Archived Video Available

I. Pursuant to House Legislative Oversight Committee Rule 6.8, S.C. ETV was allowed access for streaming the Subcommittee meeting. You may access archived video of this meeting by visiting the South Carolina General Assembly’s website (http://www.scstatehouse.gov) and click on “Committee Postings and Reports,” then under House Standing Committees click on “Legislative Oversight”. Lastly, click on “Video Archives” for a listing of archived videos for the Legislative Oversight Committee.

Attendance

I. The Economic Development, Transportation, Natural Resource and Regulatory Subcommittee (Subcommittee) meeting was called to order by Subcommittee Chairwoman Phyllis J. Henderson on Thursday, March 10, 2016, in Room 110 of the Blatt Building, Columbia, South Carolina. The following Subcommittee Members were present: Subcommittee Chair Henderson, Representative Robert L. Ridgeway III, Representative Samuel Rivers, Jr., and Representative Ralph W. Norman.

Minutes

I. House Rule 4.5 requires the standing committees of the House to prepare and make available for public inspection, in compliance with Section 30-4-90, the minutes of full committee meetings. House Rule 4.5 further provides that such minutes need not be verbatim accounts of such meetings. It is the practice of the House Legislative Oversight Committee to provide minutes, which are not verbatim accounts of such meetings, for its Subcommittee meetings.
II. Representative Norman moved to approve the minutes from the Committee’s previous meeting, which was held on January 13, 2016. A roll call vote was held, and the motion was passed unanimously.

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<tr>
<th>Rep. Norman’s Motion to Approve the Minutes from January 13, 2016:</th>
<th>Yea</th>
<th>Nay</th>
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<tr>
<td>Rep. Phyllis Henderson</td>
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<td>Rep. Ralph Norman</td>
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<td>Rep. Robert Ridgeway</td>
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<td>Rep. Samuel Rivers</td>
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Update of the Study of the Department of Transportation

I. Chair Henderson updated the Subcommittee on the status of the oversight process of the Department of Transportation (DOT). She noted that the Legislative Audit Council is auditing DOT, and its release would likely be during furlough.

Discussion of the Study of the State Transportation Infrastructure Bank

I. Chair Henderson stated that the purpose of the meeting was to discuss the Staff Study of the State Transportation Infrastructure Bank (the Bank) and to allow the Subcommittee members to ask questions of the agency’s representatives.

Chair Henderson explained that all testimony given to the Subcommittee must be given under oath. All of those present who intended to testify were sworn in simultaneously. Those sworn in were: Mr. Vince Graham (Chair, State Infrastructure Bank Board), Ms. Tami Reed (Chief Financial Officer, State Transportation Infrastructure Bank), and Mr. Jim Holley (General Counsel, State Transportation Infrastructure Bank).

Mr. Graham provided an overview of the Bank to the Subcommittee.

Representative Norman asked whether DOT funds any of the reports that are submitted to the Bank as part of the applicant’s request for funding. Mr. Holley answered that all of the materials submitted to the Bank as part of an application are paid for by the applicants.

Representative Norman requested information related to the amount of money being paid into the Bank from each of the state’s counties. He also asked for an update on I-526. Mr. Graham answered that DOT had recently estimated the cost of completing the I-526 project at $725 to $750 million dollars, which he said would make it the most expensive infrastructure project in the state’s history. He testified that the Bank had recently reaffirmed its commitment to fund over $400 million of the project’s cost, and asked Charleston County for information detailing the County’s plan to pay for the balance of the project’s cost. He also testified that if the County declines to fund the balance of the project, then the Bank’s $400+ million commitment to fund the project expires.

Mr. Holley continued the overview of the Bank to the Subcommittee.
Chair Henderson asked if the Bank gets $141 million per year from the state’s General Fund. Mr. Holley answered that the figure was correct. Chairwoman Henderson asked for the length of time that the Bank would be obligated to make payments on existing projects if the General Assembly were to decide to dismantle the Bank. Mr. Holley answered using information found in the Bank’s handout to the Subcommittee members. Chair Henderson asked if the Bank had funded any projects located on secondary roads. Mr. Holley answered that the Bank had funded projects located on secondary roads.

Chair Henderson asked for the Bank to submit the following to the Subcommittee:

- The location of each project;
- The nature of each project (ex: bridges, road widening, etc.);
- The names of roadways near each project;
- The amount of funding pledged to each project from local sources.
- The amount of “soft match” funds as compared to the amount of “hard match” funds pledged for each project from local sources;
- The amount of funding pledged to each project by the Bank;
- The process by which each project was selected by the Bank for funding;
- The applications of each project that has been selected by the Bank for funding;
- The criteria ranking sheets for each project that has been selected by the Bank for funding; and
- The minutes from the Board meetings during which each project selected by the Bank for funding was selected.

Chair Henderson expressed her concern that the Bank had funded projects that did not meet the $100 million statutory minimum, but that were collections of smaller projects lumped together so as to surpass the statutory minimum.

Representative Norman asked for the Bank to submit to the Subcommittee information related to the agency’s administrative costs.

Representative Norman asked for an update on the status of I-173. Mr. Holley testified that the Bank had not yet received an application to fund the project.

Representative Rivers asked for a description of the typical characteristics that might make a particular application be prioritized by the Bank for funding.

Chair Henderson made comments relating to information received that Charleston County and Horry County have been the majority recipients of the Bank’s funding.

Chair Henderson asked for the number of people on the Board’s Evaluation Committee. Mr. Graham answered that the Committee is composed of three of the Board’s members, but that it also gets input from the Bank’s staff and from DOT.

Chair Henderson asked if the Bank’s evaluation process is directed according to the criteria provided in Act 114. Mr. Holley answered that the criteria provided in Act 114 apply to DOT, but that the Act’s criteria are indirectly considered in the Bank’s application process since DOT frequently recommends funding projects according to its ranking according to the Act 114 criteria.
Chair Henderson asked for the Bank to submit to the Subcommittee an estimated percentage of funds dispersed by the Bank in a typical year that go to projects that add to the state’s number road miles as compared to projects that improve the state’s existing road miles.

Representative Norman asked for the Bank to submit to the Subcommittee information regarding the percentages and/or amounts of project funding that has been paid for by a local government matches.

II. Chair Henderson stated that she intended the Subcommittee to meet with the Bank again on April 28, 2016.

Representative Rivers asked for the Bank to submit to the Subcommittee suggestions for the revision of state law so as to make the Bank better able to serve the entire state through the funding of infrastructure projects in a more geographically diverse way.

Adjournment

I. There being no further business, the meeting was adjourned.