	S 602,750.0

Est. Actual COI Fees (% of Transaction)

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

0.15%	0.00%
0.10%	0.00%
0.18%	0.00%
0.20%	0.00%

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

0.75%	0.00%
0.07%	0.00%
1.35%	0.00%

STO/DMD/NDIE/66.14.16

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

REGULAR SESSION

ITEM NUMBER 5

AGENCY: Department of Mental Health

SUBJECT: Proposed New Facility to House the Sexually Violent Predator Treatment

Program (SVPTP) and Associated Operations Agreement

BACKGROUND:

Since the South Carolina Sexually Violent Predator Act (SVPA) was passed by the General Assembly in June, 1998, SCDMH has struggled to find space for this program which it does not control admissions to or discharges from. By legislative Proviso, SCDMH and SCDC were directed to issue a Request for Proposals (RFP) seeking long-term solutions for securely housing the growing census of the SVPTP. The RFP is pending final award, and the proposed contractor (the "Vendor") has provided plans for a 250-bed facility, with the potential to be expanded to house as many as 500 residents (the "New Facility"). The cost of the New Facility will be approximately \$41,461,921 inclusive of construction costs and development fees. Financing costs are not included. In its response, the Vendor provided a proposed financing arrangement. SCDMH, after discussion with the Office of State Treasurer, Department of Administration and others, determined that the cost differential between the vendor proposed financing and the available public alternatives was significantly higher without commensurate benefit. Specifically, Vendor financing proposed an indicative interest rate of approximately 4.25% and costs of issuance of approximately 5% or \$2 million. Analysis by the State's financial advisor indicates that, under current market conditions, a public financing could be undertaken at an interest rate of approximately 2.05%, with costs of issuance of approximately 1.35% or \$602,750. The proposed public financing described below is estimated to cost approximately \$10.4 million less than the proposed Vendor financing in terms of total estimated lease payments.

The preferred financing mechanism of SCDMH, taking into account all available alternatives and after consultation with the Office of State Treasurer, is a financing pursuant to Section 11-1-110 of the South Carolina Code. Section 11-1-110 allows for the State Fiscal Accountability Authority (SFAA) to lease property to an agency and to then issue lease revenue bonds of the SFAA secured by such lease payments for the purpose of providing funds to acquire, construct, renovate or maintain facilities for the State agency. Section 11-1-110, codified in 1995, and its precursor were used to finance State agency projects in 1994 (by proviso), 1997, 1998, 1999, 2001, and 2003. A description of each issue and its purpose is attached.

Despite prior use of Section 11-1-110 and its precursor, this would be the first to be completed since the reorganization of the Budget and Control Board and the first to be undertaken in connection with a design, build, operate and maintain procurement. The recently passed FY 2016-17 State budget includes the recurring funds requested by SCDMH to cover the anticipated cost of the public financing.

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

AGENCY: Department of Mental Health

<u>SUBJECT:</u> Proposed New Facility to House the Sexually Violent Predator Treatment Program (SVPTP) and Associated Operations Agreement

The New Facility is proposed to be located on SCDC property, on the site of the existing Stevenson Correctional Institution, a SCDC facility whose inmates would be relocated to facilitate construction if the project is approved. In order for the SFAA to obtain sufficient property rights to lease the New Facility to SCDMH and to issue the bonds, SCDMH proposes to ground lease the site from SCDC (40-year term), in turn sublease the site to the SFAA (20 year term), and then enter into a lease and use agreement with the SFAA (automatically renewing one year terms; renewal subject to non-appropriation) whereby SCDMH agrees to make lease payments, cause the development of the New Facility, and use the New Facility for SVPTP purposes (collectively, the "Transaction").

The SVPTP is fundamentally different from SCDMH's mental health treatment services and its State Veteran's nursing homes. Because of the nature of the resident population and security issues, it has been difficult for the agency to recruit and retain clinical staff. A number of other States have contracted out the operation of their SVP treatment programs, and that is the preferred direction of

SCDMH leadership. The Agreement under consideration would provide for the private operation of the SVPTP by the proposed Vendor based on a per-bed/per-day rate. Contingent upon contract approval by the SFAA, and upon receiving Notice to Proceed from DMH, the Vendor shall begin an approximately sixty (60) day transition of existing services. At the end of the transition period, the Vendor shall provide management and operational services for the Program pursuant to the requirements of the contract documents.

The cost projections of entering into the Services Agreement and bond financing for the New Facility would represent an estimated increase in expense to SCDMH for the SVPTP of \$4.3 million which includes projected census increases in FY 2018 and FY 2019. The estimated increase is based on a projected increase in operations cost of \$1.5 million and a projected annual lease payment of \$2.8 million. The projected increase in costs solely attributable to outsourcing the management and operation of the program is marginal in the short term (just over 1%), but overall costs will ultimately be reduced in the long term due to the efficiencies created by being in a newer facility.

SCDMH has indicated that it will not contract for the private operation (Services Agreement) unless/until it receives approval to proceed with the financing and construction of the New Facility.

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF September 20, 2016

REGULAR SESSION

AGENCY: Department of Mental Health

SUBJECT: Proposed New Facility to House the Sexually Violent Predator Treatment

Program (SVPTP) and Associated Operations Agreement

TRANSACTION COMPONENTS SUMMARY:

There are various components of this transaction that require Authority approval. They are summarized below and presented in more detail in the attached agenda item worksheets in Tabs A, B, and C for this agenda item.

Permanent Improvement Project (Tab A of this agenda item)

The proposed project consists of demolition of a 50,000 square-foot housing unit which was constructed in 1938, the construction of two new buildings totaling 99,805 square feet, and the renovation of 26,600 square feet of three existing buildings which were built in 2001, 2007, and 2008.

The new construction buildings will consist of housing units and associated medical treatment and therapy spaces; group, medication, and observation rooms; and administrative functions including staff training space, security and resident visitation space. Other support space to be accommodated in the renovated areas include the admission/discharge unit, classroom areas, a central laundry, offices and staff support space, and a large supply/storage area.

The total cost of the construction and renovation of the facilities is estimated to be \$41,461,921 and will be funded from the proceeds of Lease Revenue Bonds issued by the SFAA pursuant to Section 11-1-110 of the South Carolina Code of Laws (see below). The FY 2016-17 Appropriation Act contains a recurring General Fund appropriation of \$4,200,000 to cover the lease payments (debt service on the revenue bonds) and additional operating expenses of the program.

Contract Term (Tab B of this agenda item)

SCDMH has asked the Division of Procurement Services to assist in seeking Authority approval to authorize SCDMH to award a contract for up to forty (40) years for operations of the Sexually Violent Predator Treatment Program (SVPTP). The contract will have a 2-year initial contract term, followed by an optional 10-year renewal, and four optional 7-year renewals. SCDMH officials believe the resulting contract with the maximum 40 year term fulfills the directives set forth by Proviso 117.115 of the 2013-14 Appropriations Act for a cost effective long-term solution for the operation of SVPTP while maintaining the stability as well as providing for the anticipated expansion of these services.

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

AGENCY: Department of Mental Health

SUBJECT: Proposed New Facility to House the Sexually Violent Predator Treatment Program (SVPTP) and Associated Operations Agreement

it is approved by SFAA. Rent will be \$1 per year, prepaid for the entire 20-year term. DMH will have the option to terminate the sublease at any time following discharge of the Bonds, at which time SFAA will surrender the premises and improvements to DMH.

Pursuant to the Lease and Use Agreement, SFAA will issue Lease Revenue Bonds and apply the proceeds to the permanent improvement project described above. The term of the lease will be for successive automatically renewing terms commencing upon approval of the Lease and Use Agreement by SFAA and ending on June 30 each year thereafter until final maturity of the bonds.

DMH will pay SFAA on or before September 1 each year an amount sufficient to make the debt service payments due on the Bonds (which is projected to be \$2,800,000 per year) as well as additional sums necessary to maintain a Debt Service Reserve Fund and other expenses associated with the issuance of the bonds. DMH will be responsible for the maintenance and operation of the facility; a recurring General Fund appropriation of \$4,200,000 was included in the FY 2016-17 Appropriation Act to provide for the lease payment as well as the maintenance and operation of the facility.

Lease Revenue Bonds (Separate Agenda Item)

DMH is requesting SFAA to issue not exceeding \$45,000,000 of Lease Revenue Bonds pursuant to Section 11-1-110 of the South Carolina Code of Laws to pay (1) the cost of constructing, renovating, and equipping the facility and (2) expenses related to the issuance of the bonds. DMH's annual lease payments to SFAA will be sufficient to pay the debt service associated with the bonds which is expected to be approximately \$2,800,000 annually. (Again, the recurring General Fund appropriation includes funding to cover the lease payments.) The term of the bonds will be 20 years.

Should the recurring funding not be appropriated or otherwise proves insufficient to offset the debt service, DMH may divert revenues currently devoted to other DMH programs to make the lease payments to SFAA. If at any time DMH fails to make the payments required under the Lease and Use Agreement, SFAA may take possession of the facility and lease it for the purpose of generating rent, transfer the operation of the facility to itself or another state agency, or sell the facility.

Pursuant to Section 11-1-110 of the Code of Laws, the full faith and credit of the State will not be pledged to payment of the bonds.

AUTHORITY ACTION REQUESTED:

The South Carolina Department of Mental requests review and approval of the following:

- a. Consider approval of the Permanent Improvement Project Phase II Project Approval. (See Tab A)
- b. Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider approval of the Department of Mental Health's request for a multi-term contract for operations of the Sexually Violent Predator Treatment Program for up to forty (40) years. (See Tab B)
- c. Consider approval of the proposed lease transactions associated with the Department of Mental Health Sexually Violent Predator Program Renovation and New Construction of a 250 Bed Capacity Facility to include: (i) the Ground Lease from SCDC to SCDMH; (ii) the Sublease from SCDMH to SFAA; and (iii) Lease and Use Agreement between SFAA and SCDMH. (See Tab C)

ATTACHMENTS:

DMH agenda it worksheet; Description of Prior Projects Financed Pursuant to South Carolina Code of Laws Section 11-1-110 and its Precursor; SC Code Section 11-1-110 Agenda item worksheet for Permanent Improvement Project Phase II Project Approval with attachments (Tab A); Agenda item worksheet for Waiver to Extend the Maximum Time on a Multi-term Contract for the Department of Mental Health with attachments (Tab B); Agenda item worksheet for Leases Associated with the Department of Mental Health Sexually Violent Predator Program Renovation and New Construction of a 250 Bed Capacity Facility with attachments (Tab C)

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2016

Regular Session

1. Submitted by:

(a) Agency: Department of Mental Health:

(b) Authorized Official Signature:

Mark Binkley

Deputy Director of Administrative Services

2. Subject: Proposed New Facility to House the Sexually Violent Predator Treatment Program (SVPTP) and Associated Operations Agreement

3. Summary of Background Information: Since the South Carolina Sexually Violent Predator Act (SVPA) was passed by the General Assembly in June, 1998, SCDMH has struggled to find space for this program which it does not control admissions to or discharges from. By legislative Proviso, SCDMH and SCDC were directed to issue a Request for Proposals (RFP) seeking long-term solutions for securely housing the growing census of the SVPTP. The RFP is pending award, and the proposed contractor (the "Vendor") has provided plans for a 250-bed facility, with the potential to be expanded to house as many as 500 residents (the "New Facility"). The cost of the New Facility will be approximately \$41,461,921 inclusive of construction costs and development fees. Financing costs are not included. In its response, the Vendor provided a proposed financing arrangement, SCDMH, after discussion with the Office of State Treasurer, Department of Administration and others, determined that the cost differential between that proposed financing and available public alternatives was significantly higher without commensurate benefit. Specifically, Vendor financing proposed an indicative interest rate of approximately 4.25% and costs of issuance of approximately 5% or \$2 million. Analysis by the State's financial advisor indicates that under current market conditions a public financing could be undertaken at an interest rate of approximately 2.05% with costs of issuance of approximately 1.35% or \$602,750. The proposed public financing described below is estimated to cost approximately \$1.0.4 million less than the proposed Vendor financing in terms of total estimated lease payments.

The preferred financing mechanism of SCDMH, taking into account all available alternatives and after consultation with the Office of State Treasurer, is a financing pursuant to Section 11-1-110 of the South Carolina Code. Section 11-1-110 allows for the State Fiscal Accountability Authority (SFAA) to lease property to an agency and to then issue lease revenue bonds of the SFAA secured by such lease payments for the purpose of providing funds to acquire, construct, renovate or maintain facilities for the State agency. Section 11-1-110, codified in 1995, and its precursor were used to finance State agency projects in 1994 (by proviso), 1997, 1998, 1999, 2001, and 2003. A description of each issue and its purpose is below:

- \$6,880,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1994 (Harden Street Facility). The proceeds of the issue defrayed the cost of an office building for the Department of Social Services.
- \$22,625,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1997 (Columbia Mill Building). The proceeds of the issue defrayed the cost acquiring the facility occupied by the Department of Revenue, the South Carolina Museum Commission, and the South Carolina State Library.
- \$8,620,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1998 (Computer Data Center). The proceeds of the issue defrayed the cost of a 75,000 square foot building on four acres of land for the purposes of housing a computer data center and office space for lease to State departments.
- \$4,800,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1999A (Robert Mills Building). The proceeds of the issue defrayed the cost of the Budget and Control Board acquiring the Robert Mills Building from DHEC. The Budget and Control Board then performed certain renovations and leased the facility back to DHEC.

- \$2,000,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 2001A (South Carolina Arts Commission Project). The proceeds of the issue defrayed the cost of acquiring and renovating a facility to be leased to the South Carolina Arts Commission.
- \$24,705,000 South Carolina State Budget and Control Board State Facilities Installment Purchase Revenue Bonds, Series 2003 (Department of Public Safety Project). The proceeds of the issue defrayed the cost of a new headquarters Facility for the Department of Public Safety

Despite prior use of Section 11-1-110 and its precursor, this would be the first to be completed since the reorganization of the Budget and Control Board and the first to be undertaken in connection with a design, build, operate and maintain procurement. The recently passed FY 2016-17 State budget includes the recurring funds requested SCDMH to cover the anticipated cost of the public financing.

The New Facility is proposed to be located on SCDC property, on the site of the existing Stevenson Correctional Institution, a SCDC facility whose inmates would be relocated to facilitate construction if the project is approved. In order for the SFAA to obtain sufficient property rights to lease the New Facility to SCDMH to issue the bonds, SCDMH proposes to ground lease the site from SCDC (40-year term), in turn sublease the site to the SFAA (20 year term), and then enter into a lease and use agreement with the SFAA (automatically renewing one year terms; renewal subject to non-appropriation) whereby SCDMH agrees to make lease payments, cause the development of the New Facility, and use the New Facility for SVPTP purposes (collectively, the "Transaction").

The SVPTP is fundamentally different from SCDMH's mental health treatment services and its State Veteran's nursing homes. Because of the nature of the resident population and security issues, it has been difficult for the agency to recruit and retain clinical staff. A number of other States have contracted out the operation of their SVP treatment programs, and that is the preferred direction of SCDMH leadership. The Agreement under consideration would provide for the private operation of the SVPTP by the proposed Vendor based on a per-bed/per-day rate. Contingent upon contract approval by the SFAA, and upon receiving Notice to Proceed from DMH, the Vendor shall begin an approximately sixty (60) day transition of existing services. At the end of the transition period, the Vendor shall provide management and operational services for the Program pursuant to the requirements of the RFP and the Response, subject to the terms and conditions set forth in the Record of Negotiations.

The cost projections of entering into the Services Agreement and bond financing for the New Facility would represent an estimated increase in expense to SCDMH for the SVPTP of \$4.3 million which includes projected census increases in FY 2018 and FY 2019. The estimated increase is based on a projected increase in operations cost of \$1.5 million and a projected annual lease payment of \$2.8 million. The projected increase in costs solely attributable to outsourcing the management and operation of the program is marginal in the short term (just over 1%), but overall costs will ultimately be reduced in the long term due to the efficiencies created by being in a newer facility.

Note that SCDMH will not contract for the private operation (Services Agreement) unless/until it receives approval to proceed with the financing and construction of the New Facility.

4. What is Authority asked to do?

Permanent Improvement Project

The proposed project consists of demolition of a 50,000 square-foot housing unit which was constructed in 1938, the construction of two new buildings totaling 99,805 square feet, and the renovation of 26,600 square feet of three existing buildings which were built in 2001, 2007, and 2008.

The new construction buildings will consist of housing units and associated medical treatment and therapy spaces; group, medication, and observation rooms; and administrative functions including staff training space, security and resident visitation space. Other support space to be accommodated in the renovated areas include the admission/discharge unit, classroom areas, a central laundry, offices and staff support space, and a large supply/storage area.

The total cost of the construction and renovation of the facilities is estimated to be \$41,461,921 and will be funded from the proceeds of Lease Revenue Bonds issued by the SFAA pursuant to Section 11-1-110 of the South Carolina

Code of Laws (see below). The FY 2016-17 Appropriation Act contains a recurring General Fund appropriation of \$4,200,000 to cover the lease payments (debt service on the revenue bonds) and additional operating expenses of the program.

Contract Term

SCDMH has asked the Division of Procurement Services to assist in seeking Authority approval to authorize SCDMH to award a contract for up to forty (40) years for operations of the Sexually Violent Predator Treatment Program (SVPTP). The contract will have a 2-year initial contract term, followed by an optional 10-year renewal, and four optional 7-year renewals. SCDMH officials believe the resulting contract with the maximum 40 year term fulfills the directives set forth by Proviso 117.115 of the 2013-14 Appropriations Act for a cost effective long-term solution for the operation of SVPTP while maintaining the stability as well as providing for the anticipated expansion of these services.

The specific contract terms are derived from the request for proposals (RFP), which stated that "the contract period for privatized treatment and operational services shall be negotiated prior to award. The intent of the State is to enter into a long-term (+10 year) contract with renewal options." The cost proposal from the vendor proposed the terms above and the Department has accepted them for the following reasons:

- a. During the initial two year term, the vendor will be operating the program in the existing facility, while the new facility is being constructed.
- b. In the second ten year term, the vendor will be operating the program in the newly constructed facility. The Department expects learning curve improvements during this time which will benefit both parties.
- c. For the remainder of the maximum 40 year term, the four optional 7-year renewals provide incentives to the vendor to maintain an effective, safe, and cost efficient operation. If the performance of the vendor declines, the Department has multiple options to re-compete or in source the operations.
- d. The State retains the right to terminate for convenience or for default at any point during the contract.

Ground Lease

A proposed ground lease provides for DMH to lease from SCDC the following: 17.07 acres of land plus up to an additional acre for a retention pond, buildings, fencing, common areas, drives, parking areas, and walks of Stevenson Correctional Institution located at 4546 Broad River Road in Columbia for a term of 40 years. The lease will begin on the date the lease is approved by the SFAA. Rent will be \$1 per year, prepaid for the entire lease term.

DMH will utilize the premises to construct, improve, renovate, equip, maintain, and operate a facility to house individuals committed to DMH pursuant to the Act. DMH will be responsible for maintenance and repairs of the premises throughout the term. DMH will sublease the premises to SFAA in connection with financing described below. At the end of the term or any subsequent renewal term, DMH will surrender the premises including the new facility and any other improvements to SCDC.

Ground Sublease

The proposal calls for DMH to sublease the premises to SFAA in connection with financing through Lease Revenue Bonds. The term of the sublease is 20 years with annual automatic renewal terms each year that the bonds remain outstanding. The sublease will begin on the date it is approved by SFAA. Rent will be \$1 per year, prepaid for the entire 20-year term. DMH will have the option to terminate the sublease at any time following discharge of the Bonds, at which time SFAA will surrender the premises and improvements to DMH.

Lease and Use Agreement

Pursuant to the Lease and Use Agreement, SFAA will issue Lease Revenue Bonds and apply the proceeds to the permanent improvement project described above. The term of the lease will be for successive automatically renewing terms commencing upon approval of the Lease and Use Agreement by SFAA and ending on June 30 each year thereafter until final maturity of the bonds.

DMH will pay SFAA on or before September 1 each year an amount sufficient to make the debt service payments due on the Bonds (which is projected to be \$2,800,000 per year) as well as additional sums necessary to maintain a Debt Service Reserve Fund and other expenses associated with the issuance of the bonds. DMH will be responsible for the maintenance and operation of the facility; a recurring General Fund appropriation of \$4,200,000 was

included in the FY 2016-17 Appropriation Act to provide for the lease payment as well as the maintenance and operation of the facility.

Lease Revenue Bonds

DMH is requesting SFAA to issue not exceeding \$45,000,000 of Lease Revenue Bonds pursuant to Section 11-1-110 of the South Carolina Code of Laws to pay (1) the cost of constructing, renovating, and equipping the facility and (2) expenses related to the issuance of the bonds. DMH's annual lease payments to SFAA will be sufficient to pay the debt service associated with the bonds which is expected to be approximately \$2,800,000 annually. (Again, the recurring General Fund appropriation includes funding to cover the lease payments.) The term of the bonds will be 20 years.

Should the recurring funding not be appropriated or otherwise proves insufficient to offset the debt service, DMH may divert revenues currently devoted to other DMH programs to make the lease payments to SFAA. If at any time DMH fails to make the payments required under the Lease and Use Agreement, SFAA may take possession of the facility and lease it for the purpose of generating rent, transfer the operation of the facility to itself or another state agency, or sell the facility.

Pursuant to Section 11-1-110 of the Code of Laws, the full faith and credit of the State will not be pledged to payment of the bonds.

In order to carry out the Transaction, many components thereof require specific SFAA approval. However, because of the integrated and interrelated nature of components comprising the Transaction, SCDMH proposes that the Transaction be presented as a single agenda item, with any appropriate subparts. SCDMH respectfully requests review and approval of the following items:

- a. Permanent Improvement Project Phase II Project Approval.
- b. Contract Approval between SCDMH and Vendor to approve 40-year term.
- c. Lease Approvals
 - i. Ground Lease from SCDC to SCDMH
 - ii. Sublease from SCDMH to SFAA
 - iii. Lease and Use Agreement between SFAA and SCDMH
- d. Bond Authorization
- 5. What is recommendation of Department? Approve the Department's request as stated above.

6. List of Supporting Documents:

- A- Department of Mental Health Agenda Item re Permanent Improvement Project; SVP Program Renovation and New Construction of a 250 Bed Capacity Facility
- B-Procurement Services Division Agenda Item re Waiver to Extend the Maximum Time on a Multi-Term Contract
- C- Department of Administration Agenda Item re Leases Associated with the SVP Program Renovation and New Construction of a 250 Bed Capacity Facility

Description of Prior Projects Financed Pursuant to South Carolina Code of Laws Section 11-1-110 and its Precursor

- \$6,880,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1994 (Harden Street Facility). The proceeds of the issue defrayed the cost of an office building for the Department of Social Services.
- \$22,625,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1997 (Columbia Mill Building). The proceeds of the issue defrayed the cost acquiring the facility occupied by the Department of Revenue, the South Carolina Museum Commission, and the South Carolina State Library.
- \$8,620,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1998 (Computer Data Center). The proceeds of the issue defrayed the cost of a 75,000 square foot building on four acres of land for the purposes of housing a computer data center and office space for lease to State departments.
- \$4,800,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 1999A (Robert Mills Building). The proceeds of the issue defrayed the cost of the Budget and Control Board acquiring the Robert Mills Building from DHEC. The Budget and Control Board then performed certain renovations and leased the facility back to DHEC.
- \$2,000,000 South Carolina State Budget and Control Board State Facilities Lease Revenue Bonds, Series 2001A (South Carolina Arts Commission Project). The proceeds of the issue defrayed the cost of acquiring and renovating a facility to be leased to the South Carolina Arts Commission.
- \$24,705,000 South Carolina State Budget and Control Board State Facilities Installment Purchase Revenue Bonds, Series 2003 (Department of Public Safety Project). The proceeds of the issue defrayed the cost of a new headquarters Facility for the Department of Public Safety

SECTION 11-1-110. State Fiscal Accountability Authority to issue and sell bonds, notes, or other obligations; review by Joint Bond Review Committee.

The State Fiscal Accountability Authority is authorized to issue and sell bonds, notes, or other obligations for the purpose of acquiring, constructing, renovating, or maintaining facilities for the use of and occupancy of state departments and agencies or to refund such bonds, notes, or other obligations, provided that these obligations must be payable solely from revenues derived from the renting, leasing, or sale of all or any designated portion of such facilities held by the State Fiscal Accountability Authority for the use of and occupancy by state departments and agencies and must be secured by a pledge of the revenues from such designated facilities and, at the option of the State Fiscal Accountability Authority, may be additionally secured by a mortgage of these facilities; provided, further, that the issuance and the sale of the bonds, notes, or other obligations provided for in this section are subject to the review of the Joint Bond Review Committee.

HISTORY: 1995 Act No. 145, Part II, § 72; 2004 Act No. 184, § 10.

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, § 5(D)(1), effective July 1, 2015.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Brenda Hart, Di

Meeting Scheduled for: September 20, 2016

Regular Session

1. Submitted by:

(a) Agency: Department of Administration:

(b) Authorized Official Signature:

2. Subject: Proposed New Facility to House the Sexually Violent Predator Treatment Program (SVPTP).

- 3. Summary of Background Information: Establish project and budget for \$41,461,921 (Capital Improvement Bond, Lease Revenue funds) to establish the project at Phase II to complete the full design and construction of a new 126,405 square foot facility for the Sexually Violent Predator Program. Proviso 117.115 of the FY 2013-14 Appropriations Act directed the Department of Mental Health and the Department of Corrections to cooperate with the former Budget and Control Board's Division of Procurement Services to develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to DMH pursuant to the Sexually Violent Predators Act. The Appropriations Act further directed that the RFP be broadly worded to allow respondents to propose creative and cost effective long-term solutions for the operation of the program, and specified that respondents shall be allowed, but not required to, propose a single source solution with responsibility for all aspects of the program including housing, security, food, clothing, health care, transport, and treatment services. In addition, the RFP should allow for, but not require, respondents to include in their responses the use of other private or public partners and/or the lease, use, or purchase of State-owned land. This request is for the construction of a 250-bed facility, a ground lease of the proposed site from the Department of Corrections to the Department of Mental Health, and a contract with a vendor for the management and operation of the facility. The facility will initially house approximately 200 SVP residents, with the ability to house a total resident population of 500, and 140 staff. The total estimated cost of the project is \$41,461,921.00 with additional estimated annual operating costs of \$3,900,000.00 in year 1, \$4,300,000.00 in year 2, and \$5,400,000.00 in year 3 for debt service and contractual operating costs to the vendor for operating the program. The estimated date of contract execution is October 2016 with construction completed by September 2018.
- **4.** What is Authority asked to do? Consider approval of the permanent improvement project Phase II establishment request.
- 5. What is recommendation of Department? Consider approval of the permanent improvement project Phase II establishment request.

6. List of Supporting Documents:

- A- Department of Mental Health Permanent Improvement Project; request for the SVP Program Renovation and New Construction of a 250 Bed Capacity Facility
- B- Department of Mental Health SVP Program Renovation and New Construction of a 250 Bed Capacity Facility additional annual operating costs.
- C- Proviso 117.115 of the 2013-14 Appropriations Act
- D- Proviso 117.104 of the 2015-16 Appropriations Act
- E- Proviso 23.15 of the 2012-13 State Appropriations Act

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				Land:	ı				
1.		Land Purchase>				Acres	F4		
2.		Building Purchase		Floor Space;		Gross Squar	e reet		
3. 4.		Professional Services Equipment and/or Ma	Information Technolo	NGW					
5.		Site Development	Heriais	'E)					
6.		New Construction	->	99,805	Gross Squar	e Feet			
7.		Renovations - Building		Floor Space: Floor Space:		Gross Squar			
8.		Renovations - Utilitie	_						
9.		Roofing -	Roof Age						
10.		Renovations - Building	1	ENVIRONM	MENTAL HAZ	LARDS			
11.		Other Permanent Imp	rovements	Identify all types of significant environmental hazards					
12.		Landscaping				nificani environm B's, etc.,) present			
13. 14.		Builders Risk Insuran Other Capital Outlay	ice				t they will have o		
15.		Labor Costs			Type:				
16.		Bond Issue Costs			7,7				
17.	500,000.00	Other: Major Mainter	nance		Cost Brea	akdown			5
18.	1,800,000,00	Contingency		The state of the s	Design S	ervices	\$		4.1
	044 163 004 00				Monitori		\$		
	\$41,461,921.00	TOTAL PROJECT B	UDGET		Abate/Re Total Co		\$		
PR	OPOSED SOURCE (OF FUNDING	Total Cos	SLS	\$ 0.00				
					Transfer	Rev		Rev	Exp
		Previously		Original/Revised	to/from	Object	Treasurer's	Sub	Sub
	Source	Approved Amount	Increase/Decrease	Budget	Proj.#	Code	ID Number	Fund 3043	3043
(0)	CIB, Group		41,461,921.00	0.00 41,461,921.00		8115		3043	3043
-	Lease Revenue Bond		41,401,921.00	0.00	8115		-	3143	3143
(1)	(1) Dept. CIB, Group			0.00		0110		0110	0110
(2)	(2) Institution Bonds			0.00					3235
(2)	(2) Institution Bonus			0.00					
(3)	(3) Revenue Bonds		+	0.00					3393
(0)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			0.00					
(4)	Excess Debt Service			0.00					3497
Ĺ				0.00					
(5)	Capital Reserve Fund	at reserve rate		0.00		8895		3603	3603
_				0.00	_	2005	00000400	4004	0000
(6) Appropriated State				0.00 0.00		8895	68800100	1001	3600
/=:				0.00			78800100		5787
(7)	Federal			0.00			10000100		0,07
(8) Athletic				0.00			88800100		3807
(6)	Adjetio			0.00					
(9)	Other (Specify)			0.00			00000100		000-
				0.00			98800100		3907
				0.00					
	TOTAL BUDGET	\$0.00	\$41,461-921.00	\$41,461,921.00					J
	Manual Company		-	1,,	1				
ar:	DMITTET DV.	m ()	72:	Deputy Director, Adn	nin. Services		8-9	-201	6
SUBMITTED BY: Signature of Authorized Official and Title					min. Services 8-9-2016 Date				
		in agriculture	The second secon	1000000					
	PROVED BY:	Authorized Signature and Title						Date	
(10	r Department Use Only)	Autr	ionized Signature and	THE				erctential.	
							,	Revised 3/3	0/1/

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

	NUAL OPERATING CO	OSTS / SAVINGS.	(Check whether repor	ting costs or savings.)
×C	OSTS	SAVINGS	NO C	HANGE
		ONAL OPERATING rojected Financing So	G COSTS / SAVINGS	3
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2018	\$ 3,900,000.00	\$	\$	\$ 3,900,000.00
2) 2019	\$ 4,300,000.00	\$	\$	\$ 4,300,000.00
3) 2020	\$ 5,400,000.00	\$	\$	\$ 5,400,000.00
Vill the additional c f no, how will addit state appropriations temize below the co	ee reported in Column 4 osts be absorbed into yo ional funds be provided ost factors that contribute	our existing budget? ?	2 8	YES X NO
Will the additional c f no, how will addit State appropriations.	osts be absorbed into yo ional funds be provided est factors that contribute	our existing budget? ?	savings reported abo	YES X NO
Will the additional c f no, how will addit State appropriations temize below the co iscal year.	osts be absorbed into yo ional funds be provided	our existing budget? ?	savings reported abo	YES X NO
Will the additional cf no, how will addit state appropriations temize below the coiscal year. Debt Service	osts be absorbed into yo ional funds be provided. ost factors that contribute	our existing budget? ? e to the total costs or	savings reported abo	YES NO Ve in Column 5 for the AMOUNT \$2,700,000.00
Will the additional cf no, how will addit State appropriations temize below the coiscal year. Debt Service Increased Oper	osts be absorbed into yo ional funds be provided est factors that contribute	our existing budget? ? e to the total costs or	savings reported abo	YES X NO
Will the additional cf no, how will addit State appropriations. temize below the coiscal year. Debt Service Increased Oper Increased Oper by Increased B	osts be absorbed into you ional funds be provided on the provided of the contribute	our existing budget? ? e to the total costs or (2018)	savings reported abo	YES NO ve in Column 5 for the AMOUNT \$2,700,000.00 1,200,000.00
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Part 1B section 117 X90-GENERAL PROVISIONS 2013-2014 Appropriation Act

SECTION 117 - X90-GENERAL PROVISIONS

117.115. (GP: Sexually Violent Predator Treatment RFP) The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the Budget and Control Board, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.

The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.

As part of the process, the Department of Mental Health, the Department of Corrections, and the Budget and Control Board shall provide up-to-date information concerning the current operation of the program and shall provide information about suitable state owned real property. The RFP shall be issued on or before October 31, 2013.

The RFP shall be worded broadly to allow respondents to propose creative and cost-effective long-term solutions for the operation of this program in order to address the issues raised in Proviso 23.15 of the 2012-13 State Appropriations Act and the resulting January 3, 2013, Report on the SVP Program issued by the Department of Mental Health and the Department of Corrections.

In addition to treatment services, respondents shall be allowed, but not required, to propose a single source solution with responsibility for all aspects of the program including but not limited to housing, security, food, clothing, health care, transport, and treatment services. The RFP shall allow for, but not require, respondents to include in their responses the use of other private or public partners (subcontractors) and/or the lease or use or purchase of state owned real property.

The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.

Part 1B section 117 X90-GENERAL PROVISIONS 2015-2016 Appropriation Act

SECTION 117 - X90-GENERAL PROVISIONS

117.104. (GP: Sexually Violent Predator Treatment RFP) The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the State Fiscal Accountability Authority, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.

The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.

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In addition to treatment services, respondents shall be allowed, but not required, to propose a single source solution with responsibility for all aspects of the program including but not limited to housing, security, food, clothing, health care, transport, and treatment services. The RFP shall allow for, but not require, respondents to include in their responses the use of other private or public partners (subcontractors) and/or the lease or use or purchase of state owned real property.

The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.

Part 1B section 23 J12-DEPARTMENT OF MENTAL HEALTH 2012-2013 Appropriation Act

SECTION 23 - J12-DEPARTMENT OF MENTAL HEALTH

23.15. (DMH: Sexually Violent Predator Program) The Department of Mental Health and the Department of Corrections shall prepare a report evaluating the feasibility and desirability of transferring the Sexually Violent Predator Program to the Department of Corrections. This report must include population and cost projections for the next five years, and must also explore and make recommendations regarding opportunities to further expand the private sector's role in operating this program. An update on the status of this report shall be provided to the Chairman of the Senate Finance Committee, the Chairman of the Senate Medical Affairs Committee, the Chairman of the Senate Corrections and Penology Committee, the Chairman of the House Ways and Means Committee, the Chairman of the House Judiciary Committee, and the Chairman of the Medical, Military, Public, and Municipal Affairs Committee by January 8, 2013 and the final report shall be provided by May 1, 2013.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

1. Submitted by: (a) Agency: Division of Procurement Services (b) Authorized Official Signature John St. C. White Materials Management Officer 2. Subject: Waiver to extend the maximum time on a multi-term contract for the Department of Mental Health 3. Summary Background Information: Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for a multi-term contract to seven years unless otherwise approved by the Authority. The Department Mental Health (DMH) has asked the Division of Procurement Services to assist in seeking Author approval to authorize DMH to award a contract for up to forty (40) years for operations of the Sexual Violent Predator Treatment Program (SVPTP). The contract will have a 2-year initial contract ter followed by an optional 10-year renewal, and four optional 7-year renewals. DMH officials believe to resulting contract with the maximum 40 year term fulfills the directives set forth by Proviso 117.115* the 2013-14 Appropriations Act for a cost effective long-term solution for the operation of SVPTP who maintaining the stability as well as providing for the anticipated expansion of these services. 4. What is Authority asked to do? Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider DMH's request for a multi-term contract for operations of the SVPTP for up to forty (40) years. 5. What is recommendation of Authority division involved? Consider the Department of Mental Health's request as stated above. 6. Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name: 7. Supporting Documents: A. Letter of request from the Department of Mental Health B- Section 11-35-2030(4) of the SC Consolidated Procurement Code C. Proviso 117.115 of the 2013-14 Appropriations Act D- Proviso 117.104 of the 2013-14 Appropriations Act E- Proviso 23.15 of the 2015-16 Appropriations Act F- Proviso 23.15 of the 2015-16 Appropriations Act F- Summary of the Operations Agreement	For meeting scheduled for: September 20, 2016	Regular Session
Waiver to extend the maximum time on a multi-term contract for the Department of Mental Health 3. Summary Background Information: Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for a multi-term contract to seven years unless otherwise approved by the Authority. The Department Mental Health (DMH) has asked the Division of Procurement Services to assist in seeking Author approval to authorize DMH to award a contract for up to forty (40) years for operations of the Sexual Violent Predator Treatment Program (SVPTP). The contract will have a 2-year initial contract term followed by an optional 10-year renewal, and four optional 7-year renewals. DMH officials believe the resulting contract with the maximum 40 year term fulfills the directives set forth by Proviso 117.115¹ the 2013-14 Appropriations Act for a cost effective long-term solution for the operation of SVPTP who maintaining the stability as well as providing for the anticipated expansion of these services. 4. What is Authority asked to do? Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider DMH's request for a multi-term contract for operations of the SVPTP for up to forty (40) years. 5. What is recommendation of Authority division involved? Consider the Department of Mental Health's request as stated above. 6. Recommendation of other office (as required)? (a) Authorized Signature: (b) Division/Agency Name: 7. Supporting Documents: A- Letter of request from the Department of Mental Health B- Section 11-35-2030(4) of the SC Consolidated Procurement Code C- Proviso 117.115 of the 2013-14 Appropriations Act D- Proviso 117.104 of the 2015-16 Appropriations Act E- Proviso 23.15 of the 2012-13 State Appropriations Act	(a) Agency: Division of Procurement Services	John St. C. White
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¹ Proviso 117.104 of the 2015-16 Appropriations Act.



MENTAL HEALTH COMMISSION:

Allson Y. Evans, PsyD, Chair Joan Moore, Vice Chair Beverly Cardwell Jane B. Jones Everard Rutledge, PhD J. Buxton Terry Sharon L. Will Movember 23, 2015 2414 Bull Street P.O. Box 485 Columbia, SC 29202 Information: (803) 898-8581

John H. Magill State Director of Mental Health

Mr. John White, Interim Materials Management Officer and State Engineer SFAA, Division of Procurement Services
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Contract Term for the Sexually Violent Predator Treatment Program

Dear Mr. White:

The South Carolina Department of Mental Health (DMH) is requesting approval for an up to 40 year maximum contract term for the Sexually Violent Predator Treatment Program (SVPTP) solicited under Request for Proposal (RFP) No. 5400006884.

DMH has operated the SVPTP since its inception following passage of the Sexually Violent Predator Act, S.C. Code Ann. §44-48-10 in 1998. The Program has always been housed within the Department of Corrections' (SCDC) Broad River Correctional Institution. Proviso 117.104., directed the Division of Procurement Services (DPS) to issue a RFP on behalf of DMH to address the need for appropriate secure treatment space for the growing census of the SVPTP. The Proviso states that the RFP should seek "long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators." The Proviso further directed that "The RFP shall be worded broadly to allow respondents to propose creative and cost-effective long-term solutions for the operation of this program in order to address the issues raised in Proviso 23.15 of the 2012-13 State Appropriations Act and the resulting January 3, 2013, Report on the SVP Program issued by the Department of Mental Health and the Department of Corrections."

The proposed contractor, Correct Care of South Carolina, LLC, (Correct Care), in accordance with the Proviso, has proposed a long-term agreement which addressed the requirements of the RFP, including providing for the construction of a new facility within which to house the SVPTP. DMH, DPS and Correct Care are currently in negotiations to finalize this complex contract which will require Correct Care to take over the current operations of the SVPTP in its current location, construct a new facility, and also transition, manage, and operate the SVPTP for the term of the contract. Correct Care has proposed a 2-year initial contract term, followed by a 10-year renewal, and four 7-year renewals for a potential maximum term of 40 years.

To support the recovery of people with mental illnesses.



The South Carolina Department of Mental Health considers this resulting contract with the maximum 40 year term as stated above fulfils the directives set forth by the Proviso for a cost-effective long-term solution for the operation of SVPTP while maintaining the stability as well as providing for the anticipated expansion of these services.

l appreciate your consideration of this request and would be happy to answer any questions or concerns you may have.

Sincerely,

Mark Binkley, Deputy Director

SCDMH, Division of Administrative Services

cc: Ken Roey

Janet K. Watkins

SECTION 11-35-2030. Multiterm contracts.

- (1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.
- (2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:
- (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- (b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.
- (3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.
- (4) The maximum time for a multiterm contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.

HISTORY: 1981 Act No. 148, Section 1; 1997 Act No. 153, Section 1; 2006 Act No. 376, Section 34.

Part 1B section 117 X90-GENERAL PROVISIONS 2013-2014 Appropriation Act

SECTION 117 - X90-GENERAL PROVISIONS

117.115. (GP: Sexually Violent Predator Treatment RFP) The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the Budget and Control Board, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.

The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.

As part of the process, the Department of Mental Health, the Department of Corrections, and the Budget and Control Board shall provide up-to-date information concerning the current operation of the program and shall provide information about suitable state owned real property. The RFP shall be issued on or before October 31, 2013.

The RFP shall be worded broadly to allow respondents to propose creative and cost-effective long-term solutions for the operation of this program in order to address the issues raised in Proviso 23.15 of the 2012-13 State Appropriations Act and the resulting January 3, 2013, Report on the SVP Program issued by the Department of Mental Health and the Department of Corrections.

In addition to treatment services, respondents shall be allowed, but not required, to propose a single source solution with responsibility for all aspects of the program including but not limited to housing, security, food, clothing, health care, transport, and treatment services. The RFP shall allow for, but not require, respondents to include in their responses the use of other private or public partners (subcontractors) and/or the lease or use or purchase of state owned real property.

The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.

Part 1B section 117 X90-GENERAL PROVISIONS 2015-2016 Appropriation Act

SECTION 117 - X90-GENERAL PROVISIONS

117.104. (GP: Sexually Violent Predator Treatment RFP) The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the State Fiscal Accountability Authority, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.

The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.

As part of the process, the Department of Mental Health, the Department of Corrections, and the State Fiscal Accountability Authority shall provide up-to-date information concerning the current operation of the program and shall provide information about suitable state owned real property. The RFP shall be issued on or before October 31, 2013.

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The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.

Part 1B section 23 J12-DEPARTMENT OF MENTAL HEALTH 2012-2013 Appropriation Act

SECTION 23 - J12-DEPARTMENT OF MENTAL HEALTH

23.15. (DMH: Sexually Violent Predator Program) The Department of Mental Health and the Department of Corrections shall prepare a report evaluating the feasibility and desirability of transferring the Sexually Violent Predator Program to the Department of Corrections. This report must include population and cost projections for the next five years, and must also explore and make recommendations regarding opportunities to further expand the private sector's role in operating this program. An update on the status of this report shall be provided to the Chairman of the Senate Finance Committee, the Chairman of the Senate Medical Affairs Committee, the Chairman of the Senate Corrections and Penology Committee, the Chairman of the House Ways and Means Committee, the Chairman of the House Judiciary Committee, and the Chairman of the Medical, Military, Public, and Municipal Affairs Committee by January 8, 2013 and the final report shall be provided by May 1, 2013.

Sexually Violent Predator Treatment Program Summary of the Operations Agreement

South Carolina Department of Mental Health July 14, 2016

I. Services Agreement

The SVPTP is fundamentally different from SCDMH's mental health treatment services and its State Veteran's nursing homes. Because of the nature of the resident population and security issues, it has been difficult for the agency to recruit and retain clinical staff. A number of other States have contracted out the operation of their SVP treatment programs, and that is the preferred direction of SCDMH leadership. The Agreement under consideration would provide for the private operation of the SVPTP by the proposed contractor (Correct Care) based on a per- bed/per-day rate. Contingent upon contract approval by the State Fiscal Accountability Authority ("SFAA") and the Joint Bond Review Committee ("JBRC"), and upon receiving Notice to Proceed from DMH, Correct Care shall begin an approximately sixty (60) day transition of existing services. At the end of the transition period, Correct Care shall provide management and operational services for the Program pursuant to the requirements of the RFP and the Response, subject to the terms and conditions set forth in the Record of Negotiations.

Note that SCDMH will not contract for the private operation (Services Agreement) unless/until it receives approval to proceed with the financing and construction of the New Facility.

Contract Term: SCDMH has asked the Division of Procurement Services to assist in seeking Authority approval to authorize SCDMH to award a contract for up to forty (40) years for operations of the Sexually Violent Predator Treatment Program (SVPTP). The contract will have a 2-year initial contract term, followed by an optional 10-year renewal, and four optional 7-year renewals. SCDMH officials believe the resulting contract with the maximum 40 year term fulfills the directives set forth by Proviso 117.115 of the 2013-14 Appropriations Act for a cost effective long-term solution for the operation of SVPTP while maintaining the stability as well as providing for the anticipated expansion of these services.

Existing Facility: The initial rate would be \$216.89 per bed/per day, with a minimum guarantee of 180 residents. There are 185 residents as of July 14, 2016.

New Facility: Upon the move to the New Facility, the rate would drop to \$210.67 per bed/per day, with a minimum guarantee of 180 residents. For the number of residents in excess of 180 up to 300, the rate would decrease to \$200.00 per bed/per day. For any beds in excess of 300, the parties shall, in good faith, negotiate a mutually agreed upon fixed per diem rate.

<u>Price Adjustments during the Contract:</u> Once the initial two year contract term is completed, Correct Care may request price adjustments on an annual basis based on any documented cost increase(s), as limited by the CPI – South Urban Medical Care Services Average. Price increases are limited by the increase the agency receives in appropriations for the program or the contractor documented cost increases, whichever is less.

Increased Cost:

The cost projections of entering into the Services Agreement and bond financing for the new facility would represent an estimated increase in expense to SCDMH for the SVPTP of \$4.3 million which includes projected census increases in FY 2018 and FY 2019. The estimated increase is based on a projected increase in operations cost of \$1.6 million and a projected annual debt service payment of \$2.7 million. The projected increase in costs solely attributable to outsourcing the management and operation

of the program is marginal in the short term (just over 1%), but overall costs will ultimately be reduced in the long term due to the efficiencies created by being in a newer facility.

<u>Termination Rights:</u> Correct Care may terminate this Agreement without cause by providing SCDMH with two hundred seventy (270) days written notice. This provision applies only to the management and operational services component of the contract.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2016

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

Ashlie Lancaster Real Property Services

2. Subject: Leases associated with the Department of Mental Health Sexually Violent Predator Program Renovation and New Construction of a 250 Bed Capacity Facility

3. Summary Background Information:

The SC Department of Mental Health's (DMH) request for Phase Two approval for full design and construction of a new 126,405 square foot facility for the Sexually Violent Predator Program includes three lease transactions requiring approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority. The Department of Administration has reviewed the leases for legal compliance with the State's statues and regulations governing leases.

Ground Lease from the SC Department of Corrections (SCDC) to DMH:

DMH will lease the land (17.07 acres, plus up to another acre that will be dedicated for a retention pond once designed), buildings and associated systems including fencing, common areas, drives, parking areas and walks of Stevenson Correctional Institution located at 4546 Broad River Road in Columbia (the "Leased Premises") from SCDC for a term of forty (40) years. The lease Commencement Date shall be the date on which this lease is approved by the State Fiscal Accountability Authority (SFAA). Rent shall be \$1/year, prepaid for the entire lease term in whole on the Commencement Date.

DMH will utilize the Leased Premises to construct, improve, renovate and equip, and maintain and operate a facility to house individuals civilly committed to DMH pursuant to the Sexually Violent Predators Act. DMH will be responsible for the maintenance and repairs of the Leased Premises throughout the lease term except for any condition in need of repair caused by or through SCDC. At the end of the lease term or any subsequent renewal term, DMH shall surrender the Leased Premises together with the facility and any other improvements thereupon to SCDC. DMH will sublease the Leased Premises to the SFAA in connection with financing pursuant to Section 11-1-110 of the SC Code of Laws.

Sublease from DMH to SFAA:

DMH will sublease the Leased Premises to the SFAA in connection with financing pursuant to Section 11-1-110 of the SC Code of Laws as detailed in the associated Lease and Use Agreement between DMH and SFAA. The term of the sublease shall be twenty (20) years with annual automatic renewal terms for each year the Lease Revenue Bonds (Department of Mental Health Project) Series 2016 (the "Bonds") issued by SFAA remain outstanding. The sublease Commencement Date shall be the date on which this sublease is approved by the SFAA. Rent

shall be \$1/year, prepaid for the entire sublease term in whole on the Commencement Date. At any time after the Commencement Date following discharge of the Bonds, DMH shall have the option to terminate the sublease. At the time the sublease ends, SFAA will surrender the Leased Premises and improvements to DMH.

Lease and Use Agreement:

Pursuant to this agreement and a resolution adopted by SFAA, SFAA will issue Lease Revenue Bonds (Department of Mental Health Project) Series 2016 (the "Bonds") not exceeding \$45,000,000 and apply the proceeds thereof to the development of an approximately 250-bed facility to house and treat individuals adjudicated as Sexually Violent Predators and civilly committed to DMH pursuant to the Sexually Violent Predators Act on the Leased Premises as described in the Ground Lease from SCDC to DMH and the sublease from DMH to SFAA. SFAA will lease the facility to DMH for successive automatically renewing terms commencing upon approval of this Lease and Use Agreement by SFAA and ending each June 30 thereafter. DMH shall pay SFAA for deposit into an account designated as the Revenue Fund (as defined in the Bond Resolution) on or before each October 1, beginning October 1, 2016, an amount sufficient to make the debt service payments due on the Bonds during the then current fiscal year, currently anticipated to be approximately \$2,800,000 per year. The Department shall also pay SFAA any additional sums as may be required to provide for the punctual payment of the debt service on the Bonds, maintain the Debt Service Reserve Fund, if any, as prescribed in the Bond Resolution, provide for the payment of the expenses of the Trustee, and discharge all obligations incurred by SFAA under the Bond Resolution. These amounts shall be further deposited to accounts held by Trustee on behalf of SFAA for application to discharge SFAA's obligations under the Bond Resolution. DMH shall be responsible for the maintenance and operations of the facility and shall establish and fund from Bond proceeds a major maintenance fund in the initial amount of \$500,000 to provide for capital maintenance of the facility.

DMH has sought and obtained an increased recurring appropriation of \$4.2 million from the General Assembly in order to pay debt service on the Bonds and make payments to a vendor that will design, build, operate and maintain the facility. In the event that the \$4.2 million incremental recurring appropriation anticipated to begin in the fiscal year ending June 30, 2017, is not appropriated or otherwise proves insufficient to offset the debt service, DMH may, but is not required to, divert revenues currently devoted to other DMH programs to make rental payments to SFAA. If at any time DMH fails to make any payments required under this agreement, SFAA may take possession of the facility and lease it for the purpose of generating rent, transfer the operation of the facility to itself or another agency of the State, or sell the facility.

- **4. What is the Authority asked to do?** Consider approval of the proposed lease transactions associated with the Department of Mental Health Sexually Violent Predator Program Renovation and New Construction of a 250 Bed Capacity Facility.
- 5. What is recommendation of the Department of Administration? Consider approval of the proposed lease transactions associated with the Department of Mental Health Sexually Violent Predator Program Renovation and New Construction of a 250 Bed Capacity Facility.

6. List of Supporting Documents:

• SC Code of Laws Section 1-11-55 and 1-11-56

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.

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"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

- (A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:
- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
- (a) a nonappropriation for the renting agency;
- (b) a dissolution of the agency; and

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

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

Effect of Amendment

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

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 2016

REGULAR SESSI	ON
ITEM NUMBER	6

AGENCY:	Division	of Procurement	Services

SUBJECT: Waiver to Extend the Maximum Time on a Multi-term Contract for the University of South Carolina

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The University of South Carolina has asked the Division of Procurement Services to assist in seeking Authority approval to authorize the University to solicit a contract for up to fifteen (15) years for Food Services. University officials believe a contract term of fifteen years will attract better financial proposals and maximize its ability to attract proposals for improving its dining program including updating and expanding existing dining facilities and outfitting new facilities.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), consider the University of South Carolina's request for a multi-term contract for Food Services and authorize the solicitation of proposals and award of a contract for up to fifteen (15) years.

ATTACHMENTS:

Agenda item worksheet; Letter of Request from The University of South Carolina; Section 11-35-2030(4) of the SC Consolidated Procurement Code

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: Sept	ember 20, 2016	Regular Session
1. Submitted by: (a) Agency: Division of Procu (b) Authorized Official Signatu		John St. C. White Materials Management Officer
2. Subject: Waiver to extend the maximum tim	e on a multi-term con	tract for the University of South Carolina
multi-term contract to seven years of Carolina has asked the Division of authorize the University to solicit officials believe a contract term of ability to attract proposals for impedining facilities and outfitting new formula of the contract term of ability to attract proposals for impedining facilities and outfitting new formula of the contract term of ability to attract proposals for impedining facilities and outfitting new formula of the contract term of ability to attract proposals for impedint the contract term of ability to attract proposals for impediately asked to do under authority of SC Consolidated	Consolidated Procurunless otherwise approof Procurement Serva a contract for up to a fifteen years will attroving its dining profacilities. Procurement Code Soliterm contract for Footier Code Soliterm Contract for Footietheres.	rement Code limits the maximum time for any roved by the Authority. The University of South ices to assist in seeking Authority approval to fifteen (15) years for Food Services. University tract better financial proposals and maximize its gram including updating and expanding existing dection 11-35-2030(4), consider the University of od Services and authorize the solicitation of ears.
5. What is recommendation of A Consider the University of South Ca		
6. Recommendation of other offi (a) Authorized Signature: (b) Division/Agency Name:		
7. Supporting Documents: A-Letter of request from the Uni B- Section 11-35-2030(4) of the		



ASSOCIATE VICE PRESIDENT FOR BUSINESS AFFAIRS

July 15, 2016

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

The University of South Carolina will be soliciting a new Food Service contract during the coming year. We are requesting the approval to solicit this contract for a 15 year term. With a longer period for investments to be amortized, we will attract better financial proposals enabling improvements to be made in our dining facilities and program by our food service provider. We have had a very successful dining contract for the past 15 years. This contract has provided a structure that has kept service levels high during the contract period and provided the means for keeping the food service facilities well maintained and periodically renovated.

The new contract will support dining requirements as the campus grows to serve our increased enrollment. New dining facilities will be included in the Campus Village project and the dining contract will provide the financial resources for the dining portions of that development. A fifteen year contract term will maximize our ability to attract other proposals for improving our dining program at the Russell House and at other dining locations on campus. The Russell House is by far our most heavily utilized dining space on campus serving an average of nearly 8,000 customers per day during the peak times of the semester. We hope that the new contract will provide a means for enabling the Russell House to improve and expand its dining services.

Under our current contract, we have been able to transform and expand the facilities and menu options offered to our students. We structured that contact using a methodical approach to timing investments into the dining facilities so that continuous improvements could be made throughout the 15 year term. Much of the dining business on campus is conducted in a retail environment where the dining program must be able to change the concepts offered to provide the current type and quality of food that customers require. With a 15 year term to amortize these investments, we can provide a financial return for the vendors who will be competing for the new contract that will give them the ability to offer both significant and sustained improvements to the dining program and facilities.

As mentioned, the contract that we are concluding was approved by the Budget and Control Board for a 15 year term in 2002. That contract has served the University and its students well and has led our dining program to earn national recognition as one of the top 25 dining programs in the country. This has been done entirely through the revenues generated by a well-structured and managed contract. We would appreciate being given the opportunity to procure a similar contract to serve our dining needs for the next 15 years. Thank you for your support.

Very truly yours,

Helen Zei

c: Venis Manigo

SECTION 11-35-2030. Multiterm contracts.

- (1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.
- (2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:
- (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- (b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.
- (3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.
- (4) The maximum time for a multiterm contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.

HISTORY: 1981 Act No. 148, Section 1; 1997 Act No. 153, Section 1; 2006 Act No. 376, Section 34.

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF September 20, 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, November 1, 2016, in Room 252, Edgar A. Brown Building.

State Fiscal Accountability Authority Meetings Remaining in 2016

Tuesday, November 1 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, November 1, 2016, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: