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F. RICHARD HARMON, JR.
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

MARY KATHERINE ROGERS
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

JOINT BOND REVIEW COMMITTEE MEETING

Wednesday, October 2, 2019 10:30 a.m.
Room 105, Gressette Building

AGENDA

PAGE

1. SC Department of Commerce
   South Carolina Rural Strategy Plan 1
2. Lease Proposals
   a. State Accident Fund
      113 Reed Avenue, Lexington 24
   b. Lander University
      Jeff May Athletic Complex and Related Financing 32
   c. Winthrop University
      Lease to York County Disabilities Foundation and City of Rock Hill (Miracle Park) 51
3. Permanent Improvement Project Proposals with Financing Components
   a. The Citadel, the Military College of South Carolina
      Capers Hall Academic Building Replacement 59
   b. Clemson University
      Daniel Hall Renovation and Expansion 69
   c. University of South Carolina
      Campus Village Residential Development 78
   d. Medical University of South Carolina
      College of Pharmacy Addition and Innovative Instructional Redesign Renovation 90
4. Permanent Improvement Project Proposals 99
5. SC Jobs-Economic Development Authority
   Annual Report 150
6. Report of Staff Action
   SC Department of Natural Resources
   Charleston - Cape Dike Restoration Project 173
7. Pending Matters and Updates from Prior Meetings 193
8. Future Meeting 195

JOINT BOND REVIEW COMMITTEE **Item 1**
Meeting of October 2, 2019

AGENCY: SC Department of Commerce

PROJECT/SUBJECT: SC Rural Strategy Plan

Background. Proviso 50.21 of Act 91 (2019), Part IB (the FY2019-20 Appropriation Act) establishes within the Department of Commerce the Rural School District and Economic Development Closing Fund.

The fund must be used to facilitate economic development and infrastructure improvements in counties that contain a school district that has been defined by the Department of Education as having a poverty rate greater than or equal to 86%. The proviso also provides the following criteria:

1) One of the top 12 counties with the highest population decline by percentage since 2010;
2) One of the top 12 counties with the highest average unemployment rate for 2018; and
3) According to the US Census 2017 a county with a poverty rate in excess of 20%.

Up to $15 million of the fund may be used in any county that is contiguous to an eligible county as long as that contiguous county has one county-wide consolidated public school district.

Funds are to be used on, but use is not limited to, economic development projects, water and sewer infrastructure, and school building infrastructure. Once a project is committed, the funds may be utilized to finish that project, even if the county does not remain an eligible county in subsequent years.

The plan must be reviewed by the Joint Bond Review Committee before funds may be expended, and any unexpended funds at the end of the fiscal year must be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

Proviso 112.1 of the FY2019-20 Appropriation Act directs a transfer of $65 million to the fund.

In accordance with Proviso 50.21, the Department of Commerce proposes the attached plan, and requests review by the Committee.

Observations. Attachment C of the plan reflects 14 eligible and 15 contiguous counties, as follows:

Eligible:	Allendale; Bamberg; Barnwell, Clarendon; Dillon; Fairfield; Florence; Hampton; Jasper; Lee; Marion; Marlboro; Orangeburg; Williamsburg
Contiguous:	Aiken; Beaufort; Berkeley; Calhoun; Chester; Chesterfield; Colleton; Darlington; Georgetown; Horry; Kershaw; Lancaster; Newberry; Sumter; Union

The plan integrates efforts of the Department of Commerce that previously identified the 5 South Carolina counties facing greatest economic development challenges: Allendale; Bamberg; Fairfield; Lee and Williamsburg. Commerce has evaluated the overall health of industry, conducted dialogue and data review with local leadership, and has developed plans and strategies to promote economic development in these underserved areas. While the approach has been consistent for each county, the potential investment has been tailored based on evaluation findings. Commerce has refined this approach for application to the other 9 eligible counties. Commerce will commit four full-time employees to the successful implementation of the program. Administrative expenses of the program will be funded from existing Commerce funds, and not the Rural School District and Economic Development Closing Fund.

The plan contemplates integrating the 5 previously identified counties described above and introducing 2 or 3 additional counties into the program by the end of 2019. Notably, the plan contemplates additional state funding in future fiscal years.

Inasmuch as plans and strategies to promote economic development will be tailored for each county based on evaluation findings, Commerce proposes an indicative range of potential investment within 9 strategic areas, with emphasis on education and future growth:

Regional Infrastructure	$13 - 20 million
Rural Closing Fund	$8 - 12 million
Access to Technology	$2 - 5 million
Education, Workforce Development and Talent Recruitment	$5 - $15 million
Social Issues	$2 - 4 million
General Economic Development Preparedness	$10 - 15 million
Project-Specific Research	$1 - 3 million
Opportunity Zones Grant Program	$1 - 2 million
Education	$4 - 8 million

Commerce proposes providing an annual report to the Joint Bond Review Committee by November 1 of each year that will include an update and status of projects in process, preliminary outcomes, and measures reflective of success in addressing future growth and education objectives. The report will further include an accounting of funding by county and project, and changes to the estimated budget range for each type of project.

COMMITTEE ACTION:

Review the plan proposed by the SC Department of Commerce in accordance with Proviso 50.21 of Act 91 (2019), and provide comment as appropriate.

ATTACHMENTS:

1. Letter from SC Department of Commerce.
2. SC Department of Commerce Rural Strategy Overview.
3. Provisos 50.21 and 112.1 of Act 91 (2019), Part IB.

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

September 25, 2019

The Honorable Hugh K. Leatherman Sr.
Chairman
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Dear Chairman Leatherman,

Rural South Carolina and its economic future remain a priority for members of the South Carolina Legislature, Governor McMaster and the South Carolina Department of Commerce. Together, we are committed to seeking solutions that will have a lasting impact on many rural areas of our state.

In accordance with Proviso 50.21 (CMRC: Development – Funding for Rural Infrastructure), I am providing the South Carolina Rural Strategy for the Joint Bond Review Committee's review.

We look forward to working with our partners to identify and implement initiatives that will have beneficial impact on our rural communities and afford more opportunities for the citizens who call them home.

Sincerely,

Robert M. Hitt III

RMH/vw

Enclosure

1201 Main Street, Suite 1600, Columbia, SC 29201
Tel: (803) 737-0400 • Fax: (803) 737-0418 • www.sccommerce.com

Executive Summary

South Carolina has experienced unprecedented success in recruiting new capital investment and jobs over the past eight years; however, not all areas of the state have shared in these successes at an acceptable level. To address this variance, South Carolina Department of Commerce (S.C. Commerce) has developed a rural strategy to identify and initiate comprehensive solutions to, ultimately, build a stronger, sustainable rural South Carolina (See Attachment A).

In January of 2018, Secretary Bobby Hitt charged S.C. Commerce staff with the development and implementation of a program to address the five counties that have faced the most challenges from an economic development standpoint.

In July of 2019, S.C. Commerce was allocated $65 million for development, specifically funding for rural infrastructure, under proviso 50.21 as approved by the South Carolina General Assembly (See Attachment B for proviso). These allocated funds have been designated to address rural initiatives in 14 South Carolina counties (See Attachment C for a map of the eligible counties).

As outlined below, S.C. Commerce has refined the original strategy and will implement this approach for the nine remaining counties (of the original 14) identified by the General Assembly, based on population decline and poverty rate. The objective of all projects funded via the rural strategy program will be to improve the conditions for future growth, stabilization of the rural communities and make targeted investments into the K-12 and technical school systems serving the eligible counties.

Background

As South Carolina has experienced this remarkable momentum, the growth has not been experienced equally throughout the state. With approximately 20 percent of the labor force residing in non-urban counties, there is tremendous potential. However, these rural communities often face more challenges to be pro-active with economic development efforts because of financial, infrastructure, education, workforce and resource deficiencies. In many cases, there are not sufficient budgets to address critical public needs, which take priority over more strategic development projects. And, like many neighboring states, South Carolina’s rural communities have been affected by the nationwide trend of millennials living in an urban core – whether within city limits, the exurbs or, increasingly, the suburbs.

While South Carolina is not unique in recognizing the need to address key issues impacting rural communities, the state does recognize that the same approach cannot be taken with the expectation of a different, better result. To enable these rural communities to be strategic and consistently competitive in the economic development arena, South Carolina will be unique in its approach moving forward.

Strategy

The rural strategy pilot program was launched with five of South Carolina's most disadvantaged counties, ranked on poverty rate and population decline. The five counties identified for the pilot (Allendale, Bamberg, Fairfield, Lee and Williamsburg), do not have access to the same level of robust services and resources that are found in the larger, more populated areas of the state. As an initial step, each county was evaluated to examine the overall health of industry; this included extensive dialogue and data review with local leadership. While the approach was consistent for each county, the potential investment to be made was tailored, based on the evaluation findings; the end result will be a project/solution recommendation with local support to enable the greatest long-term impact on the county.

S.C. Commerce intends to take this systematic approach with the remaining counties to implement solutions that initiate, long-term change – change that will transcend any local leadership. Each project will have a specific goal and will be measured on an on-going basis to evaluate the impact of the investment. S.C. Commerce will make significant investments into these counties and leverage other resources, such as federal grant and non-profit opportunities. Certain projects will be implemented for three to five years. This tenure will: ensure that each project addresses one of the two program objective – education or future growth; provide sufficient time to measure the effectiveness of a project; and allow for the initiation of systematic, sustainable change. S.C. Commerce is viewing this funding as an initial investment into these counties by the State and has structured the program with the assumption that follow-up funding will be available in future fiscal years.

In addition to direct funding, S.C. Commerce will commit four, full-time staffers – three of whom are senior level with substantial economic and community development experience – to the successful implementation of the program. To streamline execution, there are two primary team functions – Discovery and Implementation. The 'Discovery' team members will lead the county evaluation and solution recommendation part of the program. The evaluation will include meeting with the appropriate legislative delegation, as well as the identification of potential agricultural or tourism-related opportunities The 'Implementation' team members will work hand-in-hand with the counties to: ensure permitting, infrastructure, engineering and other key milestones are met; help alleviate potential challenges; provide guidance on technical issues; and manage all administrative and financial support for the projects.

By the end of 2019, the team outlined above will have introduced the next two or three counties into the program. As projects are ramped up, another county will be added to the queue. S.C. Commerce leadership will return to the Joint Bond Review Committee, by November 1 of each calendar year, to provide an update on projects in-process. This report will include project status updates and preliminary outcomes, including measurements indicating that the projects are addressing future growth and/or education objectives. In addition, it will include any accounting of funding by county and project and changes to the estimated budget range for each type of project.

Types of Projects Potentially Eligible for Funding

**The categories below are an overview not an all-inclusive list of all potentially eligible projects.*

1. Regional Infrastructure

- Encourage and create regional economies of scale for greater impacts.
- Promote and expand best practices to plan for the future.
- Improvement of the basic rural infrastructure to maximize competitive advantage.

Potential project example: Consolidating multiple rural wastewater jurisdictions, located in the same county, to create a sustainable, cost-effective system.

Project Objective: Future Growth

Estimated Budget: $13,000,000 - $20,000,000

2. Rural Closing Fund

- Improve rural school building infrastructure.
- Stabilize existing industry infrastructure and specific competitiveness challenges.
- Support infrastructure upgrades for a recruited company that will otherwise not locate in S.C. without increased capacity.

Potential project example: Infrastructure improvements to increase a community's water or sewer system available capacity.

Project Objective: Education and Future Growth

Estimated Budget: $8,000,000 - $12,000,000

3. Access to Technology

- Expand the availability of high-quality public services, including information and communication technology.

- Leverage resources to expand rural high-speed broadband and Wi-Fi access to citizens and industry.
- Enhance computer equipment in local schools to provide students access to current technology.

Potential project example: Implementing a homework application, so K-12 students in rural areas are able to complete web-based homework outside of school and in their homes.

Project Objective: Education

Estimated Budget: $2,000,000 - $5,000,000

4. Education, Workforce Development and Talent Recruitment

- Facilitate a balance of educational offerings with local trade and industry needs for existing job opportunities.
- Support new models to make rural education accessible and affordable, including possible institutional collaboration.

Potential project example: Establishing a supplemental center to train for existing rural jobs, in both trade and industry, which are tough to fill because of an imbalance in demand and ready workforce.

Project Objective: Education and Future Growth

Estimated Budget: $5,000,000 - $15,000,000

5. Social Issues

- Expand rural transportation systems to mobilize residents for education and employment opportunities.
- Ensure availability of affordable, accessible, quality healthcare services.

Potential project example: Piloting a collaborative rural healthcare program, in which services are delivered by community-based service providers (ex. certified paramedicine professionals) who are connected with appropriately-licensed healthcare professionals via a telehealth infrastructure.

Project Objective: Education and Future Growth
Estimated Budget: $2,000,000 - $4,000,000

6. General Economic Development Preparedness

- Facilitate product development to ensure inventory is ready.
- Support fixed asset modernization (ex. upgraded machinery and equipment) for existing industry, to include potential assistance with workforce training.

Potential project example: Working with a rural county on the development, improvement or maintenance of a speculative building to help attract or retain industry.

Project Objective: Education and Future Growth
Estimated Budget: $10,000,000 - $15,000,000

7. Project-Specific Research

- Research that is imperative to determine feasibility of possible aforementioned projects.
- Pre-project due diligence to provide a better level of the predicted long-term success and sustainability of a project.

Potential project example: Including rural, project-specific reports, such as a traffic pattern study, preliminary engineering review, DHEC evaluations, etc.

Project Objective: Education and Future Growth

Estimated Budget: $1,000,000 - $3,000,000

8. Opportunity Zones Grant Program

- Provide funding to offset cost to engage an outside vendor to assist in structuring of a competitive Opportunity Zone Prospectus and/or in determining the best project to pursue.

Potential project example: A governmental entity is interested in developing within an Opportunity Zone. If approved for this grant, the entity could use the funds to engage a third party to help determine the most suitable type of project for the given zone.

Project Objective: Future Growth
Estimated Budget: $1,000,000 - $2,000,000

9. Education

- Provide funding to supplement select Department of Education initiatives.

Potential project example: A pilot program for teacher housing in one of the identified counties that would potentially increase that county's ability to recruit and retain teachers.

Project Objective: Education and Future Growth
Estimated Budget: $4,000,000 - $8,000,000

Conclusion

The South Carolina Department of Commerce is committed to the successful implementation of the rural strategy program and the funds allocated for that express purpose. Upon completion, all 14 eligible counties will have had the opportunity to participate.

Based on an individual project timeline of three to five years and the total funds available, this program will not be implemented quickly. Rather, it will be implemented methodically and with sufficient time to review and enact necessary adjustments. Projects will initially be funded with year one money from S.C. Commerce, federal grants and other local support. S.C. Commerce is viewing this funding as an initial investment into these counties by the State and has structured the program with the assumption that follow-up funding will be available in future fiscal years.

S.C. Commerce recognizes that this comprehensive approach, tailored to the needs of rural communities, is the most efficient and effective way to implement transformative solutions that will transcend local leadership shifts. This program will result in a stronger rural South Carolina by facilitating partnerships at the local, state and federal levels to ensure solutions – addressing future growth and/or education – are not only initiated, but also sustained.

ATTACHMENT A

SOUTH CAROLINA RURAL STRATEGY

September 2019

Division – Targeted Rural Strategy

SOUTH CAROLINA DEPARTMENT OF COMMERCE

SOUTH CAROLINA RURAL STRATEGY

TABLE OF CONTENTS

STRATEGY OVERVIEW

While South Carolina has done extremely well over the past eight years in attracting new capital investment and jobs, not all areas of the state have shared in these successes at an acceptable level. Recognizing this variance, Secretary Hitt charged S.C. Department of Commerce (S.C. Commerce) staff with the development and implementation of a program to address the five counties that have struggled the most from an economic development standpoint. The strategy identified in January of 2018 is finally starting to take shape. Therefore, we are proposing that the same strategy be adopted for the additional rural counties identified by the General Assembly in 2020.

Team South Carolina consists of countless moving parts and players, all working toward the same goal of growing South Carolina's economy and making our state a better place. Our team-centric approach to economic development is focused on all counties, but the strategies addressed in this document place greater emphasis on a select group of our rural communities.

The South Carolina Rural Strategy began with the identification of three basic areas that we all agreed on as keys to success and within the S.C. Commerce mission. The basic areas to be addressed were:

1) Local Leadership
2) Existing Manufacturing Industry
3) Community Workforce Advancement

Our strategy took a methodical approach to each of these focus areas and included: data analysis, program recommendations and measures of success. As the state's economy continues to thrive and diversify, Team S.C. continues to take steps to ensure that success reaches every corner of the state. In doing so, the citizens of our rural communities will be able to prosper, providing an economic backbone for the state for many years to come.

We believe that the South Carolina Rural Strategy can play a significant role in increasing the competitiveness of the designated rural counties. A report summarizing the success of these strategies will be presented to the Secretary of Commerce after each of the counties has completed the program.

LOCAL LEADERSHIP

In order to better prepare the selected counties to increase their competitiveness and success, it is imperative that county officials make informed decisions and manage resources to better govern their respective counties. For that reason, the S.C. Rural Strategy first focuses on the leadership of the community because a strong and effective management team creates a solid foundation for success.

Goals & Objectives

Provide local government support services and programming that will bolster leadership capabilities, quality decision-making and overall management of the county to increase competitiveness.

Target Audience

County, municipal council members, school board members and the county legislative delegation will be the primary focal group for local leadership initiatives. However, the target audience may be extended to include county and municipal staff, school district staff, as well as county development board members, community leaders and economic development allies who work directly with the county.

Data Gathering & Analysis

Insight into the county's strengths and areas requiring improvement, to include agricultural and tourism-related areas, will be determined through one-on-one interviews, conducted by S.C. Commerce staff, using a standardized set of questions. Interviews also identified other groups within the county that should participate in the tactics described below.

Individuals or ally groups interviewed included, but were not limited to:

- Council members
- County administrators and mayors
- Members of the respective Legislative Delegations
- County attorneys

- Utility providers
- Engineering and construction firms currently or previously engaged with counties
- The South Carolina Association of Counties (SCAC)
- The Municipal Association of South Carolina (MASC)
- School superintendents
- Regional Economic Development Alliances
- Councils of Governments
- Selected Industrial Employers in each county

After interviews were completed, S.C. Commerce staff analyzed the data collected to determine common trends and areas of greatest concern.

Follow-up

Follow-up meetings with those individuals interviewed were held to review the results and to make them aware of the information communicated during the interviews. This marked the beginning of the process to determine the project that would make the greatest long-term impact on the county.

EXISTING MANUFACTURING INDUSTRY

Goals & Objectives

To improve existing manufacturing industries competitiveness, performance and profitability.

Target Audience

Existing manufacturing companies within the selected counties.

Data Gathering & Analysis

Existing Industry Managers in collaboration with the South Carolina Manufacturing Extension Partnership (SCMEP) representatives will conduct a company needs assessment, beginning with visits to each of the existing manufacturing companies located on the targeted counties.

Tactics

SCMEP COMPETITIVENESS REVIEW

- A one-day Competitiveness Review (CR) is the first step in a strategic, hands-on approach to help improve the company's performance. Developed by SCMEP, the CR is a comprehensive, on-site evaluation of the company's operations that both appraises capabilities and gauges the effectiveness of business systems.
    - The CR reveals (or confirms) the limiting factors effecting the business and provides a snapshot comparison to other companies.
    - The assessment delivers a road map to improve competitiveness, performance and profitability.
    - A rural Regional Workforce Advisor will also accompany a SCMEP consultant on all company visits.
- A customized action plan was developed and presented to those participating companies. The plan identified strategies and solutions based upon organization, systems, workforce and sustainability. These recommendations are "built for speed" to allow rapid intervention.
- Once the company reviewed the CR information, they either accepted the assessment as information or they entered into a Memorandum of Understanding with SCMEP for the service deliverables identified in the

CR. The menu of options included: ISO certifications; internal auditing; leadership development training; organizational restructuring; Lean Manufacturing 5S training; plant floor reorganization; maintenance optimization; safety system development; sales and marketing strategies; as well as other training opportunities. This was a costly deliverable. As a result, we will only be able to offer this assistance to roughly 20 companies in the five county group. Details are still in process.

SCMEP PRODUCT DIVERSIFICATION PROGRAM

- Existing manufacturing industries that took part in this program had the opportunity to diversify their product range by modifying existing products or adding new products. Criteria for selection was based on the SCMEP CR, as well as qualitative data collection from the company assessment. Service deliverables to the company included: core tools training; supplier development; product development; innovation/growth strategies; continuous improvement plan; and industrial sales and marketing.

MODERNIZATION LOAN PROGRAM

Access to capital is of critical importance for manufacturing firms to maintain their competitiveness, especially in the area of fixed asset modernization (e.g. upgraded machinery and equipment). S.C. Commerce established a Rural Modernization Fund to help seed these fixed asset investment opportunities. The Business Development Corporation of South Carolina coordinated and administered the loan program on behalf of Commerce.

In certain circumstances, S.C. Commerce would provide incentives for companies that meet recruitment or payroll targets within the term of the loan. These incentives would be either an interest buy-down on the loan to a lower interest rate or principal forgiveness once targets were met and maintained.

If needed, SCMEP would provide or coordinate training of employees on this new equipment.

COMMUNITY WORKFORCE ADVANCEMENT

Human capital is the greatest resource a community possesses. For that reason, S.C. Commerce has identified workforce as an integral part of the S.C. Rural Strategy.

Goals & Objectives

Boost the talent pipeline of the selected counties.

Target Audience

Potential employees within the identified counties.

Data Gathering & Analysis

Information on available entry-level employment opportunities was gathered through the Company Needs Assessment. Current unemployed and underemployed workers were identified through interviews with:

- Regional Economic Development Alliances
- South Carolina Department of Employment and Workforce

Tactic

COMMUNITY OUTREACH EVENT

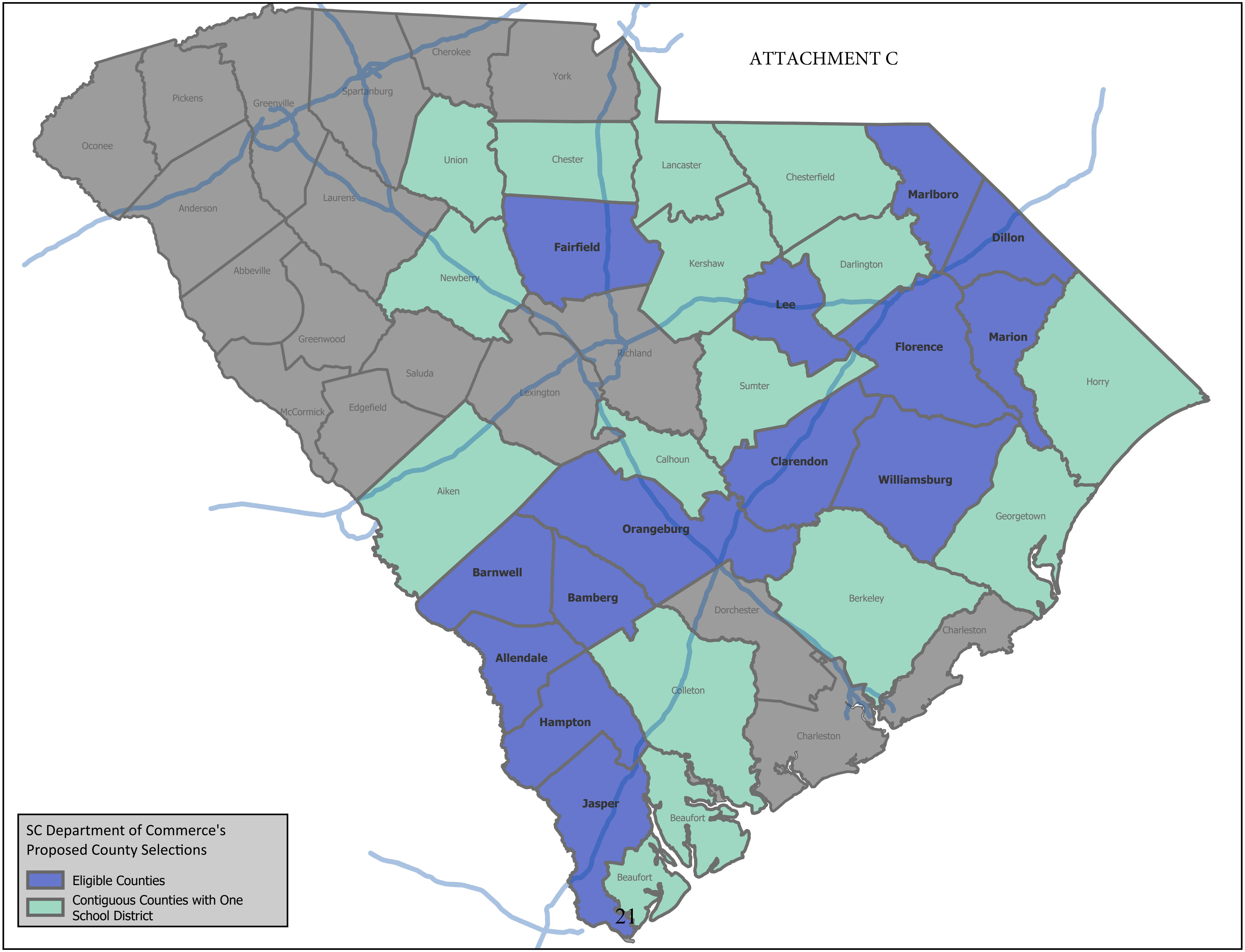
- One-day events are to be held in each of the identified counties. The event is designed to provide information to county residents who have an interest in working in manufacturing.
- The goal is to assist potential entry-level employees with basic work-ready needs to increase their likelihood of manufacturing employment. Areas that will be addressed include: completion of WorkKeys Assessments; guidance on obtaining ManufirstSC certification; and assistance with other barriers to employment.
- Specific recruitment efforts will target a pre-determined pool of current workers who would potentially quality for manufacturing jobs with appropriate, supplemental education and training.
- Community outreach will include advertisements within local and social media.

- S.C. Commerce will issue an invitation to employers that are currently hiring entry-level workers to participate in the event. A pre-registration of attendees will be conducted through Eventbrite, and S.C. Commerce will coordinate partners to execute the event. Progress of the attendees will be monitored by S.C. Commerce and partners through follow-up email messages, phone calls and interviews. Human resources consultants may be brought in if needed to assist with company interviews.
- This portion of the strategy is still in process.

ATTACHMENT B

50.21. (CMRC: Development - Funding for Rural Infrastructure) There is established within the Department of Commerce the Rural School District and Economic Development Closing Fund. (A)The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements in counties that contain a school district that has been defined by the Department of Education as having a poverty rate greater than or equal to 86%. (B)The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements in counties that meet each of the following criteria: (1) one of the top twelve counties in South Carolina with the highest population decline (by percentage) since 2010; (2) one of the top twelve counties with the highest average unemployment rate for 2018; and (3) according to the US Census 2017 - a county with a poverty rate in excess of twenty percent. Funds are to be used on, but not limited to, economic development projects, water and sewer infrastructure, and school building infrastructure. Once a project is committed, the funds may be utilized to finish that specified project, even if the county does not remain an eligible county in subsequent years. This plan must be reviewed by the Joint Bond Review Committee before these funds may be expended. Of the funds transferred to the fund, up to $15,000,000 may be used in any county that is contiguous to an eligible county as long as that contiguous county has one county-wide consolidated public school district. Any unexpended funds at the end of the fiscal year shall be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

ATTACHMENT C



South Carolina General Assembly
123rd Session, 2019-2020

H. 4000
General Appropriations Bill for Fiscal Year 2019-2020
Ratified Version

PART IB
OPERATION OF STATE GOVERNMENT

SECTION 50 - P320 - DEPARTMENT OF COMMERCE

50.21. (CMRC: Development - Funding for Rural Infrastructure) There is established within the Department of Commerce the Rural School District and Economic Development Closing Fund. (A)The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements in counties that contain a school district that has been defined by the Department of Education as having a poverty rate greater than or equal to 86%. (B)The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements in counties that meet each of the following criteria: (1) one of the top twelve counties in South Carolina with the highest population decline (by percentage) since 2010; (2) one of the top twelve counties with the highest average unemployment rate for 2018; and (3) according to the US Census 2017 - a county with a poverty rate in excess of twenty percent. Funds are to be used on, but not limited to, economic development projects, water and sewer infrastructure, and school building infrastructure. Once a project is committed, the funds may be utilized to finish that specified project, even if the county does not remain an eligible county in subsequent years. This plan must be reviewed by the Joint Bond Review Committee before these funds may be expended. Of the funds transferred to the fund, up to $15,000,000 may be used in any county that is contiguous to an eligible county as long as that contiguous county has one county-wide consolidated public school district. Any unexpended funds at the end of the fiscal year shall be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

SECTION 112 - V040 - DEBT SERVICE

112.1. (DS: Excess Debt Service) The Office of State Treasurer shall transfer, from debt service that exceeds the principal and interest due in the current fiscal year, $65,000,000 to the Department of Commerce for the Rural School District and Economic Development Closing Fund, $50,000,000 to the Department of Education for school district capital improvements, and $20,000,000 to F300-Statewide Employee Benefits for Bonus Pay. From such funds, effective on the first pay date that occurs on or after October 16, 2019, the Department of Administration shall allocate to state agencies $20,000,000 to provide for a one-time lump sum bonus. Each permanent state employee, in a full-time equivalent position, who has been in continuous state service for at least six months prior to July 1, 2019, and who earns $70,000 or less shall receive a $600 one-time lump sum payment. This payment is not a part of the state employee's base salary and is not earnable compensation for purposes of employer or employee contributions to respective retirement systems. This appropriation may be used for payments to employees only in the same ratio as the employee's base salary is paid from appropriated sources and the employing agency shall pay the bonus for federal and other funded full-time equivalent positions employees from federal or other funds available to the agency in the proportion that such funds are the source of the employee's salary. Any additional excess debt service funds available in Fiscal Year 2019-20 may be expended in the fiscal year to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest, (2) will achieve relief in constrained debt capacity, or (3) reduce the amount of debt issued. Up to $5,552,123 of excess debt service funds from the prior fiscal year may be carried forward and expended for debt service purposes in the current fiscal year. Should excess debt service be less than $135,000,000, the Rural School District and Economic Development Closing Fund shall be reduced proportionately.

JOINT BOND REVIEW COMMITTEE **Item 2(a)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Facilities Management and Property Services
PROJECT/SUBJECT:	Proposed Lease SC State Accident Fund 113 Reed Avenue, Lexington

The SC State Accident Fund requests review of its proposal to lease space located at 113 Reed Avenue, Lexington from ET Lexington, LLC for office space. The Accident Fund currently leases 21,871 square feet at 800 Dutch Square Boulevard, Columbia as a holdover tenant. Monthly rental is $13.10 per rentable square foot with an annual cost of $286,510. The lease has been in holdover since July 1, 2014.

The SC Department of Administration conducted six solicitations with the last conducted in March 2019. The Department of Administration also contacted other state agencies to determine availability of other state space. Fourteen responses were received to the last solicitation and the proposed landlord was selected as the best option when considering proximity, space, security and parking. Of the proposals received, 4 had insufficient parking; 1 did not offer a sufficient lease term; 1 would not allow state required termination provisions; 3 were more expensive than the proposed space; and others were eliminated by the Accident Fund due to safety concerns.

The term of the proposed lease is 10 years and begins upon completion of renovations made by the Landlord. Rent equates to $16.00 per square foot and will increase by 3% each year. Total rent over the 10-year term is $3,760,152. Rent includes all maintenance and operating costs, and full access and free use of the surrounding parking lot, which has adequate parking for staff and visitors. The lease meets state space standards. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from the Accident Fund’s other funds, and that funding for payments will be sufficient throughout the lease term according to the agency’s submission. The Department of Administration reports that comparable rates for similar commercial space in the Lexington area range from $15.50 to $29.50 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 10-year lease for the SC State Accident Fund.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. SC State Accident Fund Letter dated August 20, 2019.
3. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 24, 2019 **Regular Agenda**

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1. **Submitted by:**

   (a) Agency: Department of Administration

   (b) Authorized Official Signature: Ashlie Lancaster, Director

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2. **Subject:** State Accident Fund Lease of 113 Reed Avenue, Lexington, SC

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3. **Summary Background Information:**

The State Accident Fund requests approval to lease 20,500 rentable square feet located at 113 Reed Avenue in Lexington from ET Lexington, LLC ("Landlord") for office space.

Presently, the State Accident Fund leases 21,871 square feet at 800 Dutch Square Boulevard, Columbia, South Carolina 29210 as a holdover tenant. The monthly rental is $21,871.00 ($13.10 per rentable square foot), an annual aggregate amount of $286,510.10. The State Accident Fund has been in holdover since July 1, 2014.

Since 2014, state agencies were contacted to verify that there was no adequate state space available and six separate solicitations were conducted with the last solicitation conducted in March of 2019. Fourteen responses were received to the last solicitation and the proposed Landlord was the best option when considering proximity, space, security, and parking. Of the proposals received, four had insufficient parking, one did not offer a sufficient lease term, one would not allow state required termination provisions, three were more expensive than the proposed space and the others were eliminated by the State Accident Fund due to safety concerns.

The lease term will be ten years commencing upon completion of the renovations by the Landlord. The monthly rental rate for the first year will be $27,333.33 (rounded) resulting in annual rent in the amount of $328,000. The rent equates to $16.00 per rentable square foot. The rental rate will increase by 3% per year. The total rent to be paid over the 10-year term is $3,760,152.41. The rent includes all maintenance and operating costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors and for which there is no additional cost. The lease meets the state space standards with a density of 159 SF/person.

The rent over the term of the lease is as follows:

		MONTHLY	RENT
TERM	ANNUAL RENT	RENT ROUNDED	PER SF ROUNDED
YEAR 1	$328,000.00	$27,333.33	$16.00
YEAR 2	$337,840.00	$28,153.33	$16.48
YEAR 3	$347,975.20	$28,997.93	$16.97
YEAR 4	$358,414.46	$29,867.87	$17.48
YEAR 5	$369,166.89	$30,763.91	$18.01
YEAR 6	$380,241.90	$31,686.82	$18.55
YEAR 7	$391,649.15	$32,637.43	$19.10
YEAR 8	$403,398.63	$33,616.55	$19.68
YEAR 9	$415,500.59	$34,625.05	$20.27
YEAR 10	$427,965.60	$35,663.80	$20.88

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

Tenant	Location	Rate /SF
Office of the Adjutant General	109-T Old Chapin Road	$25.50
SC Department of Agriculture	350 Ballard Court	$18.00
SC Department of Juvenile Justice	201 Executive Center Dr.	$15.50
Vacant	5061 Sunset Blvd	$29.50
Vacant	2440 Augusta Highway	$22.00
Vacant	607 Columbia Ave	$23.50
Vacant	1326 Bush River Road	$18.00

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The State Accident Fund has adequate funds for the lease according to a Budget Approval Form submitted August 20, 2019, which also includes a multi-year plan. Lease payments will be made from State Accident Fund's "other funds". No option to purchase the property is included in the lease.

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4. **What is the JBRC asked to do?** Approve the proposed ten-year lease.

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5. **What is recommendation of the Division of Facilities Management and Property Services?** Approval of the proposed ten-year lease.

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6. **List of Supporting Documents:**
   (a) Letter from State Accident Fund dated August 20, 2019
   (b) SC Code of Laws Sections 1-11-55 and 1-11-56

South Carolina
State Accident Fund

Henry D. McMaster
Governor

Amy V. Cofield, Esq.
Executive Director

August 20, 2019

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 292201

RE: Lease Proposal for State Accident Fund

Dear Ms. Lancaster:

The South Carolina State Accident Fund (SAF) request approval by the State Fiscal Accountability Authority of a 10-year lease with the owners of 113 Reed Avenue for approximately 19,321 usable square feet of office space located at 113 Reed Avenue, Lexington, South Carolina. This space is required as our current lease has been on month to month at our current location for approximately four (4) years prior to my arrival in January.

We received fourteen (14) preliminary responses to our solicitation. Of the fourteen (14) sites, four (4) had insufficient parking, one did not offer a ten (10) year lease and three (3) were .46 cents more per square foot than our current proposal. After considering security, proximity for my staff, interior office design, and cost we concluded that 113 Reed Avenue best meets our requirements.

I believe that my agency's needs may be a little particular given the fact that my staff consists of 80% women. Safety has been a huge concern given the high crime rate in my area. Just last month a murder occurred close by and the murderer was arrested in our parking lot. We have had inappropriate activities by co-tenants, and since my arrival there was an intruder that stole from an employee. The hiring of full time security can easily be averted if my agency is relocated to a safe location.

We request the maximum lease of ten (10) years in order that we are able to provide a consistent location for taxpayers and minimize the costs of relocation.

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

Yours very truly,

Amy V. Cofield, Esq.
Executive Director

Post Office Box 102100, 800 Dutch Square Blvd., Suite 160 (29210), Columbia, South Carolina 29221
(803-896-5800) www.saf.sc.gov

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

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

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

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

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

JOINT BOND REVIEW COMMITTEE **Item 2(b)**
Meeting of October 2, 2019

AGENCY: Department of Administration
Facilities Management and Property Services

PROJECT/SUBJECT: Proposed Lease
Lander University
Jeff May Athletic Complex and Relating Financing

Lander University requests review of its proposal to lease approximately 25 acres of land and improvements located approximately 0.1 mile from the Lander campus, commonly known as the Jeff May Athletic Complex, Greenwood County, from Lander RWS Properties, LLC. The term of the proposed lease is 20 years beginning November 1, 2019, and is integral to restructuring a 2009 bond transaction effected as a conduit borrowing through the SC Jobs-Economic Development Authority.

Background. In 2008, Lander sought review and received approval from the Committee and the State Budget and Control Board to lease the subject property for a term of 22 years, which lease served as partial security for the $14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A. The 2009 Bonds were used by the Landlord to construct a Recreation, Wellness and Sports Complex. RWS Properties was organized specifically for the development of the complex and is wholly owned by Lander Foundation.

The 2009 Bonds are subject to mandatory repurchase on November 1, 2019, and a derivative transaction providing for fixed payments on the 2009 Bonds expires the same day. On advice received, Lander and the Landlord intend to terminate the 2009 Lease on inception of this new lease and issuance by the South Carolina Jobs-Economic Development Authority of its revenue bonds to effect a refinancing and restructuring of the original transaction.

Provisions of the New Lease. Lander and the Landlord expect that the proposed new lease with a term of 20 years will be sufficient to fully amortize the restructured indebtedness with an annual rent payment equal to the debt service on the new bonds. Moreover, lease payments are expected not to exceed $691,000, the amount approved under the 2009 Lease. The maximum total rent to be paid by Lander over the new term is expected not to exceed $13,820,000. Lander is responsible for all utilities and operating expenses. The Lease contains an option for Lander to purchase the property for $1 at any time after the final lease payment has been made and the Bonds have been paid and discharged, subject to the review and approval of the Committee and the State Fiscal Accountability Authority.

The new lease also contains provisions to accommodate amendment for a subsequent permanent improvement project and associated borrowing. The scope of the subsequent request is expected to include renovation of a field house, refinancing of an existing taxable borrowing on a second field house located on the subject property, and renovations to an existing intramural field. Lander will seek review and approval of the Committee and the State Fiscal Accountability Authority for the lease amendment, permanent improvement project and associated borrowing at an early future date, following execution of the new lease and closing of the financing transaction contemplated herein.

Execution of the new lease and restructuring of the 2009 Bonds is expected to promote full amortization of the indebtedness on financially advantageous terms, while addressing liquidity and credit risks posed by the mandatory repurchase, and questionable suitability of the derivative component integrated within the prior transaction.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 20-year lease for Lander University.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Lander University Letter dated September 10, 2019.
3. Bond Information Report.
4. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.
5. SC Commission on Higher Education Letter dated September 12, 2019.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 2, 2019 **Regular Agenda**

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1. **Submitted by:**

   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster, Director

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2. **Subject:** Lander University Jeff May Athletic Complex Lease

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3. **Summary Background Information:**

Lander University (Lander) requests approval to lease approximately 25 acres of land and improvements located approximately one-tenth of a mile from the Lander campus, more commonly known as the Jeff May Athletic Complex, in Greenwood County from Lander RWS Properties, LLC ("Landlord") for a term of 20 years beginning November 1, 2019.

In 2008, Lander sought and received approval from JBRC and the State Budget and Control Board to lease the above-referenced property for a term of 22 years (the "2009 Lease"), which lease served as partial security for the $14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds were used by the Landlord to construct a Recreation, Wellness and Sports Complex. RWS Properties was organized specifically for the development of the new complex and is wholly owned by the Lander Foundation.

The 2009 Bonds are subject to a repurchase on November 1, 2019 and a derivative transaction providing for fixed payments on the 2009 Bonds expires on the same day. As such, it is the intent of Lander and the Landlord to terminate the 2009 Lease upon commencement of the new lease and issuance by the South Carolina Jobs-Economic Development Authority of its revenue bonds (the "2019 Bonds") to effect the refinancing and restructuring of the 2009 Bonds. Lander and Landlord expect that a new lease with a term of 20 years, with an annual rent payment equal to the annual aggregate debt service on the 2019 Bonds but not exceeding $691,000, which was the amount approved in the 2009 Lease, will be sufficient to fully amortize a restructured refinancing of the 2009 Bonds and allow for the Tenant to continue the successful operation of the premises in furtherance of its educational mission. The maximum total rent to be paid by Lander over the new term is $13,820,000. Lander is responsible for all utilities and operating expenses.

The execution of the new lease and the restructuring of the 2009 Bonds through the issuance of the 2019 Bonds will provide the Tenant with continued use of an integral component of its campus, allow the Landlord to address the liquidity and credit risks presented by the put and swap expirations, respectively, and allow for a source of security for the Bonds that will allow for a full amortization of the same on financially advantageous terms given prevailing financial conditions.

The new lease contains a provision to allow for subsequent approval to amend it to provide for the inclusion of two Field Houses and a borrowing to renovate the same, which approval will be sought by Lander at a later date.

Lander has adequate funds for the lease according to a Budget Approval Form submitted September 11, 2019, which also includes a multi-year plan. The lease does contain an option for Lander to purchase the property for $1 at any time after the last lease payment has been made and the Bonds have been paid and discharged, subject to approval by JBRC and SFAA at that time. The lease was approved by the Lander University Board of Trustees on September 10, 2019 and is pending approval by CHE on October 2, 2019. CHE has provided the attached letter indicating that Lander has communicated this lease with them and that CHE is comfortable with contingent JBRC approval.

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4. **What is the Authority asked to do?** Approve the proposed twenty-year lease.

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5. **What is recommendation of the Division of Facilities Management and Property Services?** Consider approval of the proposed twenty-year lease.

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6. **List of Supporting Documents:**
   (a) Letter from Lander dated September 10, 2019
   (b) Lander University Bond Information Report
   (c) SC Code of Laws Sections 1-11-55 and 1-11-56
   (d) Letter from CHE

LANDER
UNIVERSITY
OFFICE FOR VP OF FINANCE AND ADMINISTRATION

September 10, 2019

Ms. Ashlie Lancaster, Director
Department of Administration
Division of Facilities Management
and Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Proposed Lease between Lander University and Lander RWS, LLC

Dear Ashlie:

Lander University (the "University") respectfully requests review and approval of a proposed lease (the "New Lease") between the University and Lander RWS, LLC at the October 2019 Joint Bond Review Committee and State Fiscal Accountability Authority meetings. The New Lease is contemplated to replace an existing lease and is proposed to serve as the primary security for a refinancing and restructuring of the $14,000,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A. No new money or new projects are proposed at this time. In accordance with the Joint Bond Review Committee policy regarding third-party financing arrangements adopted on October 7, 2014, as amended on September 13, 2016, please find enclosed the following documents:

1. The New Lease and accompanying resolution of the Board of Trustees of the University approving the same;
2. A Bond Information Report responsive to the information required in the 2014 and 2016 JBRC Policies; and
3. Copies of the various financing documents to be executed among the parties to the proposed transaction.

The University respectfully requests that the Joint Bond Review Committee and the State Fiscal Accountability Authority consider the request for approval of the New Lease at the meetings currently scheduled for October 2, 2019, and October 15, 2019, respectively.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

Stacie Bowie
Vice President for Finance and Administration
Lander University

c: Rick Harmon, Director of Research, Joint Bond Review Committee
Jennifer LoPresti, Capital Budgeting Manager, SC Department of Administration

Lander University Bond Information Report

Prepared in Connection with the Proposed Authorization of a Lease Used as Security for the

$9,425,000[*]
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2019

September 10, 2019

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[*] **Preliminary, subject to adjustment as described herein.**

I. Introduction

This Information Report has been prepared by Lander University (the "University") in connection with a proposed lease between the University and Lander RWS Properties, LLC (the "Borrower"), of which the Lander Foundation (the "Foundation") is the sole member, to be used as security by the Borrower to restructure its $14,000,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds are subject to an optional put by the current lender, Regions Bank, which possesses the right to require the Borrower to repurchase the entire $9,125,000 principal balance of the 2009 Bonds on November 1, 2019. The 2009 Bonds were secured by a variety of documents, including a lease agreement from the Borrower to the University for the Athletic Complex (financed with the proceeds of the 2009 Bonds) (the "2009 Complex Lease"), a lease of a structure used for wellness activities from the Borrower to Self Regional Healthcare (the "Self Lease"), and a sublease of an equestrian center from the Borrower to the University (the "Equestrian Lease"). The 2009 Complex Lease has a term that extends to November 30, 2030, and annual payments of $691,000. The Self Regional Lease expired as of December 31, 2018. The Equestrian Lease terminated in 2011 upon conveyance of the equestrian center to the University. The 2009 Bonds accrue interest at a rate computed as LIBOR plus 166 basis points. This payment obligation has been swapped to a fixed rate of 3.891% through November 1, 2019.

Beginning in the first quarter of 2019, the Borrower, in consultation with the University, initiated a process to obtain a new fixed-rate financing to replace the 2009 Bonds and address the simultaneous put of the 2009 Bonds and expiration of the swap on November 1, 2019. Given the termination of the Self Lease and the Equestrian Lease and the historical debt service of the 2009 Bonds of approximately $1.1 million with a back-loaded amortization, the Borrower and the University sought a financing with an amortization of 20 years (for a total of 30 years from the issuance of the 2009 Bonds) to allow for the amounts payable under the 2009 Complex Lease to meet a new, lower debt service payment and to more closely match the term of the financing to the useful life of the Athletic Complex. A competitive procurement of loans was undertaken by Stephens Inc., financial advisor to the Borrower, and Regions Capital Advantage, Inc. proposed the most advantageous terms—a ten- or fifteen-year term (at the election of the Borrower), each with a 20-year amortization. The ten-year structure provided a fixed interest rate of 2.40%[*] versus the approximately 4% swap rate on the 2009 Bonds. During the course of the due diligence for the closing of such loan, it was discovered that the bond transcript for the 2009 Bonds included an incorrect, though fully executed, 2009 Complex Lease. The document included as the 2009 Complex Lease in the 2009 Bond transcript did not require additional Joint Bond Review Committee or State Fiscal Accountability Authority approvals prior to executing up to four, successive five-year terms. Through discussions with the Department of Administration, Real Property Services, it was determined that the correct, approved 2009 Complex Lease requires JBRC and SFAA approval to exercise any extensions to extend the term beyond 2030. Rather than

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[*] The Term Sheet of the Purchaser dated June 19, 2019 has expired. The current, nonbinding term sheet contemplates a rate collar of between 2.40% and 6.00%. The final rate will be set at a fixed rate based on prevailing market conditions, if and when a closing date is set and the proposed lease is authorized. The Purchaser is unwilling to provide a rate lock between the present date and the potential SFAA consideration of the proposed new lease. The Foundation is presently exploring costs related to obtaining a hedge or rate lock. [To be updated as warranted]

pursue an extension of the 2009 Complex Lease, the Borrower and University seek a clean break from the prior, complex financing and request the approval of a new 20-year lease in order to replace the 2009 Bonds with a 20-year year financing that may be entirely satisfied with the new lease at the same or lower lease payment currently being paid under the 2009 Complex Lease.

II. Lander University Bond Information Report Responsive to October 7, 2014 and September 13, 2016 Joint Bond Review Committee Policies

9,425,000*
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2019

Revenues Pledged to Pay the Bonds. The above-referenced bonds (the "Bonds") will be secured by an assignment to the lender (the "Lender") by the South Carolina Jobs-Economic Development Authority (the "Authority") and the Borrower of a variety of documents, but the primary document will be a proposed lease (the "New Lease") that will provide for annual payments from the University to the Borrower. The payments under the New Lease (the "Lease Payments") will total not exceeding $691,000 annually and will be used to pay debt service on the Bonds. The University will not impose any special fees in connection with the Bonds. The estimated debt service requirements on the Bonds are shown in Table 1 below. Table 2 below reflects estimated maximum annual debt service of $599,320 in the fiscal year ending June 30, 2035, and debt service coverage equal to annual debt service per the terms of the New Lease.

New Revenue Generation. No new revenues will be generated as a result of the Bonds, however the University expects to be able to accommodate a larger student body due to the continued and expanded use of the Athletic Complex by student athletes.

Other Funds Available to Pay Bonds. The New Lease will provide all funds necessary to pay debt service on the Bonds. No other funds are pledged to the payment of the Bonds and the Borrower has no other resources available for such payments. The Foundation, which is the sole member of the Borrower, has very limited resources and the Foundation's resources are necessary for the Foundation to perform its function.

No Special Student Fees. No Credit of the State. Mortgage. No Special Student Fee is currently imposed or contemplated to pay the Bonds. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of the Bonds. The Borrower will grant a mortgage on the Athletic Complex to the lender to secure the Bonds; however, such mortgage shall be on property of the Borrower and not the State or the University. The obligations of the University under the lease will be subject to cancellation as set forth at Section 1-11-56(3) of the Code of Laws of South Carolina 1976, as amended, as required by State law.

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* Preliminary, subject to change. The final par amount of the Bonds will be an amount not exceeding that amount necessary to fully satisfy and discharge the 2009 Bonds together with the costs of issuance of the Bonds.

Table 1

	Lander RWS, LLC - Debt Service				
			Debt Service on Proposed Bond Issue		
Fiscal Year	Existing 2009 Bonds Debt Service	Less Defeased 2009 Bonds	Principal	Interest	Total Composite Debt Service
6/30/2020	$ 655,566	$ (655,566)	$ -	$ 82,469	$ 82,469
6/30/2021	986,161	(986,161)	350,000	277,500	627,500
6/30/2022	1,009,606	(1,009,606)	360,000	266,850	626,850
6/30/2023	1,006,998	(1,006,998)	370,000	255,900	625,900
6/30/2024	1,003,404	(1,003,404)	380,000	244,650	624,650
6/30/2025	999,437	(999,437)	395,000	233,025	628,025
6/30/2026	1,018,257	(1,018,257)	405,000	221,025	626,025
6/30/2027	1,010,719	(1,010,719)	420,000	208,650	628,650
6/30/2028	1,027,195	(1,027,195)	430,000	195,900	625,900
6/30/2029	1,091,950	(1,091,950)	445,000	182,775	627,775
6/30/2030	1,377,258	(1,377,258)	460,000	169,200	629,200
6/30/2031		-	470,000	155,250	625,250
6/30/2032		-	485,000	140,925	625,925
6/30/2033		-	500,000	126,150	626,150
6/30/2034		-	515,000	110,925	625,925
6/30/2035		-	530,000	95,250	625,250
6/30/2036		-	550,000	79,050	629,050
6/30/2037		-	565,000	62,325	627,325
6/30/2038		-	580,000	45,150	625,150
6/30/2039		-	600,000	27,450	627,450
6/30/2040		-	615,000	9,225	624,225
Totals	$ 11,186,551	$ (11,186,551)	$ 9,425,000	$3,189,644	$ 12,614,644

Note: Estimated debt service is calculated at a per annum rate of 3% given current market conditions, but could be higher or lower depending on market rates at the closing of the transaction. The Purchaser has provided a nonbinding rate collar of between 2.40% and 6.00%.

Table 2

Lander RWS, LLC - Coverage

Fiscal Year	Composite Debt Service	New Lease Payments	Coverage Ratio Based on New Lease Payments	Pro Forma Pledged Revenues	Total Pro Forma Pledged Revenues	Pro Forma Coverage Ratio
6/30/2020	82,469	-	-	-	-	-
6/30/2021	627,500	627,500	1.00	-	627,500	1.00
6/30/2022	626,850	626,850	1.00	-	626,850	1.00
6/30/2023	625,900	625,900	1.00	-	625,900	1.00
6/30/2024	624,650	624,650	1.00	-	624,650	1.00
6/30/2025	628,025	628,025	1.00	-	628,025	1.00
6/30/2026	626,025	626,025	1.00	-	626,025	1.00
6/30/2027	628,650	628,650	1.00	-	628,650	1.00
6/30/2028	625,900	625,900	1.00	-	625,900	1.00
6/30/2029	627,775	627,775	1.00	-	627,775	1.00
6/30/2030	629,200	629,200	1.00	-	629,200	1.00
6/30/2031	625,250	625,250	1.00	-	625,250	1.00
6/30/2032	625,925	625,925	1.00	-	625,925	1.00
6/30/2033	626,150	626,150	1.00	-	626,150	1.00
6/30/2034	625,925	625,925	1.00	-	625,925	1.00
6/30/2035	625,250	625,250	1.00	-	625,250	1.00
6/30/2036	629,050	629,050	1.00	-	629,050	1.00
6/30/2037	627,325	627,325	1.00	-	627,325	1.00
6/30/2038	625,150	625,150	1.00	-	625,150	1.00
6/30/2039	627,450	627,450	1.00	-	627,450	1.00
6/30/2040	624,225	624,225	1.00	-	624,225	1.00

The Foundation will pay debt service for the fiscal year ending June 30, 2020 from funds on hand.

III. Executive Summary

1. Identification of each principal to the transaction and their role therein.

    a. Lander RWS, LLC – the Borrower, owner of the Athletic Complex, and lessor of the Athletic Complex

    b. Lander Foundation – sole member of Lander RWS, LLC

    c. Lander University – lessee and user of the Athletic Complex

    d. South Carolina Jobs-Economic Development Authority – conduit issuer of the Bonds

    e. Regions Capital Advantage, Inc. – anticipated purchaser of the Bonds

2. All consultants and advisors, their roles therein, and the process by which their services were procured and engaged.

    a. Bacot & Padgett, LC – counsel to the Lander Foundation – regularly serves as outside general counsel to Lander Foundation – services procured subject to engagement letter

    b. Pope Flynn, LLC – bond counsel – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved bond counsel list, and subject to engagement letter

    c. Stephens, Inc. – financial advisor – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved financial advisor list, and subject to engagement letter

    d. Haynsworth Sinkler Boyd, P.A. – counsel to conduit issuer – services procured by issuer pursuant to issuer policies

    e. Parker Poe Adams and Bernstein – counsel to Regions – services procured by Regions Bank

3. The purpose of each lease, contract, trust indenture, resolution and agreement, and a summary of its provisions.

a. Loan Agreement

The Loan Agreement is the principal document pursuant to which the Bonds are issued by the Authority and sold to the purchaser thereof (the "Purchaser"), the proceeds of the Bonds will be loaned to the Borrower and the Borrower will agree to repay the Bonds (the Borrower's repayment obligation is evidenced by a Promissory Note executed in favor of the Authority and assigned to the Purchaser). The Loan Agreement establishes a fund into which there will be deposited and invested the Bond proceeds.

The terms of the Bonds will be set forth in the Loan Agreement, including the maturity dates and the interest rates. Each of the Authority and the Borrower will make standard representations and warranties in the Loan Agreement, and the Purchaser will make standard representations as to its sophistication and due diligence.

The Loan Agreement contains stated events of default and remedies, including events of default relating to the nonpayment by the Borrower of the Bonds, the failure to comply with covenants (following notice and an opportunity to cure), bankruptcy events by the Borrower and events of default under the New Lease and the Credit Agreement with the Purchaser. The Purchaser can exercise multiple remedies following an event of default, including acceleration of the Bonds or specific performance against the Borrower or the Authority to enforce their obligations.

b. Credit Agreement

The Credit Agreement governs the basic agreement between the Borrower and the Purchaser relating to the loan. The amortization of the principal of the Bonds will be stated in the Credit Agreement (to provide approximately level debt service for the term). While the principal amortization is based upon twenty-year amortization, the Credit Agreement will require that the unpaid principal amount of the Bonds be purchased by the Borrower at the end of either ten or fifteen years (as elected by Borrower).

The Credit Agreement contains various covenants on the part of the Borrower to the Purchaser which are typical for transactions of this nature. These covenants include:

- A covenant on the part of Borrower not to incur debt for the purpose of acquiring fixed assets in an aggregate amount exceeding $100,000 in any single fiscal year, and not to incur any additional liens or encumbrances with respect to the New Lease or other collateral other than liens expressly permitted under the Credit Agreement.

- A covenant to maintain (i) a ratio of net revenues plus unrestricted cash balances to debt service of at least 1.2 to 1, and (ii) annual rentals under the New Lease in excess of annual debt service.

The Credit Agreement also sets forth events of default and the remedies which the Purchaser will have upon the occurrence of an event of default which are typical for transactions of this nature. These remedies include acceleration of the principal of the Bonds, foreclosure of the Mortgage and other security documents and other remedies.

c. Assignment of Issuer's Rights

Pursuant to the Assignment of Issuer's Rights, the Authority will assign all of its right, title and interest (with certain exceptions which allow the Authority to administer certain aspects of the loan) in and to the Loan Agreement and the Promissory Note to the Purchaser. As a result of this assignment, the Loan Agreement functions much like a loan agreement in a commercial loan transaction.

d. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits

As the fee owner of the land and premises, the Borrower will mortgage its interest in the Athletic Complex subject to the New Lease in favor of the Purchaser to secure payments of the Bonds and the Promissory Note pursuant to the Mortgage, Security Agreement, Assignment of Leases, Rents and Profits (the "Mortgage"). The Mortgage contains covenants, defaults and remedies which are typical for transactions of this nature.

e. Assignment of Lease

This will be a collateral assignment by the Borrower of its interest in the New Lease to the Purchaser. The terms of this document are typical for transactions of this nature.

f. Subordination, Non-Disturbance and Attornment Agreement

By this document the University agrees to continue to be bound by the New Lease in the event of a foreclosure by Purchaser under the Mortgage, and it also states Purchaser's agreement to honor the New Lease after foreclosure. The terms of this document are typical for transactions of this nature.

g. Lease Agreement between Lander RWS, LLC and Lander University

The New Lease will be the principal document that sets forth the arrangements and respective duties and obligations between the Borrower and the University with respect to the leased premises, and the payment of Basic Rent and other amounts, subject to annual appropriation.

Pursuant to the New Lease, the Borrower will lease the Athletic Complex to the University and the University will agree to pay Basic Rent to the Borrower annually. The term of the New Lease will extend through the final maturity of the Bonds.

The University will be entitled to operate and use the Athletic Complex for so long as it performs or otherwise complies with its obligations under the New Lease. The Borrower agrees not to interfere with the quiet use and enjoyment of the Athletic Complex by the University during the term of the New Lease.

The events of default under the New Lease include the failure by the parties to perform their obligations thereunder, following notice and an opportunity to cure, or certain bankruptcy events by the University. Upon such an event of default, the Borrower may, and as directed by the Purchaser shall, terminate the New Lease and evict the University from the leased premises.

The New Lease will provide that, at the option of the University, the University will have the option to purchase fee simple title to the Athletic Complex for $1 at any time after the last lease payment has been made and the Bonds have been paid and discharged. Any purchase option will be subject to approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority.

4. Financial Obligations

Under the New Lease between the Borrower and the University, the University will be obligated to make payments on either an annual or monthly basis in order to continue to use the Athletic Complex. The financial obligation of the University to make lease payments will be subject to the cancellation provisions of Section 1-11-56 of the Code of Laws of South Carolina 1976, as amended. Those provisions allow for 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 renting agency.

5. Financial Resources

Payments under the New Lease will be a current expense of the University. The financial statements of the University for the Fiscal Year ended June 30, 2018 are available here: https://www.lander.edu/sites/lander/files/Documents/Budget_Office/2018%20Financial%20Statement.pdf

6. Summaries of Covenants, Events of Default and Remedies

See document summaries under Section III(3) above for a discussion of the covenants.

7. Summary of Alternatives Considered

The University and the Borrower examined and assessed all available funding options to address the November 1, 2019 put and the expiration of the swap. Beginning in January 2019, the

University began exploring the acquisition of the Athletic Complex from the Borrower using General Obligation State Institution Bonds or revenue bonds of the University. However, after investigation and advice received, it was determined that State Institution Bonds were not a good fit for the project given their use by varsity athletics, the absence of a significant history with the use of State Institution Bonds to acquire existing, related-entity facilities, and the deadline of November 1, 2019 to obtain new financing. Similarly, the Higher Education Revenue Bond Act was considered, but Section 59-147-30(1) expressly prohibits using this mechanism for "athletic department projects which primarily serve varsity athletic teams of the university." Also, unlike certain other State institutions of higher learning, the University does not possess inherent borrowing authority pursuant to its enabling act to allow for athletic borrowings by the University.

Given the above-referenced limitations and historical precedent, the University determined that the clearest path available to restructure the 2009 Bonds was to pursue a lease-backed transaction using a conduit bond issuer, similar to that already in place. Given the determination that other paths were either not available or viable, comparative transaction costs were not weighed, though upon information and belief the University would expect the costs of a borrowing using State Institution Bonds to be lower than a lease-backed transaction through a conduit bond issuer, particularly if it could have shared expenses through a joint sale with other, larger State general obligation bond issues.

IV. Specific Action or Review Requested

The University respectfully requests review of the plan of finance, and the New Lease pursuant to Sections 1-11-55 and 1-11-56 of the Code of Laws of South Carolina 1976, as amended, and the regulations implementing the same.

V. Enclosures

Enclosed herewith are full copies of "all leases, contracts, trust indentures, resolutions and agreements to be executed among the parties to the transaction, regardless of cost or value." Those documents include the below list and are summarized above.

1. Loan Agreement
2. Credit Agreement
3. Assignment of Issuer's Rights
4. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits
5. Assignment of Lease
6. Subordination, Non-Disturbance and Attornment Agreement
7. Lease Agreement between Lander RWS, LLC and Lander University

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

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

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

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

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

September 12, 2019

The Honorable Hugh K. Leatherman, Sr.
President *Pro Tempore Emeritus*
Chairman, Joint Bond Review Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

Dear Chairman Leatherman:

On September 10, 2019, I was informed by Lander University that it is seeking the Joint Bond Review Committee's review and approval of a 20-year lease with annual payments not exceeding $691,000. Current Commission on Higher Education (CHE) policy requires higher education institutions to submit leases with a term of three or more months and annual cost of $100,000 or more for CHE approval. Upon reviewing documentation and after discussions with Department of Administration Real Property Services and Lander University staff, I concluded that the Commission's previous approval from October 2008 did not extend to this lease submittal and that the University must receive prior CHE approval for this lease.

The next-scheduled CHE meeting is Thursday, October 3, 2019, which is one day after the Joint Bond Review Committee (JBRC)'s scheduled meeting. The Commission is aware and appreciative of the comments and discussion at the July 30th, 2019 JBRC meeting around higher education project submittals before JBRC that have not yet been vetted or reviewed by the CHE. Given Lander University's current predicament, including the upcoming November 1, 2019 deadline, Chairman Wes Hayes and Committee on Finance and Facilities Chairman Charles Dalton have given their assent for JBRC to review the lease prior to it coming before the Commission for review.

Unlike permanent improvement projects, there is no statutory authority for the CHE to review leases. Rather, review of higher education institution leases has been a longstanding practice. The CHE respectfully defers to you and your honorable Committee on how it will review the lease as regards to the Commission's later review.

Respectfully yours,

Georges Tippens
Staff to the CHE Committee on Finance and Facilities

CC: Dr. Rusty Monhollon, President and Executive Director, CHE
Mr. Rick Harmon, Director of Research, JBRC

JOINT BOND REVIEW COMMITTEE **Item 2(c)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Facilities Management and Property Services
PROJECT/SUBJECT:	Proposed Lease Winthrop University to York County Disabilities Foundation and City of Rock Hill (Miracle Park)

Winthrop University requests review of its proposal to lease approximately 8.223 acres in Rock Hill to the York County Disabilities Foundation and the City of Rock Hill to be developed into Miracle Park, a proposed park, playground and field facilities for people with different abilities, including athletes with special needs. The park will be constructed, developed, operated, managed and maintained by the Foundation.

The proposed lease term is 25 years for a nominal rental amount of $1 per year. In addition to the community and other benefits more fully described below, Winthrop will realize 15% of revenue from retail activities on the premises up to $195 thousand annually or $950 thousand over the term.

The lease contains a proposed exception to state policy that generally requires tenants to return the premises in its original condition at the end of the lease term. The plan to construct Miracle Park requires removal of certain trees and stumps from the property and the addition of a detention pond to comply with federal and state requirements to detain rain water whenever the site topography is changed. These alterations to the topography of the property make it virtually impossible for the tenant to return the property to its original condition. Accordingly, Winthrop seeks approval to engage in the lease, changes in topography excepted from the requirement to return the property to its original condition at the end of the term. Moreover, if at any time during the term the premises cease to function as a park, playground and field facilities for people with different abilities, the lease will be immediately terminated and the premises will be returned to Winthrop in its original condition, changes to topography excepted.

Winthrop states that in addition to benefiting the York County community, the development of Miracle Park will benefit the mission of Winthrop as it will offer substantial opportunities for students not found in the traditional recreational park environment, including programs within its College of Education, its Department of Physical Education, Sport and Human Performance; its Think College Program; and its Macfeat Laboratory School.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease by Winthrop University to York County Disabilities Foundation and the City of Rock Hill, including the proposed policy exception concerning changes in topography as described herein.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Winthrop University Letter dated August 30, 2019.
3. Miracle Park Foundation Explanation of Topographical Changes.
4. Miracle Park Map.

JOINT BOND REVIEW BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 24, 2019 **Regular Agenda**

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1. **Submitted by:**

   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster, Director

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2. **Subject:** Miracle Park Lease: Winthrop University Lease-out of approximately 8.223 acres in Rock Hill, SC

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3. **Summary Background Information:**

Winthrop University ("Winthrop" or "Landlord") desires to lease approximately 8.223 acres in Rock Hill (the "Premises") to the York County Disabilities Foundation (the "Foundation") and the City of Rock Hill (the "City") to be developed into a park, playground and field facilities known as "Miracle Park" to accommodate members of the other-abled, including "special needs" athletes.

Winthrop has advised that in addition to benefiting the York County community, the installation of Miracle Park will benefit the mission of Winthrop as it will offer substantial opportunities for students not found in the traditional recreational park environment. Winthrop's College of Education's traditional programs and Department of Physical Education, Sport and Human Performance will benefit by having access to a state-of-the-art disabilities-focused park which will provide opportunity for research, internships, and student-led service-learning projects. Additionally, Winthrop University's Think College Program, which offers postsecondary education opportunities for students with intellectual disabilities, has expressed a great deal of interest in Miracle Park and there is potential for creating mentoring relationships among Miracle League participants. Finally, Winthrop's Macfeat Laboratory School, which researches the intellectual, physical, social, and emotional health of preschool and kindergarten students by observing, participating and interacting positively with the children, would benefit by having a fully inclusive park within a mile of its location, both in terms of research and cultivating comprehensive early childhood development.

The lease term will be twenty-five (25) years ("Term"). As Miracle Park will benefit Winthrop, nominal rental will be paid to Winthrop in the amount of $1.00 per year. Additionally, to the extent there is net revenue derived from retail activities on the Premises, Winthrop shall be paid 15% of that net revenue up to $195,000 annually or $950,000 over the Term.

Generally, at the end of the lease term, the tenant would be required to return the Premises to the Landlord in its original condition. In this case, the plan to construct Miracle Park requires the removal of certain trees and stumps from the Premises (note, the Magnolia Trees along Cherry Road will remain in place) and the addition of a Detention Pond to comply with federal and state requirements to detain rain water when the site topography is changed. As these changes will make it either impossible or astronomically expensive to return the Premises to the Landlord in its original condition, Winthrop is requesting permission to enter into this lease-out which would allow the tenant to return the Premises to its original condition, changes in topography excepted.

Miracle Park will be constructed, developed, operated, managed and maintained by the Foundation and the City with their funds. If at any time during the Term the Premises cease to function as a park, playground and field facilities which are able to accommodate members of the other-abled, including "special needs" athletes, then this Lease shall be immediately terminated and the Premises shall be returned to Winthrop its original condition, changes in topography (as opposed to structures) excepted.

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4. **What is the JBRC asked to do?** Approve the proposed lease out.

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5. **What is recommendation of the Division of Facilities Management and Property Services?** Consider approval of the proposed lease out.

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6. **List of Supporting Documents:**
   (a) Letter from Winthrop University dated August 30, 2019
   (b) Written Explanation from Miracle Park Foundation

WINTHROP UNIVERSITY

Office of Internal Audit and Compliance

August 30, 2019
Sent via email to:shawn.DeJames@admin.sc.gov

Shawn DeJames
Real Property Services
SC Department of Administration
1200 Senate Street, Rm 610
Columbia, SC 29201

Shawn,

JBRC:

Winthrop University would like to request to be added the agenda for the next meeting of the Joint Bond Review Committee (JBRC), currently scheduled for October 2, 2019. Winthrop is requesting a change to the state approved lease article 2.3 to allow for topographical changes to the leased property at the termination of the agreement. A copy of the current approved language as well as the requested change is attached.

Rick Harmon requested a statement from the Foundation regarding topographical improvements to be made to the property. Winthrop has made this request to the Foundation and I will forward that on to you once received.

Agenda item: Miracle Park lease provision change between Winthrop University, York County Disabilities Foundation, and City of Rock Hill.

Attachments:
1. Lease approved by RPS between Winthrop University, York County Disabilities Foundation, and City of Rock Hill.
2. Requested language change to article 2.3

SFAA:

Winthrop University would also like to request to be added the agenda for the next meeting of the State Fiscal Accountability Authority (SFAA), currently scheduled for October 15, 2019. Winthrop is requesting approved of ingress/egress easements across University property to the property leased by York County Disabilities Foundation for Miracle Park.

Attachment:
3. Proposed site plan

Agenda item: Miracle Park approval of ingress/egress easements in lease between Winthrop University, and York County Disabilities Foundation.

G-2 McLaurin Hall • Rock Hill, South Carolina 29733 • 803/323-4698

If you could forward me the agenda for these meeting, once formalized, I would appreciate it.

Please let me know if you have any questions, or need any further information.

Sincerely,

Caroline Overcash

Caroline Craig Overcash, Esq., CPM, CISA | Director of Internal Audit and Compliance | Winthrop University
Internal Audit | 108 Tillman | Rock Hill, SC 29733
Tel: 803.323.4698 | overcashc@winthrop.edu
Veritas cum libertate

MIRACLE PARK
ROCK HILL, SC

Topographical Changes & Reasons

To Whom It May Concern:

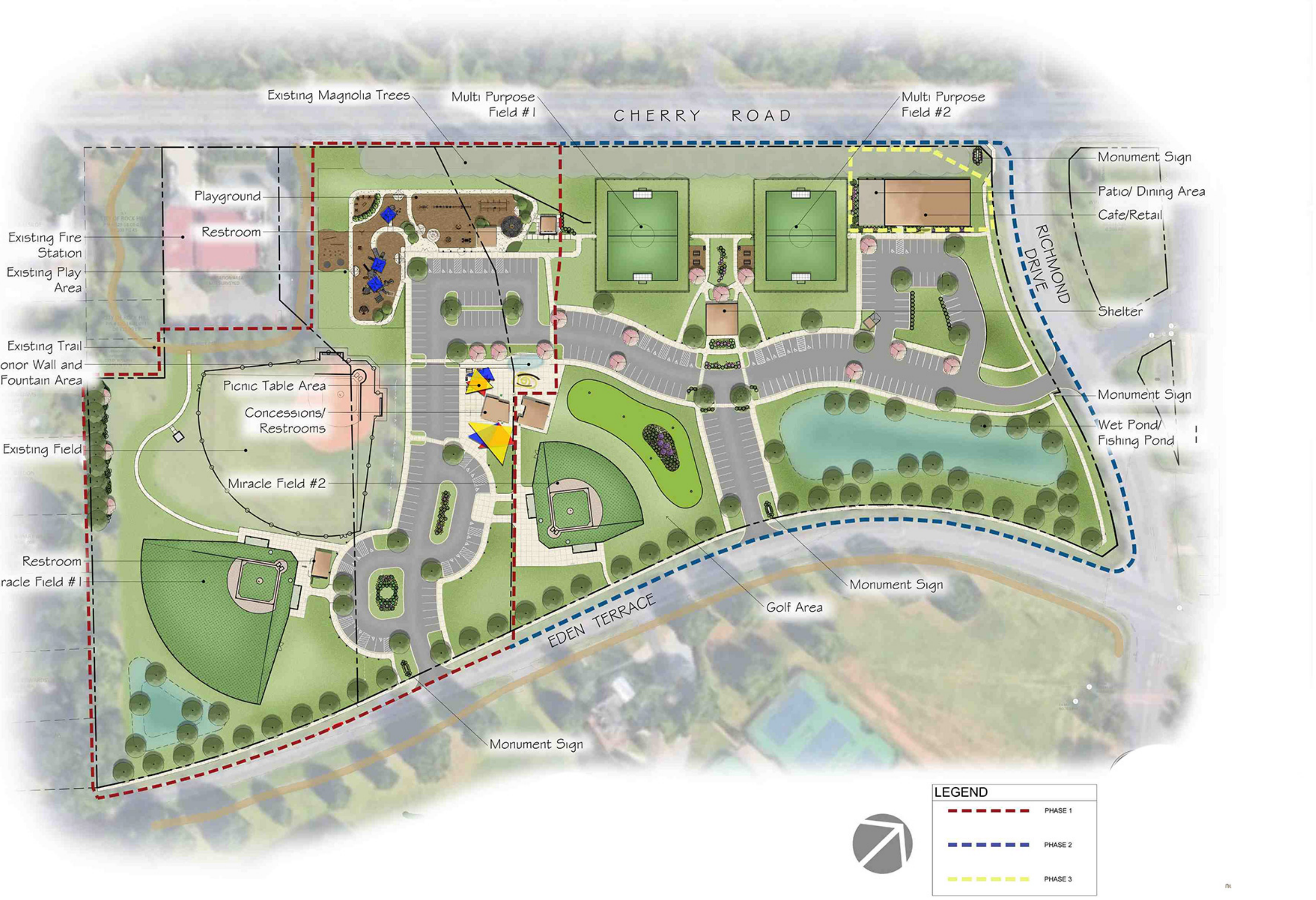
Miracle Park is a park designed specifically for the able bodied, or special needs population consisting of Miracle Fields, athletic fields, playground, etc. As shown on the attached site plan, the Miracle Park Project will consist of the following changes from its current condition in order to complete the improvements & build the park:

- **Clearing & Grading:** This consists of removing the trees and stumps from the land. It should be noted that the Magnolia Trees along Cherry Rd. are remaining in place.
- **Detention Pond:** This is a federal and state requirement to detain the rain water once the site is changed from it's current state (removal of trees and replacement with development). The plan is for the detention pond to also serve as a fishing pond for the Park and its patrons.

Regarding the request for section 2.3 language to be adjusted, the need for this request is due to the above improvements being made to the property. It would be enormously difficult (if not an impossibility), along with astronomically expensive (to the point that would bankrupt the foundation) to re-fill the detention pond, re-grade the site to it's current condition, and plant back trees.

Thank you for the consideration to soften the language to section 2.3.

York County Disabilities Foundation Board & Miracle Park Executive Committee


Existing Magnolia Trees
Multi Purpose Field #1
CHERRY ROAD
Multi Purpose Field #2
Monument Sign
Patio/ Dining Area
Cafe/Retail
RICHMOND DRIVE
Shelter
Monument Sign
Wet Pond/ Fishing Pond
Monument Sign
Golf Area
EDEN TERRACE
Monument Sign
Playground
Restroom
Existing Fire Station
Existing Play Area
Existing Trail
Donor Wall and Fountain Area
Picnic Table Area
Concessions/ Restrooms
Existing Field
Miracle Field #2
Restroom
Miracle Field #1
LEGEND
PHASE 1
PHASE 2
PHASE 3

JOINT BOND REVIEW COMMITTEE **Item 3(a)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Executive Budget Office
PROJECT/SUBJECT:	Permanent Improvement Project with Financing Component The Citadel, The Military College of South Carolina Academic Building Replacement (Capers Hall)

The Citadel requests Phase II review to establish full design and construction for replacement of the Capers Hall academic building. The project will be funded with proceeds from the issuance of general obligation state institution bonds, capital reserve funds, institutional capital project funds, collected and committed gifts, capital improvement fees, and excess debt service funds.

Permanent Improvement Project. The project was established in October, 2014 with a Phase I budget of $250,000, and a Phase I increase in October 2017 of $517,129, both of which were funded with capital improvement fees imposed at the institution. This request will increase the project budget to $67.1 million, funded by $38.4 million in proceeds from the issuance of general obligation state institution bonds, $12.6 million in institutional capital project funds, $7.5 million in FY2020 appropriations from the FY2018-19 capital reserve fund, $3.5 million in foundation gifts, $3.4 million in excess debt service funds, and $1.6 million in capital improvement fees.

The project provides for construction of a 107,700 square foot facility to replace the existing 70,800 square foot Capers Hall, which was constructed in 1949 with an addition made in 1977. The new facility will be constructed to promote flexible teaching classrooms with an increase from 20 to 32 square feet per student. The facility also will include a performing arts auditorium, computer classrooms, fine arts classroom, art gallery, cyber range, national security classroom, secure work area, psychology lab, administrative and faculty offices, and common areas and core support services. The institution has developed plans utilizing a construction manager at risk engaged in July 2018. Projected costs of construction have increased from an original estimate of $37 million in 2014, a revised estimate of $51.1 million in 2017, to the current estimate of $67.1 million.

The facility will primarily support the School of Humanities and Social Sciences and the academic departments defining the curriculum, including Criminal Justice, English, Fine Arts, Communications, History, Modern Languages, Literature and Culture, Political Science and Psychology. The facility will also support the Center for Diversity and Global Engagement, and the Center for Cyber, Intelligence and Security Studies.

The Citadel estimates that in fall 2017, more than 2,500 students received instruction and more than 200 instructional faculty taught at least one class in the existing facility. The Citadel expects that the performing arts auditorium will host events in Charleston for professional speakers, community outreach, meetings and conferences.

The project will be constructed to achieve LEED Silver certification standards with anticipated energy savings of $1.147 million over a 30-year period.

Execution of the construction contract is expected in fall 2020, with completion of construction in January 2023.

General Obligation State Institution Bonds (Issued by the State on Behalf of The Citadel). The Citadel proposes funding a portion of the permanent improvements with not exceeding $39 million in General Obligation State Institution Bonds, including expenses associated with issuance of the bonds.

Article X, §13(6)(b) of the South Carolina Constitution authorizes the issuance of state general obligation bonds for an institution of higher learning if the bonds are additionally secured by a pledge of the revenues derived from the tuition fees received by that institution; provided, that the maximum annual debt service on all state institution bonds issued for the institution and outstanding at any time will not exceed 90% of the total tuition fees received by the institution in the preceding fiscal year. Chapter 107 of Title 59 of the SC Code implements this constitutional provision.

The Citadel currently has no state institution bond indebtedness outstanding. Tuition fees collected by The Citadel for FY2018-19 and made available to comply with the constitutional and statutory limit on debt service totaled $3,195,000. Maximum annual debt service on the proposed bonds is not expected to exceed $2,479,768, or 78% of tuition fees designated for compliance with the limit on annual debt service.

The Citadel designates a portion of tuition for permanent improvements, and the amount so designated has increased from $143 to $500 per in-state-student per semester, and from $273 to $878 per out-of-state-student per semester, from academic years 2014-15 to 2018-19, respectively. In fiscal year 2018, the Citadel reallocated all portions of its tuition designated for permanent improvements and the 3.25% increase in tuition that year to support debt service. Tuition designated for capital improvements has not increased since that time.

In the event that revenue from tuition fees in any fiscal year is insufficient to meet the debt service requirements of the bonds, the State Treasurer is required to set aside general tax revenues of the state sufficient to provide for the debt service then or to become due in that fiscal year, and apply the funds set aside to the punctual payment of the obligation.

The term of the proposed bonds will be 20 years.

The full faith and credit of the State will be pledged to the payment of the proposed bonds; however, no mortgage or lien will be given on any real property of the institution or the state.

COMMITTEE ACTION:

1. Review and make recommendation regarding The Citadel’s request to establish Phase II full design and construction for replacement of the Capers Hall academic building, to be funded by $38,397,726 in proceeds from the issuance of general obligation state institution bonds, $12,646,754 in institutional capital project funds, $7,500,000 in FY2020 appropriations from the FY2018-19 capital reserve fund, $3,500,000 in foundation gifts, $3,382,443 in excess debt service funds, and $1,647,435 in capital improvement fees.
2. Review and make recommendation regarding The Citadel’s request for issuance by the state on its behalf of not exceeding $39,000,000 in General Obligation State Institution Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. A-1, A-49, Questionnaire.
3. Bond Information Report and Exhibits.

AVAILABLE ON REQUEST:

1. Constitutional and Statutory References: Article X, §13(6)(b) of the South Carolina Constitution; Chapter 107 of Title 59 of the South Carolina Code of Laws (State Institution Bonds).
2. Board of Visitors Resolution adopted September 20, 2019: A Resolution Requesting the Issuance of not Exceeding Thirty-Nine Million Dollars ($39,000,000) of General Obligation State Institution Bonds for The Citadel, The Military College of South Carolina Pursuant to Chapter 107, Title 59, Code of Laws of South Carolina 1976, as Amended.
3. Form of State Fiscal Accountability Authority Resolution for consideration on October 15, 2019: A Resolution to Provide for the Issuance and Sale of Not Exceeding Thirty-Nine Million Dollars ($39,000,000) Principal Amount of General Obligation State Institution Bonds (Issued on Behalf of The Citadel, The Military College of South Carolina), of the State of South Carolina; To Prescribe the Purposes for which the Proceeds Shall be Expended; To Provide for the Payment Thereof; And Other Matters Relating Thereto.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 2, 2019 **Regular Agenda**

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1. **Submitted By:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

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2. **Subject:**

   The Citadel – Academic Building Replacement (Capers Hall)

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3. **Summary Background Information:**

Establish Construction Budget & Revise Scope

(H09) The Citadel
Project: 9611, Academic Building Replacement (Capers Hall)
Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 6 in FY20 (estimated at $67,074,358)
JBRC/SFAA Phase I Approval: October 2014 (estimated at $37,000,000)
JBRC/SFAA Phase I Increase Approval: October 2017 (estimated at $51,141,915)

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 401-428

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds	-	-	-	38,397,726	38,397,726
Excess Debt Service	-	-	-	3,382,443	3,382,443
FY20 Capital Reserve	-	-	-	7,500,000	7,500,000
Other, Capital Improvement Fee	250,000	517,129	767,129	880,306	1,647,435
Other, Gifts	-	-	-	3,500,000	3,500,000
Other, Institutional Capital Project	-	-	-	12,646,754	12,646,754
All Sources	250,000	517,129	767,129	66,307,229	67,074,358

Funding Source: $38,397,726 Institution Bonds. $3,382,443 Excess Debt Service. $7,500,000 FY20 Capital Reserve. $880,306 Other, Capital Improvement Fee Funds, which is an institutional fund established to fund capital projects. This fund is a combination of Capers Hall Sinking Funds, Institutional Debt Tuition charged to students in FY18 and Foundation Cash Gifts on hand. $3,500,000 Other, Gifts. $12,646,754 Other, Institutional Capital Project Funds, which are excess debt service funds transferred to this account as of June 30 each year.

Request: Revise the scope and increase budget to $67,074,358 (add $38.397.726 Institution Bonds, $3,382,443 Excess Debt Service, $7,500,000 FY20 Capital Reserve, $880,306 Other, Capital Improvement Fee, $3,500,000 Gifts and $12,646,754 Other, Institutional Capital Project Funds) to establish Phase II to complete design, bidding and construction of the Academic Building replacement at The Citadel. The revised scope for the Academic Building replacement is a planned 107,700 square foot facility to be constructed on The Citadel campus. It will support the School of Humanities & Social Sciences. Planned construction for this facility is the demolition of the 1949 original structure and the 1977 addition, construction of the replacement facility, and then final site development. Capers Hall is a 70,800 square foot facility that has met it intended lifespan, both with respect to the physical structure, and also with the ability to meet current teaching standards. The Citadel's traditional teaching style created a total of 35 instructional spaces of varying sizes, with the typical module being approximately 520 square feet to serve 28-30 students. This ratio equates to approximately 20 square feet per student. In comparison, the 107,700 square foot Academic Building replacement will be populated with "flexible" teaching style classrooms with a ratio of approximately 32 square feet per student. A comprehensive plan has been developed in order to perform a single-phase demolition of the most utilized academic facility on The Citadel campus. The plan will include a temporary change to the mess schedule allowing additional class times, the re-purposing of campus space that is currently used for meeting function and social space into classrooms, the temporary conversion of faculty/staff housing to office space, and the contingency of temporary classroom trailers. The Phase I internal estimated cost to complete the project was significantly lower because at that time, the cost estimating was based upon 10% conceptual design drawings which did not provide much definitive nature to a lot of the systems that would be going into the building. The last two (2) years have been spent further developing the building design and construction methods with the assistance of their design team and the Construction Manager At Risk firm. With the current construction market, a number of the costs have increased over the last two (2) years. The agency estimates total project costs at $67,074,358 with additional annual operating costs of $20,000 in year 1, $21,000 in year 2, and $22,000 in year 3. The agency anticipates execution of the construction contract in fall 2020 and completion of construction in January 2023.

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4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

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6. List of Supporting Documents:

1. Permanent Improvement Project Phase II approval
2. Bond Documents

The Citadel, the Military College of South Carolina

Prepared in Connection with the Proposed Authorization of
Not Exceeding $39,000,000 Principal Amount
State of South Carolina General Obligation State Institution Bonds
(Issued on Behalf of The Citadel, the Military College of South Carolina)

October 2, 2019

1. *Amount and Type of Bonds.* The Citadel, the Military College of South Carolina ("The Citadel") has applied to the South Carolina State Fiscal Accountability Authority (the "SFAA") for the issuance of not exceeding $39,000,000 principal amount State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina) (the "Bonds") in order to provide a portion of the funds required for (i) the designing, equipping, furnishing and equipping of a new academic building on the campus of The Citadel to replace the existing Capers Hall, including the reimbursement of capital expenditures previously made in connection therewith (collectively, the "Project") and (ii) payment of costs of issuance of the Bonds.

The total cost of the Project is estimated to be $67,074,358. Additional funds to be applied to defray the cost of the Project include (a) an appropriation from the State Capital Reserve Fund ($7,500,000), (b) accumulated tuition fees imposed by The Citadel ($16,029,197), (c) accumulated capital improvement fees imposed by The Citadel ($1,647,435), and (d) a gift from The Citadel Foundation ($3,500,000).

The Bonds would be issued pursuant to the Constitution and Statutes of the State of South Carolina (the "State"), and approving resolutions, including, in particular, the following authorities:

> (a) Article X, §13(6)(b) of the South Carolina Constitution authorizes the issuance of state general obligation bonds for an institution of higher learning, as designated by the General Assembly, if such bonds shall be additionally secured by a pledge of the revenues derived from the tuition fees received by such institution; provided, that the maximum annual debt service on all state institution bonds so additionally secured issued for such institution outstanding at any time shall not exceed ninety percent of the sums received by such institution from tuition fees for the preceding fiscal year.
>
> (b) South Carolina Code Ann. §§59-107-10 to 59-107-200 (1976, as amended), which authorizes the issuance of general obligation state institution bonds for certain state-supported institutions of higher learning, including The Citadel (the "Bond Act").
>
> (c) South Carolina Code Ann. §11-27-30 (1976, as amended), directing the State Treasurer as to the handling of tuition fees.

(d) A resolution adopted on September 20, 2019, by the Board of Visitors of The Citadel, its governing body, entitled "A Resolution Requesting the Issuance of Not Exceeding Thirty-Nine Million Dollars ($39,000,000) of General Obligation State Institution Bonds for The Citadel, the Military College of South Carolina Pursuant To Chapter 107, Title 59, Code of Laws of South Carolina 1976, as Amended."

(e) A resolution proposed for adoption by the SFAA entitled " A Resolution to Provide for the Issuance and Sale of Not Exceeding Thirty-Nine Million Dollars ($39,000,000) Principal Amount of General Obligation State Institution Bonds (Issued on Behalf of The Citadel, The Military College of South Carolina), of The State of South Carolina; to Prescribe the Purposes for Which the Proceeds Shall Be Expended; to Provide for the Payment Thereof; and Other Matters Relating Thereto."

The issuance of general obligation state institution bonds on behalf of public institutions of higher learning is authorized by the Bond Act. Proceeds of bonds issued under the Bond Act may be used for any one or more of the following purposes: (a) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for such state institutions, (b) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any such state institution, (c) to reimburse such institution for expenses incurred in anticipation of the issuance of such bonds, or (d) to refund state institution bonds heretofore issued for such institutions and which shall on such occasion be outstanding.

2. *Revenues Pledged to Pay the Bonds.* The Bonds will be secured by a pledge of and will payable from tuition fees imposed by The Citadel. Tuition fees are defined by the Bond Act as "those fees charged by any State institution for tuition, matriculation and registration," but such term excludes "fees levied or charged for purposes other than the purposes of (the Bond Act)". The Citadel imposes tuition fees only upon full-time undergraduate students, as follows: $500 per semester for in-State students and $877.50 per semester for out-of-State students. In addition, and as also required by the Bond Act, the full faith, credit, and taxing power of the State will be pledged for the payment of the principal of and interest on the Bonds.

The Bond Act requires that all tuition fees received by an institution of higher learning be paid by the institution to the State Treasurer. South Carolina Code Ann. §11-27-30 (1976, as amended) requires the State Treasurer to (a) set aside from such tuition fees received in each fiscal year sufficient revenues derived from tuition fees to pay the interest on and principal of all state institution bonds for such institution due and falling due in such fiscal year, and (b) apply such monies to the punctual payment of such principal and interest as the same respectively fall due.

In the event that the revenues derived from tuition fees prove insufficient to meet the payments of the interest on and principal of such state institution bonds in a fiscal year, then the State Treasurer is required to (a) set aside from the general tax revenues received in such fiscal year revenues in an amount sufficient to provide for the punctual payment of the interest on and principal of such state institution bonds due or to become due in such fiscal year and (b) apply to such revenues to the punctual payment of the interest on and principal of such state institution bonds due or to become due in such fiscal year.

a. Total tuition fees collected by The Citadel for Fiscal Year 2018-2019 amounted to $3,195,000.

b. The Citadel presently has no state institution bond indebtedness outstanding, and, thus, no other obligations payable from tuition fees.

c. The following table shows projected debt service on the Bonds. The Bonds would be the only outstanding state institution bonds issued on behalf of The Citadel and, thus, no other bonds are shown.

	New Issue Debt Service*		
Fiscal Year Ending	Principal	Interest	Total Debt Service
June 30, 2021	$ 1,015,000	$ 429,710	$ 1,444,710
June 30, 2022	1,750,000	725,380	2,475,380
June 30, 2023	1,770,000	705,955	2,475,955
June 30, 2024	1,790,000	686,131	2,476,131
June 30, 2025	1,810,000	666,083	2,476,083
June 30, 2026	1,830,000	645,630	2,475,630
June 30, 2027	1,855,000	624,768	2,479,768
June 30, 2028	1,875,000	603,250	2,478,250
June 30, 2029	1,895,000	580,562	2,475,562
June 30, 2030	1,920,000	556,496	2,476,496
June 30, 2031	1,945,000	531,152	2,476,152
June 30, 2032	1,980,000	499,254	2,479,254
June 30, 2033	2,015,000	461,832	2,476,832
June 30, 2034	2,060,000	419,315	2,479,315
June 30, 2035	2,105,000	372,141	2,477,141
June 30, 2036	2,155,000	320,569	2,475,569
June 30, 2037	2,215,000	264,754	2,479,754
June 30, 2038	2,275,000	204,728	2,479,728
June 30, 2039	2,335,000	140,573	2,475,573
June 30, 2040	2,405,000	72,391	2,477,391
Total	$ 39,000,000	$ 9,510,667	$ 48,510,667

d. The following table shows projected debt service coverage after issuance of the Bonds with the principal and interest requirements shown in the preceding table. Additionally, pursuant to South Carolina Code Ann §59-107-50(3), the SFAA may not approve an issuance of state institution bonds unless it has found that the annual debt service on all state institution bonds issued for such state institution, including the bonds then proposed to be issued, shall not exceed ninety percent of the sums received by such state institution of higher learning from tuition fees for the preceding fiscal year. This table demonstrates that, based on projected debt service requirements and current tuition receipts (no growth projected), the requirement of §59-107-50(3) is satisfied.

Fiscal Year	Projected Debt Service	Projected Tuition Receipts	Debt Service Coverage (%)	90% of Projected Tuition Receipts	Margin
June 30, 2021	$ 1,444,710	$3,195,000	2.21	$2,875,500	$1,430,790
June 30, 2022	2,475,380	3,195,000	1.29	2,875,500	400,120
June 30, 2023	2,475,955	3,195,000	1.29	2,875,500	399,545
June 30, 2024	2,476,131	3,195,000	1.29	2,875,500	399,369
June 30, 2025	2,476,083	3,195,000	1.29	2,875,500	399,417
June 30, 2026	2,475,630	3,195,000	1.29	2,875,500	399,870
June 30, 2027	2,479,768	3,195,000	1.29	2,875,500	395,732
June 30, 2028	2,478,250	3,195,000	1.29	2,875,500	397,250
June 30, 2029	2,475,562	3,195,000	1.29	2,875,500	399,938
June 30, 2030	2,476,496	3,195,000	1.29	2,875,500	399,004
June 30, 2031	2,476,152	3,195,000	1.29	2,875,500	399,348
June 30, 2032	2,479,254	3,195,000	1.29	2,875,500	396,246
June 30, 2033	2,476,832	3,195,000	1.29	2,875,500	398,668
June 30, 2034	2,479,315	3,195,000	1.29	2,875,500	396,185
June 30, 2035	2,477,141	3,195,000	1.29	2,875,500	398,359
June 30, 2036	2,475,569	3,195,000	1.29	2,875,500	399,931
June 30, 2037	2,479,754	3,195,000	1.29	2,875,500	395,746
June 30, 2038	2,479,728	3,195,000	1.29	2,875,500	395,772
June 30, 2039	2,475,573	3,195,000	1.29	2,875,500	399,927
June 30, 2040	2,477,391	3,195,000	1.29	2,875,500	398,109

3. *New Revenue Generation*. The Project is a replacement for an existing classroom building. No additional revenues are projected to result from the Project.

4. *Other Funds Available to Pay Bonds*. The Citadel has not specifically identified any alternative source of revenues should tuition fees prove at a later date to be insufficient to pay debt service on the Bonds. The following covenant, however, is included in the resolution adopted by the Board of Visitors on September 20, 2019 requesting the issuance of the Bonds:

> The Board of Visitors hereby covenants and agrees that the schedule of tuition fees now in effect at The Citadel will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of The Citadel.

As a matter of prudence, it will be incumbent upon the administration of The Citadel to monitor tuition fee collections and periodically report to the Board of Visitors as to debt service requirements and the sufficiency of current tuition fees to cover the same. Accordingly, the resolution of the Board of Visitors directs the President of the Citadel, the Chairman and Secretary of the Board of Visitors, the Vice President for Finance and Business, and all other officers of The Citadel to abide by the foregoing covenant.

5. *Statement of Obligation*

a. Tuition fees as defined in the Bond Act are imposed, resulting, in Fiscal Year 2018-19 collections of $3,195,000. No increase in tuition fees is presently contemplated. No other fees are contemplated to be imposed. As required by the Bond Act, the full faith, credit, and taxing power of the State are pledged to the payment of the Bond. No mortgage or lien will be given on any real property of The Citadel in connection with the proposed financing.

JOINT BOND REVIEW COMMITTEE **Item 3(b)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Executive Budget Office
PROJECT/SUBJECT:	Permanent Improvement Project with Financing Component Clemson University Daniel Hall Renovation and Expansion

Clemson University requests Phase II review to establish full design and construction for renovation and expansion of the Daniel Hall general classroom building. The project will be funded with proceeds from the issuance of general obligation state institution bonds, and maintenance and stewardship funds.

Permanent Improvement Project. The project was established in June, 2018 with a Phase I budget of $1 million, funded with maintenance and stewardship funds of the institution. This request will increase the project budget to $59.73 million, funded by $30 million in proceeds from the issuance of general obligation state institution bonds, and $29.73 million in maintenance and stewardship funds.

The project provides for renovation of the existing 68,000 square foot general classroom building and expansion of the facility by approximately 60,000 square feet. Renovation work will include upgrading the HVAC and fire protection systems, improving accessibility, improving the auditorium and repainting. The expansion will include constructing new classrooms, a new auditorium, and new learning spaces. The existing facility was constructed in 1969 and has had minimal renovations since that time.

Projected costs of renovation and construction have increased from an original estimate of $45 million in 2018 to a current estimate of $59.73 million. Principal contributors to the increase in the cost estimate include site complexity, structural limitations of the existing building, escalation in construction costs, and additional audiovisual and other equipment for modern classrooms. The expansion has been reduced from 75,000 to 60,000 square feet to strike a prudent balance of needs and costs.

Daniel Hall is the principal classroom building for undergraduate students and is used by a variety of disciplines for instruction, including Physics, Mathematical Sciences, Computing, English, Communications, and Language Studies.

Almost every undergraduate student takes classes in Daniel Hall. Since original construction in 1969, Clemson's total enrollment has grown 370% from 6,700 to more than 25,000 students. Clemson projects that enrollment growth over the next decade will create a 40,000 square foot deficit of general classroom space. Currently, two-thirds of the building's classrooms and labs are used at or near full capacity for classes, student clubs, and tutoring. Current intensity of use leaves little remaining capacity for anticipated enrollment growth. The expanded building is expected to address this anticipated future deficiency, and will serve approximately 14,650 students instructed by 370 faculty, with administrative space that will serve 161 employees.

The project will be constructed to achieve Two Green Globes certification with anticipated energy savings of $3.026 million over a 30-year period.

Execution of the construction contract is expected in September 2020, with completion of construction in May 2023.

General Obligation State Institution Bonds (Issued by the State on Behalf of Clemson University). Clemson proposes funding a portion of the permanent improvements with not exceeding $31 million in General Obligation State Institution Bonds, including expenses associated with issuance of the bonds.

Article X, §13(6)(b) of the South Carolina Constitution authorizes the issuance of state general obligation bonds for an institution of higher learning if the bonds are additionally secured by a pledge of the revenues derived from the tuition fees received by that institution; provided, that the maximum annual debt service on all state institution bonds issued for the institution and outstanding at any time will not exceed 90% of the total tuition fees received by the institution in the preceding fiscal year. Chapter 107 of Title 59 of the SC Code implements this constitutional provision.

Tuition fees collected by Clemson for FY2018-19 and made available to comply with the constitutional and statutory limit on debt service totaled $43,154,545. Maximum annual debt service on existing and proposed bonds is not expected to exceed $20,371,092, or 47% of tuition fees designated for compliance with the limit on annual debt service.

Documentation supporting submission of the permanent improvement project states that no student tuition or fee increase will be required for the renovation and construction of the facility. Clemson designates a portion of tuition for permanent improvements, and the amount so designated has increased each academic year for the last five years, from $738 per student per semester in 2014-15, to a projected level of $1,005 in 2019-20.

In the event that revenue from tuition fees in any fiscal year is insufficient to meet the debt service requirements of the bonds, the State Treasurer is required to set aside general tax revenues of the state sufficient to provide for the debt service then or to become due in that fiscal year, and apply the funds set aside to the punctual payment of the obligation.

The term of the proposed bonds will be 20 years.

The full faith and credit of the State will be pledged to the payment of the proposed bonds; however, no mortgage or lien will be given on any real property of the institution or the state.

COMMITTEE ACTION:

1. Review and make recommendation regarding Clemson University's request to establish full design and construction for renovation and expansion of the Daniel Hall general classroom building, to be funded with $30,000,000 in proceeds from the issuance of general obligation state institution bonds, and $29,730,000 in maintenance and stewardship funds.
2. Review and make recommendation regarding Clemson University's request for issuance by the state on its behalf of not exceeding $31,000,000 in General Obligation State Institution Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. A-1, A-49, Questionnaire.
3. Bond Information Report and Exhibits.

AVAILABLE UPON REQUEST:

1. Constitutional and Statutory References: Article X, §13(6)(b) of the South Carolina Constitution; Chapter 107 of Title 59 of the South Carolina Code of Laws (State Institution Bonds).
2. Board of Trustees Resolution adopted July 18, 2019: A Resolution Requesting the Issuance of Not Exceeding Thirty-One Million Dollars ($31,000,000) of General Obligation State Institution Bonds for Clemson University Pursuant to Chapter 107, Title 59, Code of Laws of South Carolina 1976, as Amended.
3. Form of State Fiscal Accountability Authority Resolution for consideration on October 15, 2019: A Resolution to Provide for the Issuance and Sale of Not Exceeding Thirty-One Million Dollars ($31,000,000) Principal Amount of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South Carolina; To Prescribe the Purposes for which the Proceeds Shall be Expended; To Provide for the Payment Thereof; And Other Matters Relating Thereto.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 2, 2019** **Regular Agenda**

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1. **Submitted By:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

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2. **Subject:**

Clemson University – Daniel Hall Renovation and Expansion

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3. **Summary Background Information:**

Establish Construction Budget

(H12) Clemson University
Project: 9940, Daniel Hall Renovation and Expansion
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 7 in FY20 (estimated at $60,000,000)
JBRC/SFAA Phase I Approval: June 2018 (estimated at $45,000,000)

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 281-300

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds	-	-	-	30,000,000	30,000,000
Other, Maintenance & Stewardship	1,000,000	-	1,000,000	28,730,000	29,730,000
All Sources	1,000,000	-	1,000,000	58,730,000	59,730,000

Funding Source:	$30,000,000 Institution Bonds. $29,730,000 Other, Maintenance & 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:	Increase budget to $58,730,000 (add $30,000,000 Institution Bonds and $28,730,000 Other, Maintenance & Stewardship Funds) to establish the Phase II construction budget to renovate the 68,000 square foot Daniel Hall general classroom building and expand the facility by approximately 60,000 square feet. As Phase I design progressed, major issues were uncovered that were not included in the Phase I estimate that must be addressed and require an increase in the project cost. Site complexity issues include the need for connections at multiple elevations and for reconfiguring a portion of the Cooper Bridge to achieve ADA accessibility and for additional utility work needed to run new utilities not anticipated. Renovation costs will be higher due to higher construction escalation, particularly in the trades, and the structural limitations of the existing building, which prevent installing a new HVAC system in the current space or on the roof. These limitations were not identified in the feasibility study and require a west addition, which will accommodate the needed HVAC equipment, enhanced ADA accessibility, and needed

collaborative study spaces on each floor limited by the existing facility’s configuration and design. Other additional costs result from increases in the cost of steel and additional audiovisual and other equipment needed for modern classrooms. As the project progressed, the university continued to closely evaluate the needs of the project to provide the best value. As a result, the expansion has been reduced to 60,000 square feet. The renovations will include upgrading the HVAC and fire protection systems, improving accessibility, replacing exterior doors, improving the auditorium and repainting classroom walls. The expansion will include constructing new classrooms, a new 220-seat auditorium, and informal learning spaces. The project is designed to meet two Green Globes certification standards with anticipated energy savings of $3,026,351 over a 30-year period. Daniel Hall was constructed in 1969 and has had minimal renovations since. It is the principal classroom building for and affects nearly every undergraduate student during their enrollment. While Daniel Hall has been well maintained and is in good condition, a complete renovation has not been possible due to heavy course loads and therefore, it is functionally deficient. The expansion will free up the current space and allow renovation without having a detrimental impact on classroom availability and utilization. Since Daniel Hall’s construction, enrollment has increased from 6,700 to more than 25,000 students and is projected to grow another 20% over the next ten years. Expansion is needed to support growing enrollment and to address limited classroom availability and high utilization throughout campus. It will also allow for continuing core undergraduate instruction in an effective learning environment without disruptions from the existing facility’s renovation. The agency estimates total project costs at $59,730,000 with additional annual operating costs of $390,000 in year 1, $401,700 in year 2, and $413,751 in year 3. The agency anticipates execution of the construction contract in September 2020 and completion of construction in May 2023.

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4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

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6. List of Supporting Documents:

1. Permanent Improvement Project Phase II approval
2. Bond Documents

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding $31,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2019

October 2, 2019

Amount and Type of Bond. Clemson University (the "University") is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding $31,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2019 (the "Bonds"), in order to provide funds to: (i) defray the costs of constructing, reconstructing, improving, furnishing, and refurnishing Daniel Hall and expansions thereto located on the campus of the University; (ii) reimburse the University for expenses incurred in anticipation of the issuance of the Bonds ((i) and (ii), the "Project"); and (iii) pay for expenses related to the issuance of the Bonds.

Revenues Pledged to Pay the Bonds. Tuition revenues of the University and the full faith, credit, and taxing power of the State of South Carolina would be pledged to the payment of the Bonds. Article X, Section 13, Paragraph (6)(b) of the South Carolina Constitution provides that general obligation bonds for any state institution of higher learning designated by the General Assembly ("State Institution Bonds") may be issued, if such bonds shall be additionally secured by a pledge of the revenues derived from the tuition fees received by the particular institution of higher learning for which such State Institution Bonds are issued; provided, that the maximum annual debt service on all State Institution Bonds so additionally secured issued for such state institution thereafter to be outstanding shall not exceed 90% of the sums received by such state institution of higher learning from tuition fees for the fiscal year next preceding. Title 59, Chapter 107 of the South Carolina Code (the "Enabling Act") provides for the authorization of State Institution Bonds. Section 11-29-30 of the South Carolina Code requires the State Treasurer to set aside from the tuition fees collected by such state institution and received in each fiscal year in which interest on and principal of the Bonds become due, so much of such revenues from such tuition fees as may be necessary in order to pay the interest on and principal of all State Institution Bonds issued on behalf of the University and due in each fiscal year, and the State Treasurer thereafter applies such moneys to the punctual payment of such principal and interest as they become due. In the event revenues derived from the tuition fees so pledged prove insufficient to meet the payments of interest on and principal of the Bonds in such fiscal year, then the State Treasurer is authorized and directed to set aside so much of the general tax revenues received in each fiscal year as may be necessary to pay the principal of and interest on the Bonds due in such year and to apply the same to the punctual payment of such principal and interest.

The sum of tuition fees, for the purposes of the Enabling Act, for the fiscal year ended June 30, 2019, totaled $43,154,545. The debt service requirements on all existing, authorized, and proposed State Institution Bonds (Issued on Behalf of Clemson University) are attached as Exhibit A. Exhibit B reflects maximum annual debt service of $20,371,092 in fiscal year 2021, and debt service utilization of fiscal year 2019 tuition fees ranging from 6% to 47%, compared to the 90% statutory limitation. The University will covenant that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

New Revenue Generation. This project is a strategic priority for the University because of its role as a primary classroom building that affects almost every undergraduate during their time at Clemson. Since Daniel Hall was built, enrollment has increased from 6,700 to over 25,000 students. Accommodating enrollment growth as well as renovating this high-use space, rather than revenue generation, is the basis for this project. While the University anticipates continued moderate enrollment growth, which would increase revenue, the University is not relying on any increase in revenues to pay debt service on the Bonds.

Other Funds Available to Pay Bonds. Current tuition levels are more than sufficient to pay the debt service on the Bonds. In order for current tuition levels to be insufficient, enrollment would need to decrease by more than 53%. Clemson’s enrollment has increased every year since 2002 and has grown approximately 25% in the past 10 years.

Student Fees, Credit of the State, Mortgages. The full faith and credit of the State of South Carolina would be pledged to the payment of the Bonds. No Special Student Fee is authorized to be imposed in connection with the Bonds. No mortgage or lien has been or will be given in connection with the issuance of the Bonds.

Exhibit A

Clemson University - State Institution Bonds - Composite Debt Service

Fiscal Year	Existing Debt Service	Debt Service on Authorized but Unissued	Proposed Issue		Composite Debt Service
			Principal	Interest	
6/30/2020	$ 18,547,011	$ -	$ 340,000	$ 181,336	$ 19,068,347
6/30/2021	18,290,713	-	1,360,000	720,379	20,371,092
6/30/2022	18,119,213	-	1,375,000	700,387	20,194,600
6/30/2023	18,120,713	-	1,400,000	680,037	20,200,750
6/30/2024	18,120,213	-	1,420,000	659,177	20,199,390
6/30/2025	18,121,463	-	1,440,000	637,451	20,198,914
6/30/2026	18,122,963	-	1,465,000	614,699	20,202,662
6/30/2027	18,125,763	-	1,485,000	590,673	20,201,436
6/30/2028	18,118,663	-	1,515,000	565,280	20,198,942
6/30/2029	18,119,363	-	1,540,000	538,313	20,197,675
6/30/2030	17,817,025	-	1,570,000	509,823	19,896,848
6/30/2031	17,313,825	-	1,600,000	476,382	19,390,207
6/30/2032	12,359,219	-	1,640,000	438,622	14,437,840
6/30/2033	12,211,494	-	1,680,000	396,638	14,288,131
6/30/2034	12,064,431	-	1,725,000	350,774	14,140,205
6/30/2035	9,527,519	-	1,775,000	301,266	11,603,785
6/30/2036	9,377,400	-	1,830,000	248,194	11,455,594
6/30/2037	5,559,650	-	1,885,000	191,464	7,636,114
6/30/2038	408,400	-	1,945,000	131,332	2,484,732
6/30/2039	406,850	-	2,010,000	67,536	2,484,386
Totals	$ 278,851,886	$ -	$ 31,000,000	$ 8,999,758	$ 318,851,645

Exhibit B

	Clemson University - State Institution Bonds - Coverage			
Fiscal Year	Composite Debt Service	FY19 Tuition Pledged to Debt Service	Pro Forma Pledged Tuition	Utilization of Pledged Revenues (90% is Debt Limit)
6/30/2020	$ 19,068,347	$ 43,154,545	$ -	44%
6/30/2021	20,371,092	43,154,545		47%
6/30/2022	20,194,600	43,154,545		47%
6/30/2023	20,200,750	43,154,545		47%
6/30/2024	20,199,390	43,154,545		47%
6/30/2025	20,198,914	43,154,545		47%
6/30/2026	20,202,662	43,154,545		47%
6/30/2027	20,201,436	43,154,545		47%
6/30/2028	20,198,942	43,154,545		47%
6/30/2029	20,197,675	43,154,545		47%
6/30/2030	19,896,848	43,154,545		46%
6/30/2031	19,390,207	43,154,545		45%
6/30/2032	14,437,840	43,154,545		33%
6/30/2033	14,288,131	43,154,545		33%
6/30/2034	14,140,205	43,154,545		33%
6/30/2035	11,603,785	43,154,545		27%
6/30/2036	11,455,594	43,154,545		27%
6/30/2037	7,636,114	43,154,545		18%
6/30/2038	2,484,732	43,154,545		6%
6/30/2039	2,484,386	43,154,545		6%

JOINT BOND REVIEW COMMITTEE **Item 3(c)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Executive Budget Office
PROJECT/SUBJECT:	Permanent Improvement Project with Financing Component University of South Carolina Campus Village Residential Development

The University of South Carolina requests Phase II review to establish full design and construction to redevelop property owned by the University, including demolition of Cliff Apartments, construction of residential buildings and a transportation hub/parking facility, and related site work (collectively, The Campus Village Project). The project will be funded with proceeds from the issuance of Higher Education Revenue Bonds.

Permanent Improvement Project. The project was established in July 2019 with a Phase I budget of $1.2 million funded by developer funds at risk. This request will increase the project budget to $210 million, funded by not exceeding $240 million in proceeds from the issuance of Higher Education Revenue Bonds.

The project provides for redevelopment of 9 acres of property owned by the University, with demolition of Cliff Apartments; construction of 4 residential buildings totaling 525,000 square feet and containing no fewer than 1,800 new beds; and a 2-story, approximately 175-space parking facility/transportation hub. The project will be constructed largely on existing surface parking lots. Bates House and Bates West, which are located in close proximity to the project site, will remain occupied and in use.

The plan contemplates integration of a transportation hub, with the majority of parking to be remote and off-site in existing parking garages and improvements to surface lots located elsewhere on campus. The transportation hub will provide short-term student parking, taxi service, cars for lease, faculty and staff parking, scooter parking, and bike sharing stations. The plan also includes other improvements to promote pedestrian and railroad crossing safety, compliance with City of Columbia parking ordinances, connectivity with other campus areas, and intramural recreation.

The project will be constructed to achieve at least Two Green Globes Certification standards with anticipated energy savings of $627,160 over a 30-year period.

The University is using the successful offer under the original solicitation coordinated with the Office of State Engineer.

Execution of the construction contract is expected to occur in May 2020, with construction completed in July 2022.

Higher Education Revenue Bonds. The University proposes funding the permanent improvements with not exceeding $240 million in Higher Education Revenue Bonds, including capitalized interest, if economically efficient, and expenses associated with issuance of the bonds.

The University is authorized pursuant to Chapter 147 of Title 59 (Higher Education Revenue Bond Act) to issue bonds for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University. The University projects that, following issuance of these Bonds, the outstanding principal amount of all Revenue Bonds of the University will not exceed $472.15 million.

The Bonds will be payable from and secured solely by a pledge of Net Revenues and Additional Funds (as described in the Bond Resolutions).

The University states that no increases in student fees or tuition are needed to support the project, and that once construction is complete, revenues generated from the project will be sufficient to cover its debt service and all operating costs.

The term of the proposed bonds is anticipated to be 30 years. Exhibit B included in the supporting documentation reflects the debt service requirements for all of the University’s existing and proposed Revenue Bonds, with maximum composite debt service projected at $28,009,074. Based on current collections, revenue coverage of debt service following issuance of the bonds is projected to range from 1.03 to 1.80 times through FY2049-50. On a pro forma basis, revenue coverage of debt service ranges from 1.65 to 3.33 following completion of, and collection of revenue associated with, the project.

Exhibit B also reflects integration of $25.6 million of capitalized interest in the debt service schedule, which is the principle contributor to the difference in project cost of $210 million and debt authorization of $240 million. Capitalized interest is paid with borrowed funds during the construction period; in this case prior to collection of revenues that will begin whenever the project is complete and occupied. The University has requested sufficient authorization to fund all or a portion of capitalized interest from bond proceeds as flexibility in the event that this alternative would promote highest economic efficiency for the financing component of the project.

Supporting documentation indicates that, while the University intends to pay debt service from Net Revenues, bonds are secured by both Net Revenues and Additional Funds, as those terms are defined in the University’s bond resolutions. Additional funds comprise all legally available funds of the University and totaled $888.6 million for the fiscal year ended June 30, 2019.

The full faith and credit of neither the University nor the state will be pledged to the payment of the proposed bonds. Furthermore, no mortgage or lien will be given on any real property of the University.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University of South Carolina's request to establish Phase II full design and construction to redevelop property owned by the University, including demolition of Cliff Apartments, construction of residential buildings and a parking facility, and related site work (collectively, the Campus Village Project), to be funded with $210 million in proceeds from the issuance of not exceeding $240 million Higher Education Revenue Bonds.
2. Pursuant to Chapter 147 of Title 59 (Higher Education Revenue Bond Act), review and make recommendation regarding the University of South Carolina's request for issuance of not exceeding $240 million in Higher Education Revenue Bonds, including capitalized interest, if economically efficient, and expenses associated with issuance of the bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. A-1, A-49, Questionnaire.
3. Bond Information Report and Exhibits.

AVAILABLE UPON REQUEST:

1. Statutory reference: Chapter 147 of Title 59 (Higher Education Revenue Bond Act).
2. Board of Trustees Resolution adopted on June 21, 2019: A Resolution Providing for the Issuance and Sale, in One or More Series, of Higher Education Revenue Bonds of the University of South Carolina in the Aggregate Principal Amount of Not Exceeding $240,000,000; Authorizing the Issuance and Sale of Bond Anticipation Notes Pending the Issuance of the Bonds; And Other Matters Relating Thereto.
3. Form of State Fiscal Accountability Authority Resolution for consideration on October 15, 2019: A Resolution Approving the Issuance and Sale, in One or More Series, of Higher Education Revenue Bonds of the University of South Carolina in the Aggregate Principal Amount of Not Exceeding $240,000,000; Authorizing the Issuance and Sale of Bond Anticipation Notes Pending the Issuance of the Bonds; And Other Matters Relating Thereto.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 2, 2019 **Regular Agenda**

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1. **Submitted By:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

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2. **Subject:**

University of South Carolina - Columbia – Campus Village Residential Development

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3. **Summary Background Information:**

Establish Construction Budget & Change Source of Funds

(H27) University of South Carolina - Columbia
Project: 6133, Campus Village Residential Development
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 14 in FY20 (estimated at $210,000,000)
JBRC/SFAA Phase I Approval: June 2019 (estimated at $210,000,000)

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 445-466

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds	-	-	-	210,000,000	210,000,000
Other, Developer Funds at Risk	1,200,000	-	1,200,000	(1,200,000)	-
All Sources	1,200,000	-	1,200,000	208,800,000	210,000,000

Funding Source:	$210,000,000 Revenue Bonds.
Request:	Change source of funds and increase budget to $210,000,000 (add $210,000,000 Revenue Bonds) to establish the Phase II construction budget to redevelop 9 acres of property owned by the university to include the demolition of Cliff Apartments and the construction of four residential buildings and a parking facility and all associated site work. Campus Village is envisioned as a comprehensive and transformational student residence project achieving numerous campus objectives consistent with the vision of the 2018 Master Plan. These objectives include responding to enrollment growth, eliminating the abatement and maintenance of Cliff Apartments, reimagine a predominantly barren surface parking lot and create a village surrounded by green space, provide on-site amenities, and a site plan which strengthens the South Marion Street pedestrian promenade connecting Campus Village and the Athletics Village. Four residential buildings totaling 525,000 gross square feet and a 175-car transportation hub/parking facility will be constructed for a total gross constructed of approximately 636,090 gross square feet. The facilities will be designed and constructed to meet two Green Globes certification standards. An estimated 2,000 students will utilize the space associated with the project. The agency estimates total project costs at $210,000,000 with additional annual operating costs of $3,827,021 in year 1, $3,922,697 in year 2, and $4,020,764 in

year 3. The agency anticipates execution of the construction contract in May 2020 and completion of construction in July 2022.

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4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

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6. List of Supporting Documents:

1. Permanent Improvement Project Phase II approval
2. Bond Documents

Site Information: This first stage of Campus Village will redevelop approximately 9 acres or property owned by the university. The property is north of Whaley Street on the existing large surface parking lot that serves Bates House and Bates West residence halls and also on land currently occupied by Cliff Apartments and a surface parking lot in front of Cliff Apartments. The site is ideal for redevelopment and will enjoy connectivity with the campus core via the existing elevated pedestrian promenade in the original South Marion Street right-of-way.

Bates House and Bates West residential halls will remain occupied during the construction of this first stage of Campus Village construction. The project will demolish Cliff Apartments, construct and furnish four residential buildings as described in more detail below, construct a transportation hub/parking facility, and provide all associated on-site and off-site work to include utilities, paving, landscaping and site amenities.

General Project Description: Campus Village is envisioned as a comprehensive and transformational student residence project achieving numerous campus objectives consistent with the vision of the 2018 Master Plan. These objectives include:

1. Respond to enrollment growth with no less than 1800 new beds in four new residential buildings that are consistent with recently constructed or renovated campus residence halls for security and a holistic living-learning environment.
2. Eliminate the abatement and maintenance needs of Cliff Apartments, constructed in 1974, through demolition and removal of this facility.
3. Reimagine a predominantly barren surface parking lot and create a village with humanely scaled brick buildings surrounded by landscaped green space inspired by the historic areas of the campus.
4. Provide on-site amenities including a large dining facilities, robust shuttle service, a transportation hub facility, multi-purpose rooms in the residence halls, and a small canteen grocery store to offer an environment that is a complete student-life experience.
5. A site plan which strengthens the South Marion Street pedestrian promenade connecting Campus Village and the Athletics Village to the campus core to the north. A pedestrian bridge will be restored where the South Marion Street promenade crosses Wheat Street to enhance access to the core campus. Other off-site improvements are needed for safe connectivity and to respond to the increase in student population in this district of the campus.

One new residential building will be constructed on the site of Cliff Apartments and the other three residential buildings will be constructed on the large parking lot immediately south of the Bates House and the Bates West residence halls. The residential buildings will be non-combustible and constructed of steel and concrete using a combination of International Building Code Construction Types IIA, IA, and IIB. The buildings will comply with accessibility standards of IC A117.1-2009 and the Fair Housing Act of 1998. The project will meet a 2-Globe sustainability rating using the Green Globes rating system. A low-rise transportation hub with approximately 175 parking spaces will be built on the site of the existing surface lot south of Cliff Apartments.

Residential Building One: A six-story building with an additional partial basement level comprising approximately 156,700 gross square feet. The building provides approximately 412 beds configured in a "traditional pod" style in which bathrooms are located in a community core as opposed to being within a suite. Opportunities to increase the bed count will be explored during Phase II design. Bedrooms are typically 253 square feet and each will accommodate two beds. A large dining facility, of approximately 26,200 square feet, will occur on the ground level with direct access from a main plaza along the South Marion Street promenade. The dining facility will be operated as part of the food service contract with Aramark. A small campus police sub-station also occurs on the ground level.

Residential Building Two: A six-story building comprising approximately 113,500 gross square feet. The building provides approximately 436 beds configured in a "suite" style in which two bedrooms share a private bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds. The ground level will provide approximately 3560 square feet for a coffee shop and 2960 square feet for a canteen store for purchasing groceries and other staples.

Residential Building Three: A six-story building comprising approximately 123,800 gross square feet. The building provides approximately 460 beds configured in a "suite" style in which two bedrooms share a private bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds. The ground level will provide multi-purpose rooms and a faculty office suite.

Residential Building Four: A six-story building comprising approximately 131,900 gross square feet. The building provides approximately 500 beds configured in a "suite" style in which two bedrooms share a private bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds. The ground level will provide a multi-purpose room.

Typical residential amenities occurring in each building include:

- Community functions concentrated on the ground floors with student residences beginning on the second floors and extending to the sixth floors;
- Secure building lobbies, furnished, with a staffed reception desk and elevators accessible through a secure elevator lobby requiring card access for entry to access upper residential floors;
- Apartments for resident life coordinators;
- Public restrooms on the ground floor of each building;
- Administrative offices on the ground floor of each building;
- Multi-purpose rooms, kitchen lounges and study lounges occur on residential floors;
- 2-3 public elevators per building
- A central laundry;
- A central interior bike storage room;
- A central trash room connected to smaller trash rooms on every residential floor via trash chutes;
- Institutional quality interior finishes at the floors, walls and ceilings;
- Every bedroom will be furnished with institutional quality furniture to include beds, desks, chairs and wardrobes;
- Electronic access control will require access cards for entry to all exterior doors and all suite and bedroom doors as dictated by university housing standards;
- Vandal-resistant windows at the ground level;
- Cameras will be installed throughout the exterior and interior public spaces as dictated by campus police;
- Wireless internet, wired data ports, and campus cable television ports are provided throughout;
- Support spaces including custodial rooms, mechanical rooms, fire sprinkler valve/pump rooms and electrical rooms.

Transportation Hub: A low-rise parking facility, (two staggered elevated levels), adjacent to Residential Building One will provide approximately 175 spaces for short-term student parking, taxi service, cars for lease, faculty and staff parking, scooter parking and bike sharing stations. The vast majority of parking for Campus Village will be remote and off-site. Locations will include existing off-site garages, existing surface lots and an improved remote surface lot, accessed from Key Road near Williams-Brice Stadium, that will be funded by the Campus Village project. Project funding will also create and improve parking for commuters adjacent to Colonial Life Arena so that commuters can be relocated from the Blossom Street and Bull Street Garages thereby creating parking capacity for Campus Village residents in these garages.

Other Off-site Supporting Site Improvements: The Campus Village development will greatly increase the number of students in the southern district of the campus which will require that the university implement other campus improvements to support the students at Campus Village. These improvements will include:

- Improve remote surface parking for students to comply with City of Columbia ordinances which mandate 1 parking space for every 2 student beds. Improvements will include improving a university-owned gravel lot accessed from Key Road near Williams-Brice Stadium and improving a deteriorated university-owned lot near Colonial Life Arena where commuters will park thereby shifting commuters from parking garages and creating capacity for Campus Village resident parking to comply with the City ordinance.

- Enhancing the safety of Sumter Street from Whaley Street to just north of the railroad bridge (slightly more than two blocks). Sumter Street will receive more pedestrian, bike and vehicular traffic as a result of Campus Village. Portions of Sumter Street do not provide sidewalks or bike lanes. Work should include a pedestrian bridge over Rocky Branch Creek so students are not forced to walk in the roadway.
- Railroad crossing gates at the intersection of Whaley Street and Sumter Street. Currently the crossing is un-gated and is near the entrance to the on-site transportation facility.
- Possible utility upgrades to supply additional electrical power and the replacement/upgrade of aged sewer and water lines that will support Campus Village.
- New sidewalks at Bull Street and Marion Street to create safe pedestrian connectivity with other campus areas.
- Intramural recreation improvements on adjacent university property to address the increase in students in the district.
- Improvements and possible reconstruction of portions of the elevated walkway in the South Marion Street corridor that will be used by students to walk and bike from Campus Village to the academic core of campus.

Project Justification: The project will meet a portion of the demand for on-campus housing which has been confirmed by numerous surveys and housing master plans. This demand has only increased by recent enrollment growth. The project will eliminate deferred maintenance by demolishing Cliff Apartments which is beyond its serviceable life and does not comply with contemporary building codes.

University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding $240,000,000 of the University of South Carolina Higher Education Revenue Bonds, Series 2019

October 2, 2019

Revenues Pledged to Pay the Bonds. The University of South Carolina's proposed not exceeding $240,000,000 Higher Education Revenue Bonds (the "Bonds") are payable from, and are secured by a pledge of, the Net Revenues and the Additional Funds ("Pledged Revenues"). Under the bond resolution governing the issuance of the University's Higher Education Revenue Bonds the University must maintain Net Revenues at least equal to composite debt service on all outstanding Higher Education Revenue Bonds. The Net Revenues for the fiscal year ended June 30, 2019, totaled $28,948,484. The estimated debt service requirements on all existing, authorized, and proposed Higher Education Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of $28,009,074 in the fiscal year ending June 30, 2025. Exhibit B reflects anticipated Net Revenues debt service coverage ranging from 1.65 to 3.33 times annual debt service on a pro forma basis. Exhibit C demonstrates coverage using solely pro forma Net Revenues generated from the Campus Village project.

New Revenue Generation. The primary purpose of this project is to expand the available student housing on the Columbia Campus. The project will create approximately 1,800 additional beds that will be used to meet the existing needs for freshman and limited upper-classmen housing. The proceeds from the facilities created by this project will service the debt associated with the project. The project is anticipated to generate an annual marginal increase in Net Revenues ranging from $16,348,736 to $24,812,648 over the life of the proposed Bonds.

Other Funds Available to Pay Bonds. While the University intends to pay debt service on the Bonds from the Net Revenues, both the Net Revenues and the Additional Funds comprise the Pledged Revenues that secure the Bonds. The Additional Funds comprise essentially all legally available funds of the University and totaled $888,578,854 for the fiscal year ended June 30, 2019. Pursuant to Section 59-147-110 of the Code of Laws of South Carolina 1976, as amended, the Bonds are not payable from State appropriations or student tuition and fees pledged to the payment of State Institutions Bonds. Also, certain specific revenues pledged to the payment of specific obligations, such as Athletic Facilities Revenue Bonds, are likewise unavailable for payment on the Bonds and are not a component of Pledged Revenues.

No Special Student Fees. No Credit of the State. *No Mortgage*. No Special Student Fee is currently imposed or contemplated. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of Higher Education Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of the University.

Exhibit A

University of South Carolina
Higher Education Revenue Bonds - Debt Service

		Debt Service on Proposed Bond Issue			
Fiscal Year	Existing Debt Service *	Principal	Interest	Capitalized Interest	Total Composite Debt Service
6/30/20	$ 17,188,838	$ -	$ 4,655,198	$ (4,655,198)	$ 17,188,838
6/30/21	16,760,038	-	9,310,396	(9,310,396)	16,760,038
6/30/22	16,759,538	-	9,310,396	(9,310,396)	16,759,538
6/30/23	16,757,538	1,645,000	9,289,834	(2,327,599)	25,364,772
6/30/24	16,388,038	2,030,000	9,243,389		27,661,426
6/30/25	16,383,288	2,440,000	9,185,786		28,009,074
6/30/26	15,524,788	2,870,000	9,115,608		27,510,396
6/30/27	15,552,638	3,325,000	9,030,933		27,908,570
6/30/28	13,047,638	3,805,000	8,929,543		25,782,180
6/30/29	13,051,988	4,360,000	8,810,060		26,222,048
6/30/30	13,047,488	4,860,000	8,666,175		26,573,663
6/30/31	13,056,738	5,445,000	8,477,700		26,979,438
6/30/32	11,887,988	6,105,000	8,246,700		26,239,688
6/30/33	11,888,488	6,640,000	7,991,800		26,520,288
6/30/34	11,060,250	7,200,000	7,715,000		25,975,250
6/30/35	9,245,275	7,790,000	7,415,200		24,450,475
6/30/36	8,579,825	8,410,000	7,091,200		24,081,025
6/30/37	8,590,825	9,060,000	6,741,800		24,392,625
6/30/38	8,587,125	9,740,000	6,365,800		24,692,925
6/30/39	4,334,375	10,270,000	5,965,600		20,569,975
6/30/40	3,291,875	10,680,000	5,546,600		19,518,475
6/30/41	1,624,875	11,105,000	5,110,900		17,840,775
6/30/42	1,625,313	11,550,000	4,657,800		17,833,113
6/30/43	1,623,688	12,010,000	4,186,600		17,820,288
6/30/44	-	12,490,000	3,696,600		16,186,600
6/30/45	-	12,990,000	3,187,000		16,177,000
6/30/46	-	13,510,000	2,657,000		16,167,000
6/30/47	-	14,050,000	2,105,800		16,155,800
6/30/48	-	14,615,000	1,532,500		16,147,500
6/30/49	-	15,200,000	936,200		16,136,200
6/30/50	-	15,805,000	316,100		16,121,100
	$ 265,858,450	$ 240,000,000	$ 195,491,216	$ (25,603,589)	$ 675,746,077

* This column represents only Higher Education Revenue Bonds of the University secured by the Pledged Revenues.

Exhibit B

University of South Carolina

Higher Education Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service	FY19 Net Revenues*	Coverage Ratio Based on FY19 Net Revenues	Pro Forma Net Revenues**	Total Pro Forma Net Revenues	Pro Forma Coverage Ratio
6/30/20	$ 17,188,838	$ 28,948,484	1.68	$ -	$ 28,948,484	1.68
6/30/21	16,760,038	28,948,484	1.73	-	28,948,484	1.73
6/30/22	16,759,538	28,948,484	1.73	-	28,948,484	1.73
6/30/23	25,364,772	28,948,484	1.14	16,348,736	45,297,220	1.79
6/30/24	27,661,426	28,948,484	1.05	16,762,577	45,711,061	1.65
6/30/25	28,009,074	28,948,484	1.03	17,189,317	46,137,801	1.65
6/30/26	27,510,396	28,948,484	1.05	17,629,356	46,577,840	1.69
6/30/27	27,908,570	28,948,484	1.04	18,083,105	47,031,589	1.69
6/30/28	25,782,180	28,948,484	1.12	18,550,988	47,499,472	1.84
6/30/29	26,222,048	28,948,484	1.10	19,033,443	47,981,927	1.83
6/30/30	26,573,663	28,948,484	1.09	19,530,919	48,479,403	1.82
6/30/31	26,979,438	28,948,484	1.07	20,043,881	48,992,365	1.82
6/30/32	26,239,688	28,948,484	1.10	20,572,808	49,521,292	1.89
6/30/33	26,520,288	28,948,484	1.09	17,720,264	46,668,748	1.76
6/30/34	25,975,250	28,948,484	1.11	18,074,669	47,023,153	1.81
6/30/35	24,450,475	28,948,484	1.18	18,436,163	47,384,647	1.94
6/30/36	24,081,025	28,948,484	1.20	18,804,886	47,753,370	1.98
6/30/37	24,392,625	28,948,484	1.19	19,180,984	48,129,468	1.97
6/30/38	24,692,925	28,948,484	1.17	19,564,603	48,513,087	1.96
6/30/39	20,569,975	28,948,484	1.41	19,955,896	48,904,380	2.38
6/30/40	19,518,475	28,948,484	1.48	20,355,013	49,303,497	2.53
6/30/41	17,840,775	28,948,484	1.62	20,762,114	49,710,598	2.79
6/30/42	17,833,113	28,948,484	1.62	21,177,356	50,125,840	2.81
6/30/43	17,820,288	28,948,484	1.62	21,600,903	50,549,387	2.84
6/30/44	16,186,600	28,948,484	1.79	22,032,921	50,981,405	3.15
6/30/45	16,177,000	28,948,484	1.79	22,473,580	51,422,064	3.18
6/30/46	16,167,000	28,948,484	1.79	22,923,051	51,871,535	3.21
6/30/47	16,155,800	28,948,484	1.79	23,381,512	52,329,996	3.24
6/30/48	16,147,500	28,948,484	1.79	23,849,142	52,797,626	3.27
6/30/49	16,136,200	28,948,484	1.79	24,326,125	53,274,609	3.30
6/30/50	16,121,100	28,948,484	1.80	24,812,648	53,761,132	3.33

* Unaudited

** Pro Forma Net Revenues represent the increase in Net Revenues generated by the project.

Exhibit C

University of South Carolina

Higher Education Revenue Bonds - Pro Forma Coverage Only

	Debt Service on Proposed Bond Issue					Pro Forma
Fiscal Year	Principal	Interest	Capitalized Interest	Total Debt Service	Pro Forma Net Revenues*	Coverage Ratio
6/30/20	$ -	$ 4,655,198	$ (4,655,198)	$ -	$ -	-
6/30/21	-	9,310,396	(9,310,396)	-	-	-
6/30/22	-	9,310,396	(9,310,396)	-	-	-
6/30/23	1,645,000	9,289,834	(2,327,599)	8,607,235	16,348,736	1.50
6/30/24	2,030,000	9,243,389	-	11,273,389	16,762,577	1.49
6/30/25	2,440,000	9,185,786	-	11,625,786	17,189,317	1.48
6/30/26	2,870,000	9,115,608	-	11,985,608	17,629,356	1.47
6/30/27	3,325,000	9,030,933	-	12,355,933	18,083,105	1.46
6/30/28	3,805,000	8,929,543	-	12,734,543	18,550,988	1.46
6/30/29	4,360,000	8,810,060	-	13,170,060	19,033,443	1.45
6/30/30	4,860,000	8,666,175	-	13,526,175	19,530,919	1.44
6/30/31	5,445,000	8,477,700	-	13,922,700	20,043,881	1.44
6/30/32	6,105,000	8,246,700	-	14,351,700	20,572,808	1.43
6/30/33	6,640,000	7,991,800	-	14,631,800	17,720,264	1.21
6/30/34	7,200,000	7,715,000	-	14,915,000	18,074,669	1.21
6/30/35	7,790,000	7,415,200	-	15,205,200	18,436,163	1.21
6/30/36	8,410,000	7,091,200	-	15,501,200	18,804,886	1.21
6/30/37	9,060,000	6,741,800	-	15,801,800	19,180,984	1.21
6/30/38	9,740,000	6,365,800	-	16,105,800	19,564,603	1.21
6/30/39	10,270,000	5,965,600	-	16,235,600	19,955,896	1.23
6/30/40	10,680,000	5,546,600	-	16,226,600	20,355,013	1.25
6/30/41	11,105,000	5,110,900	-	16,215,900	20,762,114	1.28
6/30/42	11,550,000	4,657,800	-	16,207,800	21,177,356	1.31
6/30/43	12,010,000	4,186,600	-	16,196,600	21,600,903	1.33
6/30/44	12,490,000	3,696,600	-	16,186,600	22,032,921	1.36
6/30/45	12,990,000	3,187,000	-	16,177,000	22,473,580	1.39
6/30/46	13,510,000	2,657,000	-	16,167,000	22,923,051	1.42
6/30/47	14,050,000	2,105,800	-	16,155,800	23,381,512	1.45
6/30/48	14,615,000	1,532,500	-	16,147,500	23,849,142	1.48
6/30/49	15,200,000	936,200	-	16,136,200	24,326,125	1.51
6/30/50	15,805,000	316,100	-	16,121,100	24,812,648	1.54

* Pro Forma Net Revenues represent the increase in Net Revenues generated by the project.

JOINT BOND REVIEW COMMITTEE **Item 3(d)**
Meeting of October 2, 2019

AGENCY:	Department of Administration Executive Budget Office
PROJECT/SUBJECT:	Permanent Improvement Project with Financing Component Medical University of South Carolina New College of Pharmacy Addition and Innovative Instructional Redesign Renovation

The Medical University of South Carolina requests Phase II review to establish full design and construction of an addition to and renovation of classroom space in the Basic Science Building, and renovation of the Colbert Library. The project will be funded with proceeds from the issuance of general obligation state institution bonds, institutional capital project funds, FY2020 capital reserve funds, capital project reserves, clinical revenue, and gifts and donations.

Permanent Improvement Project. The project was established in January, 2019 with a Phase I budget of $1.325 million, funded with institutional capital project funds. This request will increase the project budget to $58 million, funded by $18 million in proceeds from the issuance of general obligation state institution bonds, $11 million in institutional capital project funds, $10 million in FY2020 appropriations from the FY2018-19 capital reserve fund, $10 million from capital project reserves of the institution, $5 million in clinical revenue, and $4 million in gifts and donations.

The project provides for construction of an approximately 26,000 square foot addition to the Basic Science Building for relocation of the College of Pharmacy; and renovation of approximately 13,000 square feet in the Basic Science Building and 68,000 square feet in the Colbert Library. The Basic Science Building is a 336,000 square foot building and is 48 years old; the Colbert Library is a 106,000 square foot building and is 47 years old.

The project will address campus-wide needs for classroom and instructional space, accreditation mandates for the College of Medicine, and accreditation observations with respect to quality of space for the College of Pharmacy.

The College of Pharmacy will occupy the space constructed as an addition to the Basic Science Building, and will provide functional space for students, classroom teaching, faculty offices and alumni development. Renovations to the Colbert Library will be used for all colleges as updated instructional space, and for the College of Medicine for required study and lounge space. MUSC estimates that all colleges and the entire population of 3,000 students will utilize both the Basic Science Building and Colbert Library; and 320 College of Pharmacy students, 40 faculty and 17 staff will utilize the addition to the Basic Science Building.

Portions of the project will be constructed to achieve Green Globes certification with anticipated energy savings of $140 thousand over a 30-year period.

Execution of the construction contract is expected in February 2020, with completion of construction in April 2021.

General Obligation State Institution Bonds (Issued by the State on Behalf of The Medical University of South Carolina). MUSC proposes funding a portion of the permanent improvements with not exceeding $18.5 million in General Obligation State Institution Bonds, including expenses associated with issuance of the bonds.

Article X, §13(6)(b) of the South Carolina Constitution authorizes the issuance of state general obligation bonds for an institution of higher learning if the bonds are additionally secured by a pledge of the revenues derived from the tuition fees received by that institution; provided, that the maximum annual debt service on all state institution bonds issued for the institution and outstanding at any time will not exceed 90% of the total tuition fees received by the institution in the preceding fiscal year. Chapter 107 of Title 59 of the SC Code implements this constitutional provision.

Tuition fees collected by MUSC for FY2018-19 and made available to comply with the constitutional and statutory limit on debt service totaled $6,579,681. Maximum annual debt service on existing and proposed bonds is not expected to exceed $5,130,427, or 78% of tuition fees designated for compliance with the limit on annual debt service.

Documentation supporting submission of the permanent improvement project states that no student tuition or fee increase will be required for the renovation and construction of the facility. MUSC does not charge or designate any portion of tuition for permanent improvements, but does restrict amounts required for state institution bonds prior to use for operating purposes. The amounts so restricted, calculated per student per semester, range from $421 to $1,063 depending on the College, and have decreased by $38 - $72 over the last five academic years for the Colleges of Undergraduate and Graduate Studies, Medicine, and Dental Medicine; and have increased by $162 over the same period only for the College of Pharmacy.

In the event that revenue from tuition fees in any fiscal year is insufficient to meet the debt service requirements of the bonds, the State Treasurer is required to set aside general tax revenues of the state sufficient to provide for the debt service then or to become due in that fiscal year, and apply the funds set aside to the punctual payment of the obligation.

The term of the proposed bonds will be 20 years.

The full faith and credit of the State will be pledged to the payment of the proposed bonds; however, no mortgage or lien will be given on any real property of the institution or the state.

COMMITTEE ACTION:

1. Review and make recommendation regarding the Medical University of South Carolina’s request to establish full design and construction of an addition to and renovation of classroom space in the Basic Science Building, and renovation of the Colbert Library, to be funded with $18,000,000 in proceeds from the issuance of general obligation state institution bonds, $11,000,000 in institutional capital project funds, $10,000,000 in appropriations from the FY2020 capital reserve fund, $10,000,000 from capital project reserves of the institution, $5,000,000 in clinical revenue, and $4,000,000 in gifts and donations.
2. Review and make recommendation regarding the Medical University of South Carolina’s request for issuance by the state on its behalf of not exceeding $18,500,000 in General Obligation State Institution Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. A-1, A-49, Questionnaire.
3. Bond Information Report and Exhibits.

AVAILABLE UPON REQUEST:

1. Constitutional and Statutory References: Article X, §13(6)(b) of the South Carolina Constitution; Chapter 107 of Title 59 of the South Carolina Code of Laws (State Institution Bonds).
2. Form of Board of Trustees Resolution for consideration on October 11, 2019: A Resolution Requesting the Issuance of Not Exceeding Eighteen Million Five Hundred Thousand Dollars ($18,500,000) of General Obligation State Institution Bonds for The Medical University of South Carolina Pursuant to Chapter 107, Title 59, Code of Laws of South Carolina 1976, as Amended.
3. Form of State Fiscal Accountability Authority Resolution for consideration on October 15, 2019: A Resolution to Provide for the Issuance and Sale of Not Exceeding Eighteen Million Five Hundred Thousand Dollars ($18,500,000) Principal Amount of General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), of the State of South Carolina; To Prescribe the Purposes for Which the Proceeds Shall be Expended; To Provide for the Payment Thereof; And Other Matters Relating Thereto.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 2, 2019 **Regular Agenda**

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1. Submitted By:

(a) Agency: Department of Administration
(b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

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2. Subject:

Medical University of South Carolina – New College of Pharmacy Addition and Innovative Instructional Redesign Renovation

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3. Summary Background Information:

Establish Construction Budget

(H51) Medical University of South Carolina
Project: 9846, New College of Pharmacy Addition and Innovative Instructional Redesign Renovation
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 5 in FY20 (estimated at $53,000,000)
JBRC/SFAA Phase I Approval: January 2019 (estimated at $53,000,000)

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 301-326

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds	-	-	-	18,000,000	18,000,000
FY20 Capital Reserve	-	-	-	10,000,000	10,000,000
Other, Institutional Capital Project	1,325,000	-	1,325,000	9,675,000	11,000,000
Other, Clinical Revenue	-	-	-	5,000,000	5,000,000
Other, Capital Project Reserves	-	-	-	10,000,000	10,000,000
Other, Gifts & Donations	-	-	-	4,000,000	4,000,000
All Sources	1,325,000	-	1,325,000	56,675,000	58,000,000

Funding Source:	$18,000,000 Institution Bonds. $10,000,000 FY20 Capital Reserve Funds. $11,000,000 Other, Institutional Capital Project Funds, which are, excess debt service funds and remaining balances from closed projects. $5,000,000 Other, Clinical Revenue Funds, which are generated by patient services (College of Medicine). $10,000,000 Other, Capital Project Reserve Funds, which are from the sale of property. $4,000,000 Other, Gifts & Donation Funds, which are from College of Pharmacy fundraising.
Request:	Increase Budget to $58,000,000 (add $18,000,000 Institution Bonds, $10,000,000 FY20 Capital Reserve, $9,675,000 Other, Institutional Capital

Project, $5,000,000 Other, Clinical Revenue, $10,000,000 Other, Capital Project Reserves, and $4,000,000 Other, Gifts & Donation Funds) to construct an approximately 26,000 square foot addition to the Basic Science Building for relocation of the College of Pharmacy. The project will also renovate approximately 13,000 square feet of classroom space in the 48-year-old Basic Science Building and 68,000 square feet of space on all four floors of the 47-year-old Colbert Library. The goal of the project is to provide state-of-the-art academic and student support space for the College of Pharmacy as well as new flexible classroom and instructional space for collaborative 21st century pedagogy across the six MUSC colleges. This project was first conceptualized as a new building to replace the existing College of Pharmacy (built in 1939 with a deferred maintenance need of >$5 million), to also provide expanded College of Medicine student support space to comply with accreditation mandates, and to provide much needed classroom and instructional space for the entire university. The professional accreditation organization for the College of Pharmacy has noted the quality of the space for the college as inadequate during the last two accreditation reports for MUSC. Completion of a feasibility study that explored the cost of a new building versus renovating existing under-utilized space demonstrated that they could accomplish all their programmatic needs at a much lower cost. The Colbert Library portion of the project will be completed to meet Green Globes certification standards with $139,541 in anticipated energy savings over the next 30 years. The agency estimates total project costs at $58,000,000 with no additional annual operating costs. The agency anticipates execution of the construction contract in February 2020 and completion of construction in April 2021.

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4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

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6. List of Supporting Documents:

1. Permanent Improvement Project Phase II approval
2. Bond Documents

The Medical University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding $18,500,000 of State of South Carolina General Obligation
State Institution Bonds (Issued on Behalf of The Medical University of South Carolina),
Series 2019

October 2, 2019

Amount and Type of Bond. The Medical University of South Carolina (the "University") is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding $18,500,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2019 (the "Bonds"), in order to provide funds to: (i) renovate and expand the Colbert Library and provide for related improvements, renovations and additions to the Basic Sciences Building in connection with the relocation of the MUSC College of Pharmacy, and to convert outdated space to current learning spaces and offices for faculty (the "Project"); and (ii) pay costs and expenses related to the issuance of such State Institution Bonds.

Revenues Pledged to Pay the Bonds. Tuition revenues of the University and the full faith, credit, and taxing power of the State of South Carolina would be pledged to the payment of the Bonds. Article X, Section 13, Paragraph (6)(b) of the South Carolina Constitution provides that general obligation bonds for any state institution of higher learning designated by the General Assembly ("State Institution Bonds") may be issued, if such bonds shall be additionally secured by a pledge of the revenues derived from the tuition fees received by the particular institution of higher learning for which such State Institution Bonds are issued; provided, that the maximum annual debt service on all State Institution Bonds so additionally secured issued for such state institution thereafter to be outstanding shall not exceed 90% of the sums received by such state institution of higher learning from tuition fees for the fiscal year next preceding. Title 59, Chapter 107 of the South Carolina Code (the "Enabling Act") provides for the authorization of State Institution Bonds. Section 11-29-30 of the South Carolina Code requires the State Treasurer to set aside from the tuition fees collected by such state institution and received in each fiscal year in which interest on and principal of the Bonds become due, so much of such revenues from such tuition fees as may be necessary in order to pay the interest on and principal of all State Institution Bonds issued on behalf of the University and due in each fiscal year, and the State Treasurer thereafter applies such moneys to the punctual payment of such principal and interest as they become due. In the event revenues derived from the tuition fees so pledged prove insufficient to meet the payments of interest on and principal of the Bonds in such fiscal year, then the State Treasurer is authorized and directed to set aside so much of the general tax revenues received in each fiscal year as may be necessary to pay the principal of and interest on the Bonds due in such year and to apply the same to the punctual payment of such principal and interest.

The sum of tuition fees, for the purposes of the Enabling Act, for the fiscal year ended June 30, 2019, totaled $6,579,681. The debt service requirements on all existing, authorized, and proposed State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) are attached as Exhibit A. Exhibit B reflects maximum annual debt service of $5,130,427 in fiscal year 2022, and debt service utilization of fiscal year 2019 tuition fees ranging from 18% to 78%, compared to the 90% statutory limitation. The University will covenant that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

New Revenue Generation. This project is a strategic priority for the University primarily because of its impact on student learning. The poor condition of existing College of Pharmacy classrooms requires MUSC to focus on creating updated learning facilities rather than on revenue generation. The outdated condition of the Colbert Library necessitates renovations to that facility in order to enhance student outcomes. The University is not relying on any increase in revenues to pay debt service on the Bonds.

Other Funds Available to Pay Bonds. Current tuition levels are more than sufficient to pay the debt service on the Bonds.

Student Fees, Credit of the State, Mortgages. The full faith and credit of the State of South Carolina would be pledged to the payment of the Bonds. No Special Student Fee is authorized to be imposed in connection with the Bonds. No mortgage or lien has been or will be given in connection with the issuance of the Bonds.

Exhibit A

MUSC - State Institution Bonds - Composite Debt Service

			Proposed Issue		
Fiscal Year	Existing Debt Service	Debt Service on Authorized but Unissued	Principal	Interest	Composite Debt Service
6/30/2020	$ 5,083,356	$ -	$ -	$ -	$ 5,083,356
6/30/2021	3,949,463	-	415,000	174,911	4,539,373
6/30/2022	3,950,213	-	835,000	345,215	5,130,427
6/30/2023	3,934,713	-	845,000	335,946	5,115,659
6/30/2024	3,924,663	-	855,000	326,482	5,106,145
6/30/2025	3,063,788	-	865,000	316,906	4,245,694
6/30/2026	3,059,038	-	870,000	307,132	4,236,169
6/30/2027	3,068,694	-	880,000	297,214	4,245,907
6/30/2028	3,065,475	-	895,000	287,006	4,247,481
6/30/2029	3,075,850	-	905,000	276,176	4,257,026
6/30/2030	3,070,100	-	915,000	264,683	4,249,783
6/30/2031	3,075,300	-	925,000	252,605	4,252,905
6/30/2032	1,645,900	-	940,000	237,435	2,823,335
6/30/2033	1,643,300	-	960,000	219,669	2,822,969
6/30/2034	1,644,500	-	980,000	199,413	2,823,913
6/30/2035	1,644,350	-	1,000,000	176,971	2,821,321
6/30/2036	1,642,850	-	1,025,000	152,471	2,820,321
6/30/2037	-	-	1,055,000	125,923	1,180,923
6/30/2038	-	-	1,080,000	97,333	1,177,333
6/30/2039	-	-	1,110,000	66,877	1,176,877
6/30/2040	-	-	1,145,000	34,465	1,179,465
Totals	$ 50,541,550	$ -	$ 18,500,000	$ 4,494,826	$ 73,536,376

Exhibit B

MUSC - State Institution Bonds - Coverage

Fiscal Year	Composite Debt Service	FY19 Tuition Pledged to Debt Service	Pro Forma Pledged Tuition	Utilization of Pledged Revenues (90% is Debt Limit)
6/30/2020	$ 5,083,356	$ 6,579,681	$ -	77%
6/30/2021	4,539,373	6,579,681		69%
6/30/2022	5,130,427	6,579,681		78%
6/30/2023	5,115,659	6,579,681		78%
6/30/2024	5,106,145	6,579,681		78%
6/30/2025	4,245,694	6,579,681		65%
6/30/2026	4,236,169	6,579,681		64%
6/30/2027	4,245,907	6,579,681		65%
6/30/2028	4,247,481	6,579,681		65%
6/30/2029	4,257,026	6,579,681		65%
6/30/2030	4,249,783	6,579,681		65%
6/30/2031	4,252,905	6,579,681		65%
6/30/2032	2,823,335	6,579,681		43%
6/30/2033	2,822,969	6,579,681		43%
6/30/2034	2,823,913	6,579,681		43%
6/30/2035	2,821,321	6,579,681		43%
6/30/2036	2,820,321	6,579,681		43%
6/30/2037	1,180,923	6,579,681		18%
6/30/2038	1,177,333	6,579,681		18%
6/30/2039	1,176,877	6,579,681		18%
6/30/2019	1,179,465	6,579,681		18%

JOINT BOND REVIEW COMMITTEE **Item 4**
Meeting of October 2, 2019

AGENCY:	Department of Administration Capital Budget Office
PROJECT/SUBJECT:	Permanent Improvement Project Proposals

The Department of Administration has submitted 40 Permanent Improvement Project Proposals on behalf of agencies, as follows:

28	Establish Phase I, Pre-Design Budget
8	Establish Phase II, Construction Budget
4	Increase Phase II, Construction Budget

COMMITTEE ACTION:

Review and make recommendation of permanent improvement projects for transmittal to the State Fiscal Accountability Authority or Department of Administration, as applicable.

ATTACHMENTS:

1. Commission on Higher Education Recommendations, August 1, 2019.
2. Commission on Higher Education Recommendations, September 6, 2019.
3. Project Requests Worksheet - Summary 2-2020.

TO: Ms. Jennifer LoPresti, Capital Budgeting Manager
Department of Administration, Executive Budget Office

FROM: Mr. Georges Tippens, Finance and Capital Projects
S.C. Commission on Higher Education

SUBJECT: Recommendation of Permanent Improvement Project Requests

DATE: August 1, 2019

At its meeting on August 1, 2019, the Commission on Higher Education reviewed and made recommendations on the following institutional requests:

The Citadel

Project # 9618 – Daniel Library HVAC Replacement *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: The Citadel sought recommendation of the Commission on Higher Education to initiate the construction phase of a project to replace the 60-year-old HVAC system in Daniel Library, a 56,000 square foot building that houses The Citadel's library, museum, faculty and staff offices, rare book room, and archives. The Commissioners inquired as to the reason why the project budget has increased to $3.05 million, an increase of $280,000, or 10.1%, compared with the Phase I submittal last year. Citadel staff replied that the increase primarily was due to the additional costs related to asbestos abatement that were not known prior to Phase I. In addition, the Commissioners asked whether the project was solely funded from a single donor and, if so, how the donor felt about the budget increase. According to The Citadel staff, the donation from the donor was significant and was already adequate to cover the increased project budget.

Coastal Carolina University

Project # 9548–Smith Science Building Renovation *(Phase II Change Source of Funds)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Coastal Carolina University sought recommendation of the Commission on Higher Education to change the funding sources used to finance the renovation of the Smith Science Building. According to Coastal Carolina staff, the project has completed and the University would like to fund the non-legislation portion of the project, $6.15 million, through Penny Sales tax revenue. The Commissioners asked whether there were any restrictions on the use of Penny Sales tax revenue and why was there a desire to change funding sources. According to the University, the Penny Sales tax passed after the project initially received approval and the University typically uses the *funds for larger renovation or new construction projects. Coastal Carolina staff stated that the Penny Sales tax is limited to those uses and for the retirement of debt service. By approving this request, the University would be able to redirect $6.15 million of the original funds for deferred maintenance and ongoing maintenance related needs.*

Francis Marion University

Project # 9574 – FMU Honors Learning Center Construction *(Phase II Budget Increase)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: There were multiple motions related to this project, with the final motion granting the Chair authority to recommend approval of the project as presented, which he did. The Commissioners were displeased that Francis Marion University staff were not present to answer any of their questions. Francis Marion University originally requested a budget increase of $4.1 million, which was recommended by the Commission at its June 6th meeting. After the Commission recommended the increase, but before it went to the Joint Bond Review Committee, the University altered its request to $4.3 million. Commission staff agreed to place the $4.3 million request on its August 1st agenda to align with the request before JBRC on July 30th. The Commissioners also were displeased that no one from Francis Marion University spoke at the July 30, 2019 Joint Bond Review Committee meeting telling the Committee members that the Commission had yet to approve the $4.3 million ask.

Horry-Georgetown Technical College

Project # 6144 – Renovation of Grand Strand Buildings 100, 200, & 300 and Campus Infrastructure *(Phases II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Horry-Georgetown Technical College sought recommendation of the Commission on Higher Education to fund the construction budget of a project to renovate and perform deferred maintenance on three buildings located on its Grand Strand Campus and improve infrastructure on campus. The Commissioners asked HGTC staff about the history of the campus and the previous use of the buildings. In addition, the Commissioners asked why the budget has increased by $330,000 since the Phase I submittal in September 2018. According to the College, the budget increase is related to a higher contingency in case there are additional discoveries during the construction phase, to improve stormwater drainage, and changes in parking configurations. Finally, the Commissioners inquired about the financial health of the college. HGTC staff stated that the College has zero debt and after planned plant improvements and maintenance needs over a five-year period, the College will have approximately $25 million available in its plant fund.

Medical University of South Carolina

Project # 9848 – Basic Science Building Air Handler Units 4 and 4A *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Medical University of South Carolina sought recommendation of the Commission on Higher Education to fund the construction budget of a project to replace two air handlers in its Basic Science Building. The Commissioners were overall *supportive of the project and any deferred maintenance work, but asked about combining similar requests in the future for cost efficiencies. MUSC staff admitted they have had and will have similar requests in the pipeline, but due to the uniqueness of each HVAC system, it will not gain efficiencies through purchasing and installing multiple units across its campus at the same time. The Commissioners also inquired about the funding source(s) of MUSC's strategic investment fund and requested a breakout of student fees and tuition that supports the fund to be provided in the future.*

Tri-County Technical College

Project # New – Pendleton Campus Miller Hall Renovation *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Tri-County Technical College sought recommendation of the Commission on Higher Education to establish a project to renovate the recently vacated Miller Hall. The Commissioners asked the College to provide context of the project. According to College staff, the College's master land plan stated that the College needed additional event space. However, after conducting a feasibility study, the College realized that the projected budget was too great and the space will be better used as swing space for faculty and classrooms and to move human resources and police near the entrance of the campus.

Project # 6150 – Pendleton Campus Fulp Hall Renovation *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Tri-County Technical College sought recommendation of the Commission on Higher Education to fund the construction budget of a project to repurpose academic and faculty office space into two science labs in its health sciences building. The Commissioners inquired about the process the College followed and why Phase II is being brought so soon after Phase I approval. College staff stated that it is College policy to conduct feasibility studies for all projects; it just so happened that the consultant conducting the study effectively completed the architectural and engineering design phase. The Commissioners also were interested in projected growth of the Bridge-to-Clemson program and what the balance of the College's maintenance account will be. College staff stated that they have been planning for 50-student increases in the Bridge-to-Clemson program to an ideal level of 1,200, but this past year saw an increase of 110 students to 960 total students. The urgent need for this project is to provide additional science lab space for this increase in students. In addition, College staff stated that the Maintenance Reserve Account will have approximately $16.0 million remaining after this project.

USC Columbia

Project # New – Campus Village Residential Development – *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: USC Columbia sought recommendation of the Commission on Higher Education to establish a project to initiate development of a "Campus Village." The first stage of the project is the demolition of a residence hall, construction of four residence halls, and the construction of a parking garage/transportation hub. In total, the project will provide a net increase of approximately 1,500 beds. The Commissioners were

> *interested in how the newly appointed President Caslen felt about this large undertaking. According to USC staff, he apparently is very supportive of the project. The Commissioners also asked about the history of the project and reasons why the public-private-partnership from 2017 did not pan out. While the Commissioners recommended approval of the Phase I ask of $1.2 million, they stated that they will provide USC with a list of questions ahead of the Phase II request at the September 5th Commission meeting, including how competition with private housing affects demand for student housing on campus and what contingencies USC will have if there is a decrease in demand.*

If you have any questions or need additional information, please call me at 803-737-1567.

C: Mr. Bryce Wilson, Commission on Higher Education
Ms. Kimberly Sharpe, Department of Administration, Executive Budget Office
Mr. Rick Harmon, Joint Bond Review Committee
Mr. Jeff Lamberson, The Citadel
Mr. David Frost, Coastal Carolina University
Mr. Benjamin Blanks, Jr., Francis Marion University
Mr. Harold Hawley, Horry-Georgetown Technical College
Mr. Greg Weigle, Medical University of South Carolina
Ms. Cara Hamilton, Tri-County Technical College
Mr. Derek Gruner, University of South Carolina

TO: Ms. Jennifer LoPresti, Capital Budgeting Manager
Department of Administration, Executive Budget Office

FROM: Mr. Georges Tippens, Finance and Capital Projects
S.C. Commission on Higher Education

SUBJECT: Recommendation of Permanent Improvement Project Requests

DATE: September 6, 2019

At its meeting on September 5, 2019, the Commission on Higher Education reviewed and made recommendations on the following institutional requests:

The Citadel

Project # 9611 – Academic Building Replacement (Capers Hall) *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: The Citadel sought recommendation of the Commission on Higher Education to initiate the construction phase of a project to replace its 70,800 square foot existing academic facility with a larger 107,700 square foot facility. The Commissioners were interested in the financing and cost of the project. They asked whether The Citadel was confident in the $67 million budget given that the project was initially approved in 2014. Additionally, the Commissioners sought institutional verification that in-state students are currently charged a $1,000 per year fee and out-of-state students a $1,755 per year fee for capital improvement fees, which are sizeable increases from what students were charged in academic year 2017 and prior. They also inquired how much of the project budget on the A1 form was available cash on hand versus what The Citadel expected to raise during project development. According to The Citadel staff, currently the University has approximately $23 to $24 million of the $29 million on hand, excluding the planned state institution bond issuance.

Project # 9620 – Johnson Hagood Stadium Sansom Field Turf Replacement *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: The Citadel sought recommendation of the Commission on Higher Education to initiate the construction phase of a project to replace the natural sod turf at its football stadium with a synthetic turf manufactured by the Sport Turf Brand. The Commissioners noted that Phase I was recently approved and inquired when the construction phase would start. The Citadel staff stated they intend to start the replacement in January, after the current NCAA season ends, so the field is ready for academic year 2020-21. The Commissioners also inquired about independent safety tests. The Citadel staff stated that they have done their due diligence and that the turf they will be installing has consistent benchmarks based on an industry-standard test.

The Commissioners also were interested in the useful life of the field and what The Citadel envisions will take place in 10-12 years when the field will need replacement. Staff stated that at this moment they believe they will install the best available synthetic turf on the market at that time.

Clemson University

Project # New – Wastewater Treatment Plant Improvements *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Clemson University sought recommendation of the Commission on Higher Education to initiate the design phase of a project to upgrade and replace components of its wastewater treatment plant. The Commissioners asked whether this project would increase capacity or only includes upgrades. Clemson staff stated that their current capacity can meet forecast demand for the next twenty years; the primary purpose of this project is to perform system upgrades to meet DHEC redundancy requirements. In addition, Clemson staff stated that the project will improve treatment methods, including stopping the use of chlorine treatment, which is hazardous for staff. The Commissioners also asked about the uncommitted Maintenance and Stewardship Funds balance, inquiring what the balance will be after the commitments of this and the Daniel Hall Renovation project (discussed below). Clemson staff stated that approval of these two projects will reduce the uncommitted balance to approximately $36 million, from $69.5 million; however, based on current enrollment, the account receives approximately $23 million annually after debt service obligations.

Project # 9940 – Daniel Hall Renovation and Expansion *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Clemson University sought recommendation of the Commission on Higher Education to initiate the construction phase of a project to expand and renovate Daniel Hall, the primary E&G facility on its Campus. Clemson staff gave an overview of the project, including its two-tiered approach that first constructs an addition that can be used for classroom space while it performs renovation of the existing building. Clemson staff said this blended approach of new construction and renovation is more cost effective than building a new campus building. Clemson University staff also discussed the primary cost drivers of the $15 million increase from the budget included in the Phase I submittal, noting that the estimate based on the feasibility study was inadequate and certain factors were discovered during Phase I that drove up cost. Commissioners also inquired about the projected $390,000 additional operating costs resulting from the project. Clemson staff stated that the cost will be funded through normal operations and it has already been built into the University's budget plans.

College of Charleston

Project # New – McAlister Residence Hall 2021 Renovation *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: The College of Charleston sought recommendation of the Commission on Higher Education to fund the design budget of a project to perform extensive deferred maintenance on its 535-bed McAlister Residence Hall, a 152,000 square foot building originally constructed in 2002. College of Charleston staff gave an overview of the *history of the project, including its actions to seek redress from parties involved in the construction of the facility. The Commissioners asked about the College's plans to finance the construction of the project and how the use of non-auxiliary funds aligns with the requirements of Proviso 117.11. College of Charleston staff stated they believe they can use excess debt service because the Proviso language alludes to the "expected useful life" of a facility; because the facility is in disrepair, it has passed its useful life. The Commissioners asked whether the College has entertained other financing options for Phase II, to which College staff said they have been exploring. Commissioners also inquired about the construction timetable and whether the ongoing litigation affects it. College of Charleston staff noted that the College expects to start construction in May 2021 and it plans on bringing Phase II through the necessary approval steps in the 2nd or 3rd quarter of calendar year 2020. Staff stated that litigation is a factor, but there are other factors related to taking a residence hall offline for an entire year, such as needing to find and lease swing space and going through the approval process with Real Property Services.*

Francis Marion University

Project # New – Athletics Renovations/Improvements – GAC Fieldhouse & Smith University Center *(Phase I)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Francis Marion University sought recommendation of the Commission on Higher Education to initiate the design budget of a project to expand its athletic complex and renovate a portion of its Smith University Center. The Commissioners inquired whether the project was demand driven or whether Francis Marion University was seeking this project for program expansions. Francis Marion University staff stated that their athletic programs have already grown, particularly JV programs, and they added that the initial design of the fieldhouse was for an expansion at some point; they purposefully phased the project. The Commissioners also asked about Phase II planned funding. Francis Marion staff said they expect to refinance existing athletic revenue bonds and wrap around this new issuance. They stated that their current rate is 4.98% and believe that the refinance and new issuance will be in the 2.4 to 2.5% range based on existing conditions; this will net the University approximately $650,000 in savings through 2033 according to their projections.

Medical University of South Carolina

Project # 9846 – New College of Pharmacy Addition and Innovative Instructional Redesign Renovation *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Medical University of South Carolina sought recommendation of the Commission on Higher Education to initiate the construction phase of a 26,000 square foot addition to is Basic Science Building for the relocation of its College of Pharmacy and to renovate 81,000 of existing space across two facilities. The Commissioners asked the University to provide a history of the project and to discuss the $5 million increase in cost and scope changes compared with the Phase I submittal. MUSC staff stated that the scope changes were minimal and the increase in cost was due to using a more refined approach with a construction manager at risk compared with work done during the feasibility study particularly relating to site development and demolition work. The Commissioner also asked about MUSC's plans for the existing facility used *by the College of Pharmacy and the impact to student fees from issuing State Institution Bonds. MUSC staff stated they plan on divesting the building, but in the near-term, will shut it down; demolition is not an option because of its historic nature. Regarding student fees, MUSC staff stated that no student fees will be used for the project. Even though it plans on issuing $18 million of state institution bond debt, it believes its recurring $1.5 million general fund appropriation is sufficient to cover the debt service over the 20-year repayment period.*

Project # 9842 – Clinical Sciences Building High Risk Infectious Disease (HRID) Unit *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Medical University of South Carolina sought recommendation of the Commission on Higher Education to increase its construction budget by $635,000 for a project that will upfit space in its Clinical Sciences Building for the Medical University Hospital Authority's high-risk infectious disease unit. The Commissioners asked whether MUSC applied for the federal grant and MUSC let the Commissioners know that this funding increase will be zero cost to the University. Staff stated that the current grant has money available for the additional construction costs and the hospital authority will use its own clinical revenues to purchase furniture and supplies; items the hospital authority would have purchased with the grant funds notwithstanding the budget increase.

Northeastern Technical College

Project # 6142 – NETC – Cheraw Campus Renovation *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: Northeastern Technical College sought recommendation of the Commission on Higher Education to initiate the construction phase of its project that will perform renovations on up to seven campus buildings and construct a 5,000-square foot pre-engineered metal maintenance building. The Commissioners asked about the need of the project and a description of the campus. NETC staff stated that the college buildings are circa 1973 and have not have any major maintenance or renovation completed. As an example, the College President stated that some of its workforce programs only have a female restroom with one stall because the programs did not have large female enrollment at the time. The Commissioners also asked why local support was not higher. The President stated that in his opinion, the nearby counties want to see improvements at the campuses first before they invest more. While before the Committee on Finance and Facilities, the President also discussed various initiatives the College has implemented to increase enrollment and help the community.

** Because this project is receiving state funds for capital facilities, S.C. Code section 59-53-57 requires the State Technical Board of Comprehensive Education to obtain and transmit to the State Treasurer a certificate from the appropriate official at the technical college stating that a minimum of 20 percent of each project cost has been provided by the local support area. Due to the timing of its review, CHE requires a letter from the College or SBTCE certifying that at least 20 percent of the funds originate from the local support area. Neither entity was able to provide certification because the local support area did not provide a twenty-percent match.*

USC Columbia

Project # 6133 – Campus Village Residential Development – *(Phase II)*

Recommendation: *Motion to recommend approval of project request as presented.*

Comments: USC Columbia sought recommendation of the Commission on Higher Education to initiate the construction phase of a project to develop a "Campus Village." The first stage of the project is the demolition of a residence hall, construction of four residence halls, and the construction of a parking garage/transportation hub. In total, the project will provide a net increase of approximately 1,500 beds. The Commissioners mentioned that USC has been proactive explaining the project, meeting and calling with individual commissioners over the preceding month. They did mention some of their initial concerns, which USC has mostly relieved. These included: almost doubling its housing revenue debt financing from an outstanding $232 million to $442 million, student safety related to crossing the railroad tracks to get to the main campus, and limiting the market for students by potentially requiring sophomores at the University live on campus as a contingency to make the bond payments. Commissioner also inquired about support from the President and the Board of Trustees. USC supplied a letter signed by President Caslen indicating his support for the project and the USC Student Body President, who serves ex-officio on the Board, discussed the current Board's support. The Commissioners requested that if USC seeks approval of stage 2 of the planned project later that they would like to see a housing market study that includes private housing market supply and demand.

If you have any questions or need additional information, please call me at 803-737-1567.

C: Mr. Bryce Wilson, Commission on Higher Education
Ms. Kimberly Sharpe, Department of Administration, Executive Budget Office
Mr. Rick Harmon, Joint Bond Review Committee
Mr. Jeff Lamberson, The Citadel
Mr. Rick Petillo, Clemson University
Mr. Michael Turner, College of Charleston
Mr. Benjamin Blanks, Jr., Francis Marion University
Mr. Greg Weigle, Medical University of South Carolina
Mr. Kyle Wagner, Northeastern Technical College
Mr. Derek Gruner, University of South Carolina

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Capital Budget Office **SUMMARY 2-2020**

Summary of Permanent Improvement Project Actions Proposed by Agencies
July 13, 2019 through August 23, 2019

Forwarded to JBRC 09/13/2019

Permanent Improvement Projects

Summary Background Information:

Establish Project for A&E Design

(1) Summary 2-2020: (H12) Clemson University
Project: 9943, Wastewater Treatment Plant Improvements
Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 7 in FY20 (estimated at $8,000,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 1-12

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 & Stewardship	-	-	-	150,000	150,000
All Sources	-	-	-	150,000	150,000

Funding Source: $150,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer 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 $150,000 (Other, Maintenance & Stewardship Funds) to establish the Phase I pre-design budget to make improvements by replacing and upgrading facilities at the Wastewater Treatment Plant that serves Clemson University. The Phase I request is 1.87% of the estimated cost to complete the project and the additional funds will allow the university to provide more intensive engineering design work that involves DHEC preliminary design approvals and the preconstruction services of a construction manager-at-risk. The work will include improving the biological process and clarification equipment, providing additional biological process redundancy, installing equipment for biological process equalization, automation and remote monitoring capabilities, and making wastewater collection system improvements. The original plant was constructed in 1964 when main campus enrollment was less than 5,000 students, with current enrollment at approximately 25,000 with 1,650 faculty and 3,750 staff. Due to the installation of water conservation measures in recent years, the projected flow is not expected to exceed the design average daily flow over the next 20 years. However, much of the equipment is more than 55 years old, which impacts the systems reliability, redundancy and operational flexibility. In addition, because the facility is not manned 24/7 and only a portion of the plant is on the plant's control system, improved automation, remote monitoring and control capabilities are needed to serve current and future campus facilities. Recent regulatory findings on sanitary sewer collection piping under DHEC and EPA programs have revealed significant deficiencies in the university's aging underground sewer collection infrastructure, where piping and manhole structures have reached the end of their useful lives and need rehabilitation. Implementing collection system piping rehabilitation as part of this project will expedite the compliance and per the university, provide economies of scale cost savings. The agency estimates total project costs at $8,000,000 with no additional annual operating costs.

Establish Project for A&E Design (Carried Over)

(2) Summary 2-2020: (H15) College of Charleston
Project: 9668, McAlister Residence Hall 2021 Renovation
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 10 in FY20 (estimated at $32,000,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 13-26

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	-	-	-	480,000	480,000
All Sources	-	-	-	480,000	480,000

Funding Source: $480,000 Other, Housing Revenue, which is a self-supporting auxiliary enterprise generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

Request: Establish project and budget for $480,000 (Other, Housing Revenue Funds) to repair significant moisture intrusion/damage and indoor air quality issues from failing roofing, window, exterior finishes, HVAC and exhaust systems in McAlister Residence Hall. The entire TPO membrane roof requires replacement, as well as all windows and 75% of exterior stucco. Structural repairs will be made to areas damaged by moisture intrusion. General repairs will be applied to support angles, expansion joints, exposed rebar, concrete (block, pre-cast and poured) and secondary steel. The project will replace approximately 130 individual VTAC HVAC units with a centralized variable flow refrigerant delivery system to increase energy efficiency, reliability, maintenance access and to alleviate the “heat tunnel” effect created by the current air discharge design. The project will also repair/clean existing HVAC ductwork, replace moisture damaged interior sheetrock and supported metal framing studs, replace all exterior stair/breezeway railings (rusting and increasingly dangerous), replace damaged/obsolete elevator control systems and cab finishes, replace all lighting with LED fixtures, replace plumbing fixtures and select piping, repair/replace damaged doors, repair/replace damaged millwork, upgrade telecommunications fiber/controls, replace/refresh all interior and exterior finishes and replace all furnishings. The 152,142 gross square foot residence hall was constructed in 2002 and is 17 years old. The facility will house 535 undergraduate students per academic year, plus one Residence Hall Director, 3-4 administrative staff, 3-4 facilities staff during regular business hours. In November 2016, a project was established of similar scope but has recently been withdrawn after Phase I forensic investigation and destructive testing revealed moisture intrusion/damage was far worse than originally anticipated. The agency estimates total project costs at $32,000,000 with additional annual operating cost savings of $15,214 in years 1 thru 3.

Establish Project for A&E Design

(3) Summary 2-2020: (H18) Francis Marion University
Project: 9580, Athletics Renovations/Improvements – GAC Fieldhouse & Smith University Ctr.
Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at $3,200,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 27-36

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, FMU Maintenance Reserve	-	-	-	48,000	48,000
All Sources	-	-	-	48,000	48,000

Funding Source: $48,000 Other, FMU Maintenance Reserve Funds, which is made up of interest earnings, $100 per semester facility fee (per Full-Time Student) and $100 per semester portion of student tuition approved by the FMU Board of Trustees are designated for earmarked for this fund.

Request: Establish project and budget for $48,000 (Other, FMU Maintenance Reserve Funds) to establish Phase I pre-design for renovations and improvements to Griffin Athletic Complex field house and the Smith University Center buildings. The Francis Marion University Smith University Center renovations include locker rooms for men and women, showers, athletic training facilities, and offices. The current locker rooms and showers have undergone hardly any improvements since the building was constructed in 1974. As the number of teams and student-athletes within the FMU program have increased, the functionality of the facility fails to meet the needs of the programs and these renovations will bring the facilities to modern standards. The current athletic training room does not meet the minimum National Athletic Trainers' Association (NATA) requirements. This renovation will double the square footage and will provide increased rehabilitation facilities. Currently, staff members are using closet space for offices, and this renovation will afford improved and increased office space. This 45-year-old facility is 115,366 square feet and will have renovations to approximately 8,780 square feet. The renovated space in this facility will serve approximately 200 individuals daily. The Francis Marion University field house additions include a one-story expansion of the existing field house including an athletic training/therapy room, fitness/weight facility, offices, and locker rooms. The field house currently has no established training/therapy facilities for the baseball, softball, and soccer contests held at the Griffin Athletic Complex. With the growth in athletic programs, current locker room space does not accommodate the additional student athletes. This expansion allows for a locker room to be used by the FMU baseball team, vesting baseball and softball teams as well as the men's and women's soccer teams. The university currently does not have a fitness/weight facility for dedicated use by student-athletes. The current weight room is shared between the student-athletes and the student body, and per the university, this shared scheduling creates hardships on both groups. This 7-year-old facility is 7,563 square feet and the addition will be 8,500 square feet. The locker and training/therapy space in this facility will serve approximately 150 individuals daily. The agency estimates total project costs at $3,200,000 with no additional annual operating costs.

(4) Summary 2-2020: (H59) Tri-County Technical College
Project: 6151, Pendleton Campus Miller Hall Renovation
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 3 in FY20 (estimated at $1,500,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 8/1/19

Ref: Supporting document pages: 37-46

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Accumulated Maintenance Reserve	-	-	-	22,500	22,500
All Sources	-	-	-	22,500	22,500

Funding Source:	$22,500 Other, Accumulated Maintenance Reserve Funds, which are fund balance transfers to the Plant Fund through an annual year-end capital transfer.
Request:	Establish project and budget for $22,500 (Other, Accumulated Maintenance Reserve Funds) to begin design work to renovate and repurpose 20,000 square feet of vacated space due to transition of services to the new Student Success Center and Ruby Hicks Hall and relocate college programs and/or services to Miller Hall based on prioritized needs. Needs include moving Human Resources and Campus Police closer to the front of campus and creation of office space for academic faculty relocated to the renovation of the College Health Science building, Fulp Hall and Oconee Hall. Miller Hall was built in 1970 and the last capital investment in this building, excluding normal building maintenance, HVAC/roof, was completed in 2002. The facility is utilized by 20 faculty and 3,580 students. The agency estimates total project costs at $1,500,000 with no additional annual operating costs.

(5) Summary 2-2020: (D50) Department of Administration
Project: 6023, Blatt Building – Replace Windows
Included in Annual CPIP: Yes – 2019 CPIP Priority 21 of 31 in FY20 (estimated at $890,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 47-56

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	-	-	-	64,051	64,051
All Sources	-	-	-	64,051	64,051

Funding Source:	$64,051 Appropriated State Funds.
Request:	Establish project and budget for $64,051 (Appropriated State Funds) to obtain a preliminary design and cost estimate for the replacement of the windows in the Solomon Blatt Building located at the SC State Capitol Complex. The Phase I amount is 4.81% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The windows are original to the 41-year-old building constructed in 1978, past their useful life, and leaking in multiple areas. The building is 155,162 gross square feet and is utilized by the SC House of Representatives for offices, conference and meeting room space, and include 80-100 staff year-round. From January to July each year the number increases to approximately 330. The Phase I estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was an internal estimate and the submission amount is based on an Opinion of Probable Cost from an A&E. The agency estimates total project costs at $1,329,091 and additional annual operating cost savings have not yet been determined.

(6) Summary 2-2020: (D50) Department of Administration
Project: 6024, Blatt Building VAV Terminal Reheat
Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 31 in FY20 (estimated at $705,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 57-64

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	49,356	49,356
All Sources	-	-	-	49,356	49,356

Funding Source:	$49,356 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies
Request:	Establish project and budget for $49,356 (Other, Depreciation Reserve Funds) for a preliminary design and cost estimate to replace the terminal hot water reheat VAV boxes and associated ductwork on the 5th floor of the 41-year-old Solomon Blatt Building, which was constructed in 1978. The Phase I amount is 5.32% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The equipment and ductwork is original to the building and is past its useful life, leading to periodic failures and disruption of service. The square footage of the 5th floor is 27,795 square feet. The building is utilized by the SC House of Representatives for offices, conference and meeting room space, and include 80-100 staff year-round. From January to July each year the number increases to approximately 330. The Phase I estimated cost to complete the project has increased from the 2019 CPIP because there is much more ductboard and ceiling work that will need to be undertaken, as well as increased market costs. The agency estimates total project costs at $926,432 with additional annual operating cost savings of $46,560 in years 1 thru 3.

(7) Summary 2-2020: (D50) Department of Administration
Project: 6025, Brown Building VAV Terminal Reheat
Included in Annual CPIP: Yes – 2019 CPIP Priority 25 of 31 in FY20 (estimated at $440,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages:65-74

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	21,904	21,904
All Sources	-	-	-	21,904	21,904

Funding Source: $21,904 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies

Request: Establish project and budget for $21,904 (Other, Depreciation Reserve Funds) to obtain a preliminary design and cost estimate for replacement of the terminal hot water reheat VAV boxes and associated piping on the 5th floor of the Edgar Brown Building located at 1205 Pendleton Street in Columbia. The Phase I amount is 5.34% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The equipment is original to the 46-year-old building constructed in 1972, and is past its useful life, leading to periodic failures and disruption of service. The scope of the project is the replacement of mechanical systems serving approximately 32,000 gross square feet on the 5th floor. The 5th floor is utilized by the Department of Parks, Recreation & Tourism, Education Oversight Committee, Secretary of State, Executive Budget Office, and SC State Senate Offices. The agency estimates total project costs at $409,612 with additional annual operating cost savings of $54,600 in years 1 thru 3.

(8) Summary 2-2020: (D50) Department of Administration
Project: 6026, Dennis Building – Replace Air Handlers 1 & 2
Included in Annual CPIP: Yes – 2019 CPIP Priority 27 of 31 in FY20 (estimated at $1,100,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 75-82

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	30,420	30,420
All Sources	-	-	-	30,420	30,420

Funding Source:	$30,420 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies
Request:	Establish project and budget for $30,420 (Other, Depreciation Reserve Funds) to obtain a preliminary design and cost estimate for the replacement of aged air handling unit 1 and air handling unit 2 in the Rembert Dennis Building located on the SC Capitol Complex. The Phase I amount is 4.67% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The two air handling units frequently require repair, are beyond their useful life and need replacement. The building was constructed in 1950 and renovated in 1978. This equipment is 61 years old. The facility is utilized by approximately 750 staff and visitors of the Office of the Attorney General, Department of Natural Resources, Legislative Council, and the Revenue and Fiscal Affairs Office. The Phase I estimated cost to complete the project has decreased from the 2019 CPIP because the CPIP amount was an internal estimate and the submission amount is based on an Opinion of Probable Cost from an A&E. The agency estimates total project costs at $651,375 and additional annual operating cost savings have not yet been determined.

(9) Summary 2-2020: (D50) Department of Administration
Project: 6027, FM Energy Plant – Roof Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 5 of 31 in FY20 (estimated at $676,300)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 83-94

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	10,000	10,000
All Sources	-	-	-	10,000	10,000

Funding Source: $10,000 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies

Request: Establish project and budget for $10,000 (Other, Depreciation Reserve Funds) to replace the roof of the FM Energy Facility that provides steam and chilled water for the conditioning of the buildings on and around the State House Complex. Specifically, these buildings are the Supreme Court, State House, Blatt, Gressette, Wade Hampton, Brown, Calhoun, Energy Facility, Dennis and Sumter Street buildings. The existing roof is a built-up roof composed of alternating layers of reinforcing fabric and bitumen (asphalt) and is finished with a top layer of aggregate. The roof was installed over 20 years ago and leaks. The roof has been repaired over the years, but the repairs are not sustainable. The roof has exceeded its life expectancy. The new roof to be installed will be a two-ply modified bitumen and come with a 20-year warranty. The facility was constructed in 1978 and is 40 years old. The agency estimates total project costs at $676,300 with no additional annual operating costs.

(10) Summary 2-2020: (D50) Department of Administration
Project: 6028, Hayne Laboratory Building – Replace/Upgrade Elevator Controls-Modernization
Included in Annual CPIP: Yes – 2019 CPIP Priority 7 of 31 in FY20 (estimated at $330,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 95-104

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	28,500	28,500
All Sources	-	-	-	28,500	28,500

Funding Source: $28,500 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies

Request: Establish project and budget for $28,500 (Other, Depreciation Reserve Funds) for the modernization of the freight elevator at the Hayne Laboratory, occupied by the SC Department of Health and Environmental Control. The Phase I amount is 5.39% of the estimated cost to complete the project and the additional amount will be used to procure an expert elevator consultant to assist in the analysis, design and specification of the complex systems, machinery and safety requirements of the project. The freight elevator, which is critical to the operation of the SCDHEC laboratory, is original to the building, constructed approximately 1975, and is experiencing frequent interruptions of service due to its age. Additionally, due to the age of the elevator, parts needed for repairs are difficult to find and often must be fabricated, thus extending the periods when the elevator is offline and out of service. The elevator is utilized by approximately 165 staff and visitors daily. The Phase I estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was an internal estimate and the submission amount is based on an Opinion of Probable Cost from an A&E. The agency estimates total project costs at $528,099 with no additional annual operating costs.

(11) Summary 2-2020: (D50) Department of Administration
Project: 6029, Harden Street DSS – Air Distribution, Heating and Cooling
Included in Annual CPIP: Yes – 2019 CPIP Priority 11 of 31 in FY20 (estimated at $573,781)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 105-114

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	-	-	-	42,708	42,708
All Sources	-	-	-	42,708	42,708

Funding Source:	$42,708 Appropriated State Funds.
Request:	Establish project and budget for $42,708 (Appropriated State Funds) for the removal and replacement of antiquated and unreliable heating, cooling and air distribution systems in the Department of Social Services – Harden Street Building. The Phase I amount is 5.72% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The heating, cooling and air distribution systems are original to the building and experience frequent outages and do not properly provide balanced heating and cooling for the occupants of the building. The 31-year-old facility constructed in 1989, is 64,311 gross square feet. All areas of the building will be affected. Approximately 300 staff and visitors utilize the building. This Phase I estimated cost to complete the project has increased from the 2019 CPIP due to the need to replace DDC Controls that were previously unknown. The agency estimates total project costs at $745,839 and additional annual operating cost savings have not yet been determined.

(12) Summary 2-2020: (D50) Department of Administration
Project: 6030, Marion Gressette Building – Replace Windows
Included in Annual CPIP: Yes – 2019 CPIP Priority 20 of 31 in FY20 (estimated at $862,137)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 115-124

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	-	-	-	68,050	68,050
All Sources	-	-	-	68,050	68,050

Funding Source: $68,050 Appropriated State Funds.

Request: Establish project and budget for $68,050 (Appropriated State Funds) to obtain a preliminary design and cost estimate for the replacement of the windows in the Marion Gressette building located in the SC State Capital Complex. The Phase I amount is 4.14% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The windows are original to the 43-year-old building constructed in 1976, past their useful life, and leaking in multiple areas. The building is 81,737 gross square feet and is utilized by the SC State Senate for offices, conference and meeting room space, and include 166 employees plus any public visitors. The Phase I estimated cost to complete the project has increased from the 2019 CPIP due to the addition of a Construction Manager as Agent, additional unanticipated asbestos abatement costs, higher than expected replacement window costs, and increased staging costs. The agency estimates total project costs at $1,641,522 and additional annual operating cost savings have not yet been determined.

(13) Summary 2-2020: (D50) Department of Administration
Project: 6031, SC Data Center Building – Targeted Roof Repairs
Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 13 in FY20 (estimated at $235,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 125-134

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	-	-	-	18,889	18,889
All Sources	-	-	-	18,889	18,889

Funding Source: $18,889 Appropriated State Funds.

Request: Establish project and budget for $18,889 (Appropriated State Funds) to obtain a preliminary design and cost estimate for a partial roof replacement and targeted roof repairs of the low slope roof system at the SC Data Center located on Broad River Road in Columbia. The Phase I amount is 7.09% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The existing roof is original to the building and the manufacturer's warranty expired on April 2019. The main roof on the building is a BUR. The small roof areas are ballasted single membrane. The purpose of the project is to extend the useful life of the majority of the existing roof by performing targeted repairs and to replace those areas of the roof that need immediate replacement. The portion of the roof to be replaced with be either a PVC or TPO membrane based on the recommendation of the A&E. The roof areas to be replaced will come with a minimum 20-year warranty. The roof is not eligible for elastomeric coating. The total roof area of 32,965 square feet will receive targeted repair and 8,453 square feet of roof area will be replaced. The facility houses the SC Division of Technology which has 205 employees, customers and visitors each day. The Phase I total estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was based on an internal estimate and this request is based on an Opinion of Probable Cost from A&E. The agency estimates total project costs at $266,132 with no additional annual operating costs.

(14) Summary 2-2020: (D50) Department of Administration
Project: 6032, SC Data Center – B Side – Uninterrupted Power Source (UPS) Upgrade
Included in Annual CPIP: Yes – 2019 CPIP Priority 31 of 31 in FY20 (estimated at $2,100,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 135-142

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, DTO Revenue	-	-	-	30,420	30,420
All Sources	-	-	-	30,420	30,420

Funding Source: $30,420 Other, DTO Revenue, which are revenues from Network Services, Shared Services, and Print/Mail Services that are collected from customers which are comprised of state agencies, higher education, counties and other local subdivisions.

Request: Establish project and budget for $30,420 (Other, SC Division of Technology Revenue Funds) to obtain a preliminary design and cost estimate for an upgrade to the Uninterrupted Power Source (UPS) at the SC Data Center located on Broad River Road in Columbia. The purpose of the project is to establish true Uninterrupted Power Source Redundancy in the power supply for the SC Data Center’s data processing equipment. The building was constructed in 1999 and is 20 years old. The Data Center is 76,021 gross square feet and the new equipment added as a result of this project will support the data processing areas of the Data Center, which is approximately 21,080 gross square feet. The facility houses the SC Division of Technology which has 205 employees, customers and visitors each day. The agency estimates total project costs at $2,028,000 with no additional annual operating costs.

(15) Summary 2-2020: (D50) Department of Administration
Project: 6033, SC Department of Archives and History – Roof Insulation and Protective Coating
Included in Annual CPIP: Yes – 2019 CPIP Priority 8 of 31 in FY20 (estimated at $300,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 143-154

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	-	-	-	23,399	23,399
All Sources	-	-	-	23,399	23,399

Funding Source: $23,399 Appropriated State Funds.

Request: Establish project and budget for $23,399 (Appropriated State Funds) to obtain a preliminary design and cost estimate for the removal and replacement of damaged roof insulation and provision of a new roof coating system (Elastomeric roof coating) designed to extend the life of the existing roof of the SC Department of Archives and History Building. The Phase I amount is 6.19% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The roof is original to the building, constructed approximately 1997, and its 20-year warranty recently expired. The removal and replacement of existing areas of damaged/wet insulation and roof areas, coupled with the provision of a new roof coating system will significantly prolong the life of the existing roof system. The roof coating system will come with a 15-year renewable warranty. The existing roof is low-slope modified bitumen and is approximately 43,000 square feet. The building is utilized by approximately 85 staff of the Department of Archives and History, Department of Education and Department of Administration, Division of State Human Resources, plus varying members of visitors to use the conference space. The total estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was an internal estimate and the Phase I request is based on an actual Opinion of Probable Cost from an A&E form, as well as cost increases in the construction market. The agency estimates total project costs at $377,900 with no additional annual operating costs.

(16) Summary 2-2020: (D50) Department of Administration
Project: 6034, SC State House – Refinish Marble Floors
Included in Annual CPIP: Yes – 2019 CPIP Priority 22 of 31 in FY20 (estimated at $780,214)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 155-164

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	-	-	-	44,881	44,881
All Sources	-	-	-	44,881	44,881

Funding Source: $44,881 Appropriated State Funds.

Request: Establish project and budget for $44,881 (Appropriated State Funds) for the repair and refinishing of damaged marble tile floors in the SC State House building. The Phase I amount is 7.45% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The marble tile floors are original to the building and were partially repaired in the 1997 renovation. The areas of marble tile floor that were refinished in 1997 have worn considerably during the twenty-two years since and need significant repair and refinish. The SC State House Building is 164,880 gross square feet and the marble tile area to be addressed in this project is 42,000 square feet. The building is utilized by the Senate, House of Representatives, Legislative Council, Legislative Information Systems, Governor's Office, Lieutenant Governor's Office, Department of Public Safety & Parks Recreation and Tourism and receives approximately 11,000 visitors per year. The agency estimates total project costs at $602,020 with no additional annual operating costs.

(17) Summary 2-2020: (D50) Department of Administration
Project: 6035, Sumter Street Building – Replace 2 Air Handling Units (AHUs)
Included in Annual CPIP: Yes – 2019 CPIP Priority 26 of 31 in FY20 (estimated at $495,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 165-172

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	-	-	-	23,695	23,695
All Sources	-	-	-	23,695	23,695

Funding Source: $23,695 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies

Request: Establish project and budget for $23,695 (Other, Depreciation Reserve Funds) for the removal and replacement of two air handling units at the Sumter Street Building in Columbia. The Phase I amount is 5.50% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The two air handling units that need replacing are 23 years old, are frequently off-line or out of commission and beyond their useful life. These units are essential to proper cooling and humidity control for the entire 37,501 gross square foot 104-year-old building. This building houses the SC Arts Commission with 23 staff and 1,250 visitors annually, and the SC Human Affairs Commission with 43 staff and 100 visitors daily. The agency estimates total project costs at $430,500 and additional annual operating cost savings have not yet been determined.

(18) Summary 2-2020: (D50) Department of Administration
Project: 6036, Wade Hampton Building – Roof Replacement and Parapet Wall Reinforcement
Included in Annual CPIP: Yes – 2019 CPIP Priority 10 of 31 in FY20 (estimated at $1,600,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 173-180

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	-	-	-	69,650	69,650
All Sources	-	-	-	69,650	69,650

Funding Source: $69,650 Appropriated State Funds.

Request: Establish project and budget for $69,650 (Appropriated State Funds) to obtain an A&E preliminary design and cost estimate for the replacement of the roof and installation of parapet seismic structural reinforcement at the Wade Hampton Building located at the SC State Capitol Complex in Columbia. The Phase I amount is 5.12% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The existing roof is a BUR with aggregate surface. The roof is forty-two years of age and is experiencing multiple leaks. It is not eligible for elastomeric coating. The existing roof parapet exceeds the height allowable by current building code seismic regulation for parapets that are not laterally braced and requires structural seismic reinforcement. The roof will be replaced with a single-ply membrane but that will depend on the A&E recommendation from the preliminary design. The new roof will come with a minimum 20-year warranty. The 80-year-old building was constructed in 1938 and is 121,141 gross square feet with the roof being 19,560 gross square feet. It is occupied by 275 employees plus visitors. The agency estimates total project costs at $1,360,000 with no additional annual operating costs.

(19) Summary 2-2020: (J04) Department of Health and Environmental Control
Project: 9531, Aycock Ceiling Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 4 in FY20 (estimated at $496,750)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 181-188

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, FY19 Carryforward	-	-	-	6,750	6,750
All Sources	-	-	-	6,750	6,750

Funding Source: $6,750 Appropriated State Funds, FY19 Carryforward Funds.

Request: Establish project and budget for $6,750 (Appropriated State Funds, FY19 Carryforward Funds) to replace the ceiling tile and grid system in the Aycock Building. The current system is a spline system and many of the ceiling tiles are not locking together causing the tiles and splines to fall out of the ceiling. This has been addressed numerous times with maintenance staff, but the age of the system and difficulty in weaving the ceiling tiles back properly has caused this system to be a safety concern. DHEC has tried to look at other ways to deal with this system but the most cost-effective way is to replace with a standard 2x2 suspended ceiling. The 47-year-old Aycock Building is approximately 96,000 square feet and the estimated ceiling area to be replaced is 92,000 square feet. The building is occupied by Environmental Affairs offices along with the Executive Directors Office and Boardroom. The agency estimates total project costs at $496,750 with no additional annual operating costs.

(20) Summary 2-2020: (J04) Department of Health and Environmental Control
Project: 9532, Florence Health Department Parking Lot Repaving
Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 4 in FY20 (estimated at $270,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 189-196

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, FY19 Carryforward	-	-	-	3,750	3,750
All Sources	-	-	-	3,750	3,750

Funding Source: $3,750 Appropriated State Funds, FY19 Carryforward Funds.
Request: Establish project and budget for $3,750 (Appropriated State Funds, FY19 Carryforward Funds) to repave the parking lot, repair and replace curbing at the Florence Health Department which serves the Pee Dee Region. The parking lot is approximately 14,000 square yards. The asphalt that is currently in place is believed to be original to the 28-year-old building and is in poor condition. This building serves the public of Florence County and they have had customers and employees' trip and fall due to the uneven surfaces of the parking lot, curbs and sidewalk. DHEC has tried to have the curbing repaired but the results were not satisfactory. This parking lot is also shared with Department of Mental Health. DHEC will work with Mental Health in getting this work done. The agency estimates total project costs at $270,000 with no additional annual operating costs.

(21) Summary 2-2020: (J04) Department of Health and Environmental Control
Project: 9533, Sims Aycock Flooring Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 4 in FY20 (estimated at $250,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 197-204

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, FY19 Carryforward	-	-	-	3,750	3,750
All Sources	-	-	-	3,750	3,750

Funding Source: $3,750 Appropriated State Funds, FY19 Carryforward Funds.

Request: Establish project and budget for $3,750 (Appropriated State Funds, FY19 Carryforward Funds) to remove and replace the existing flooring in Sims Aycock with carpet or VCT depending on the location in the building. Phase I replacing the flooring is to replace all the carpet in the common areas and a few office areas throughout the building. The current carpet is dirty, thread bear, buckled and is presenting safety issues in the building. DHEC has tried to clean the carpet and to re-stretch it to remove the buckles. This has not solved the problems they are having. The building is 161,019 square feet and the estimated common area to have flooring replaced is 15,000 square feet. The building is occupied by Environmental Affairs, but Public Health Preparedness, and a few of the Public Health offices are located in this building along with the Executive Directors office and Boardroom. The agency estimates total project costs at $250,000 with no additional annual operating costs.

(22) Summary 2-2020: (K05) Department of Public Safety
Project: 9611, DPS/DMV Warehouse Roof Retrofit
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 3 in FY20 (estimated at $391,500)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 205-210

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, DPS Building	-	-	-	11,580	11,580
All Sources	-	-	-	11,580	11,580

Funding Source: $11,580 Other, DPS Building Fund, which is supported by the late fee penalty on vehicle registration. This money is collected by the Department of Motor Vehicles and transferred to DPS.

Request: Establish project and budget for $11,580 (Other, DPS Building Fund) to begin Phase I to provide a new roof for the DPS/DMV Warehouse complex in Blythewood. The Phase I amount is 2.95% of the estimated cost to complete the project and the additional amount will be used to complete investigative testing to locate critical areas which will impact the total design of the roofing project. The original warehouse was built in 1993 on a different piece of property within the complex, disassembled, and moved to its present location in 2000. The common area – bathroom, staging and loading dock and an additional warehouse mirroring the existing were also added in 2000. When the DMV Headquarters was relocated to the DPS property, they moved into the original side of the warehouse. Consequently, the DMV portion of the facility is 26 years old and the common area and DPS portion is 19 years old. Because of the way the buildings were constructed, they have continuously had roof leaks. However, the roof of the DMV warehouse and the common area have been extremely problematic. These roofs have been repaired and/or recoated numerous times throughout the years. However, this is only a temporary solution and it has been recommended for years that a new roof be applied over the deteriorated existing roof. Recently, the DMV procured expensive equipment that is used in producing license plates. The existing leaks could damage that financial investment, as well as archived items and administrative offices. Because the buildings are connected, the entire 38,250 square foot roof should be replaced. This will require new insulation, gutters, flashing and a monolithic membrane. The result will be a more conditioned and efficient facility. The agency estimates total project costs at $391,500 with additional annual operating cost savings of $6,000 in years 1 thru 3.

(23) Summary 2-2020: (J12) Department of Mental Health
Project: 9780, State Veterans' Nursing Home Construction
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 9 in FY22 (estimated at $54,100,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 211-220

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	-	-	-	1,234,500	1,234,500
All Sources	-	-	-	1,234,500	1,234,500

Funding Source: $1,234,500 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.

Request: Establish project and budget for $1,234,500 (Other, Capital Improvement & Maintenance Funds) to establish Phase I design to conduct studies necessary to support the state strategy for development of additional State Veterans Nursing homes, including the Central location, and to complete all requirements necessary to submit a federal funding grant application to the Veteran's Administration by April 15, 2020. The FY18 Veterans Affairs Appropriations Bill provided federal grant funding for the construction of homes in the Northeast and Northwest regions of the state, based on the community living center design. Based on budget limitations and on the department's recommendations, on March 19, 2019, JBRC Staff directed deferral of the Central region project with revised plans for the Central project to be submitted by the department to the committee at an appropriate future date. Furthermore, the department has been directed to evaluate needs and feasibility of construction of one or more additional regional homes. A preliminary site has been identified for the Central location in Sumter, with a design replicable in one or more locations based on the state's strategy to develop additional veterans' nursing homes. The new facility will be 148,000 square feet and have 104 residents, plus 100 staff. The estimated cost to complete the project has increased by from the 2019 CPIP because the CPIP amount was based off the previously established project for the Central Region (#9737). It has been six (6) years since that estimate was established and a 6% escalation was calculated based on a 2025 bid cost estimate date. The agency estimates total project costs at $82,300,000 with additional annual operating costs of $14,483,800 in year 1, $14,918,314 in year 2, and $15,365,864 in year 3.

(24) Summary 2-2020: (L12) John de la Howe School
Project: 9520, L.S. Brice School Renovation
Included in Annual CPIP: Yes – 2019 CPIP Priority 8 of 13 in FY20 (estimated at $5,827,112)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 221-230

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	-	-	-	87,406	87,406
All Sources	-	-	-	87,406	87,406

Funding Source:	$87,406 Appropriated State Funds.
Request:	Establish project and budget for $87,406 (Appropriated State Funds) to begin preliminary A&E design services and cost estimate to renovate the existing L.S. Brice High School building to meet current building code standards and to meet current ADA accessibility code requirements. In April 2019 a code analysis was conducted by OSE and JDLH management. ADA and other code violations were identified during the walk through. The school is scheduled to re-open for students in August 2021 and a total renovation is required. The building is 43 years old and 45,000 square feet. It will be utilized by 250 students, 14 faculty and 6 staff. The agency estimates total project costs at $5,827,112 with additional annual operating costs of $442,500 in years 1 thru 3.

(25) Summary 2-2020: (N12) Department of Juvenile Justice
Project: 9608, Columbia Campus Electrical Grid Upgrade and Transfer of Responsibility
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 1 in FY20 (estimated at $1,320,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 231-240

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, FY19 Carryforward	-	-	-	19,800	19,800
All Sources	-	-	-	19,800	19,800

Funding Source: $19,800 Appropriated State, FY19 Carryforward Funds.
Request: Establish project and budget for $19,800 (Appropriated State, FY19 Carryforward Funds) to bring the grid up to current standards and provide a safer and energy efficient system. The electrical system is currently owned and maintained by SCDJJ for all the Columbia area locations on Broad River Road and Shivers Road. The system has not been upgraded to meet current standards and as a result, the cost to maintain is great. The outage of power on the grid for the critical work has been impacted many times by the inability to repair promptly. Dominion Energy (formerly SCE&G) has substations on Broad River Road and access to the substations is superior to any option. The facility will be utilized by approximately 20 individuals. The agency estimates total project costs at $1,320,000 with no additional annual operating costs.

(26) Summary 2-2020: (N20) Criminal Justice Academy
Project: 9631, Roof Repairs at SC Criminal Justice Academy
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 1 in FY20 (estimated at $296,527)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 241-250

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Surcharge	-	-	-	4,448	4,448
All Sources	-	-	-	4,448	4,448

Funding Source:	$4,448 Other, Surcharge Funds, which is a $5 surcharge fee implemented in FY09 and sunset at the end of FY16.
Request:	Establish project and budget for $4,448 (Other, Surcharge Funds) to repair several roofs to stop leaks. Building #31 is included in this project, and is a 21,000 square foot, 24-year-old warehouse that has a persistent leak in the seamed metal roof that they have been unable to stop. They propose the application of a spray on roof coating to address this issue. Repairs to this building have deteriorating seals that are wearing out from increased age. Maintenance and re-coating is required to prolong the life of the roof. Building #8 is included in this project, and is a 7,200 square foot, 34-year-old information technology and office building that has a leak in the metal roof, which defies their best effort to repair. They propose to address this issue with the application of a spray on roof coating product. This building needs immediate repair. Building #13 and Ranges #1, #2, and #3, which is a 19,704 square foot, 37-year-old weapons range complex, will be re-shingled and the translucent panels will be replaced. The translucent panels on the rifle deck were replaced in early 2000 and the panels on ranges #1, #2, and #3 were replaced in 2004. All panels are hazy/opaque, brittle from the sun, and the shingles are in dire need of repair. Building #31 houses facilities management staff, administrative staff, student training, and warehouse space. Building #8 houses training staff, information technology staff and student testing space. The Range Buildings house training staff and student training. The agency estimates total project costs at $296,527 with no additional annual operating costs.

(27) Summary 2-2020: (P28) Department of Parks, Recreation & Tourism
Project: 9778, North Mansion Complex Improvements
Included in Annual CPIP: Yes – 2019 CPIP Priority 8 of 9 in FY20 (estimated at $8,300,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 251-258

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
FY19 Carryforward	-	-	-	250,000	250,000
All Sources	-	-	-	250,000	250,000

Funding Source:	$250,000 FY19 Carryforward Funds.
Request:	Establish project and budget for $250,000 (FY19 Carryforward Funds) to begin pre-design to make repairs to the grounds and facilities. The Phase I amount is 2.99% of the estimated cost to complete the project and the additional amount will be used to complete a structural assessment of the historic buildings before plans can be drawn, which includes facilities that are on the National Register as well as addressing electrical, plumbing, and ADA accessibility needs. Phase I will begin planning on the gardens, as well as contract for the structural assessment of the facilities. The buildings included in the project are the 10,520 square foot Lace House constructed in 1854, the 7,070 square foot Boylston House constructed in 1830, and the 1,500 square foot Carriage House constructed in 1830. The property receives 100,000 visitors per year. The agency estimates total project costs at $8,350,000 with no additional annual operating costs.

(28) Summary 2-2020: (U12) Department of Transportation
Project: 9743, Oconee Salt Shed Reconstruction
Included in Annual CPIP: No – The 2019 CPIP has not been submitted.
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages: 259-266

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	-	-	-	9,000	9,000
All Sources	-	-	-	9,000	9,000

Funding Source: $9,000 Other, State Highway Funds, which include partial collections from the motor fuel user fee tax for gasoline and diesel.

Request: Establish project and budget for $9,000 (Other, State Highway Funds) to reconstruct a new 5,000 square foot salt shed in Oconee County. The previous 23-year-old salt shed located at the SCDOT Oconee County Maintenance facility was destroyed in a storm on August 18, 2019. The salt shed stores salt for ice and snow operations around the county. The Phase I amount requested is 2.5% of the estimated cost to complete the project and the additional amount will be used to cover an anticipated slightly higher cost due to the speed in which is needed to move in order to support snow and ice operations this winter. The previous salt shed was undersized and stored approximately 800 tons of salt. The new salt shed is anticipated to hold 1,000 tons of salt. This project consists of the reconstruction of a new salt shed where the previous one was located. It is anticipated that $100,000 in Insurance Reserve Funds will be received. The agency estimates total project costs at $350,000 with no additional annual operating costs.

Establish Construction Budget (Carried Over)

(29) Summary 2-2020: (H09) The Citadel
Project: 9618, Daniel Library HVAC Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 6 in FY20 (estimated at $3,050,000)
JBRC/SFAA Phase I Approval: October 2018 (estimated at $2,770,000)

CHE Recommended Approval: 8/1/19

Ref: Supporting document pages: 267-280

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Gifts	41,550	-	41,550	3,008,450	3,050,000
All Sources	41,550	-	41,550	3,008,450	3,050,000

Funding Source: $3,050,000 Other, Gifts, which are funds donated to The Citadel.

Request: Increase budget to $3,050,000 (add $3,008,450 Other, Gift Funds) to begin Phase II final design and construction for the replacement of the existing HVAC system at Daniel Library. The scope of work includes asbestos abatement and replacement of the storm lines, chilled water lines, five new air-handling units and controls, and the installation of a new specialized air handling unit in the archive area. Daniel Library is a 3-story masonry building constructed in 1959 and is approximately 56,075 square feet. The original HVAC systems are still in operation although they had an expected lifespan of only 20 years. The building houses the library, Citadel museum, faculty and staff offices, the rare book room and archives. The existing HVAC system is in poor condition with antiquated controls which are beyond repair. Per the college, the deteriorated condition of the HVAC systems has a negative effect on interior air quality for the students and faculty. System failures would preclude the use of the building and cause damage to the contents and historic artifacts due to humidity and temperature. This project is needed to provide proper heating and air-conditioning in all three floors of the building. The library is available to 3,300 students, 1,000 employees, and countless visitors. The estimated cost to complete the project has increased from the Phase I submission due to increasing the construction contingency from 5% to 10% and adding costs to cover new International Building Codes (IBC) being adopted prior to construction starting. The agency estimates total project costs at $3,050,000 with additional annual operating cost savings of $6,900 in years 1 thru 3. The agency anticipates execution of the construction contract in September 2020 and completion of construction in May 2021.

(30) Summary 2-2020: (H51) Medical University of South Carolina
Project: 9848, Basic Science Building Air Handler Units 4 and 4A Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20 (Capital Renewal Projects estimated at $10,000,000 – Air Handler Units 4 and 4A estimated at $1,200,000)
JBRC/SFAA Phase I Approval: May 2019 (estimated at $1,200,000)

CHE Recommended Approval: 8/1/19

Ref: Supporting document pages: 327-346

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, FY19 Deferred Maintenance	18,000	-	18,000	1,182,000	1,200,000
All Sources	18,000	-	18,000	1,182,000	1,200,000

Funding Source: $1,200,000 Other, FY19 Deferred Maintenance, which are investment fund deferred maintenance funds. The university adopted RMC (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately $4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

Request: Increase budget to $1,200,000 (add $1,182,000 FY19 Deferred Maintenance Funds) to proceed with Phase II full design and construction to replace the Air Handler Units #4 and #4A in the Basic Science Building. Both units are 23+ years old, past their useful life and need to be replaced. It is anticipated that these units can be replaced with a single larger unit. The building is 47 years old. There are 8 total air handler units in the building, all varying ages. The 335,663 square foot building houses 300 to 400 faculty and staff. Additionally, the building is a major academic building with 400 to 500 students entering it daily. The 2 air handler units being replaced serve approximately 11,700 square feet of the facility. The agency estimates total project costs at $1,200,000 with no additional annual operating costs. The agency anticipates execution of the construction contract in February 2020 and completion of construction in November 2020.

Establish Construction Budget

(31) Summary 2-2020: (H59) Tri-County Technical College
Project: 6150, Pendleton Campus Fulp Hall Renovation
Included in Annual CPIP: Yes – CPIP Priority 1 of 3 in FY20 (estimated at $1,400,000)
JBRC/SFAA Phase I Approval: June 2019 (estimated at $1,400,000)

CHE Recommended Approval: 8/1/19

Ref: Supporting document pages: 347-356

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Accumulated Maintenance Reserve	20,000	-	20,000	1,380,000	1,400,000
All Sources	20,000	-	20,000	1,380,000	1,400,000

Funding Source: $1,400,000 Other, Accumulated Maintenance Reserve Fund, which is accumulated fund balance transfer to the Plant fund (i.e. Annual YE Capital Transfer).

Request: Increase budget to $1,400,00 (add $1,380,000 Other, Accumulated Maintenance Reserve Fund) to add the construction budget to renovate current academic and faculty office space into two science labs in the existing Health Sciences building, Fulp Hall. Currently there is not enough science lab space to accommodate the anticipated growth in the Bridge to Clemson (BTC) program. Fulp was constructed in 1998 with limited additional investment in this facility since it was built. The academic space to be renovated is approximately 3,600 square feet of the 82,250 square foot building. The addition of these science labs can most effectively and efficiently be done by converting academic space and faculty offices in Fulp Hall to labs and relocating the faculty offices. The only alternative would be to find space to add these labs on the Pendleton Campus outside of Fulp, but that option would not reduce the overall cost of the project and would separate these labs from the remainder of the science programs. The Fall 2017 and 2018 enrollment were 800 and 850, respectively, and Fall 2019 enrollment is project to be 900, with continued enrollment growth year over year up to 1,200 over the next 5 years. The agency estimates total project costs at $1,400,000 with no additional annual operating costs. The agency anticipates execution of the construction contract in December 2019 and completion of construction in May 2020.

(32) Summary 2-2020: (D50) Department of Administration
Project: 6014, McEachern Parking Facility – Revamp CO2 Fan and Controls
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 31 in FY20 (estimated at $407,050)
JBRC/SFAA Phase I Approval: May 2019 (estimated at $401,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 357-368

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	6,015	-	6,015	401,035	407,050
All Sources	6,015	-	6,015	401,035	407,050

Funding Source: $407,050 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies.

Request: Increase budget to $407,050 (add $401,035 Other, Depreciation Reserve Funds) to fully fund the engineering and subsequent construction of the modernization of major components of the exhaust system in the McEachern Parking Facility located at 1201 Pendleton Street in Columbia. The exhaust system controls are original to the structure, no longer function automatically and must be manually controlled, and need modernization to meet ventilation requirements of current mechanical and building codes. The work includes removal of the existing CO gas detection system, installation of new CO and NO2 monitors, including 75-90 new sensors to cover the 714,000 square foot of parking garage space, and sequence activation of existing fans. The parking facility contains approximately 1,800 parking spaces. The agency estimates total project costs at $407,050 with potential annual operating cost savings of up to $81,468 in years 1 thru 3. The agency anticipates execution of the construction contract in January 2020 and completion of construction in June 2020.

(33) Summary 2-2020: (J12) Department of Mental Health
Project: 9779, Veterans Victory House Chiller Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 6 in FY20 (estimated at $700,000)
JBRC/SFAA Phase I Approval: July 2019 (estimated at $700,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 369-378

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	10,500	-	10,500	804,500	815,000
All Sources	10,500	-	10,500	804,500	815,000

Funding Source: $815,000 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.

Request: Increase budget to $815,000 (add $804,500 Other, Capital Improvement & Maintenance Funds) to replace 2 of the 3, 320-ton air cooled chillers in the VA Veteran's Victory House Nursing Home located in Walterboro. The units serve 2 buildings, the Nursing home and the Support building, which were both built in 2006 and total 138,348 square feet. The existing chillers are 13 years old and have had several issues recently making them unreliable. All 3 units are out of warranty and parts are becoming difficult to find. Currently, rental chillers are being used to assist in cooling the facility. The facility is utilized by 220 Veteran Nursing Home patients and 225 staff. The agency is going to submit for a VA Life Safety Grant to retroactively recoup some of the money spent on the project. The estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was an estimate based off a similar project. Additionally, the A&E fees and contingency weren't considered in the original estimate. The agency estimates total project costs at $815,000 with additional annual operating cost savings of $5,000 in years 1 thru 3. The agency anticipates execution of the construction contract in January 2020 and completion of construction in March 2020.

(34) Summary 2-2020: (N04) Department of Corrections
Project: 9756, Perry CI – Multipurpose Building
Included in Annual CPIP: Yes – 2019 CPIP Priority 6 of 6 in FY20 (estimated at $538,560)
JBRC/SFAA Phase I Approval: February 2019 (estimated at $451,986)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 379-390

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Perry Chapel Foundation (constr. related gift)	6,779	-	6,779	426,781	433,560
Other, Dept. of Public Safety Local Law Enforcement Grant	-	-	-	105,000	105,000
All Sources	6,779	-	6,779	531,581	538,560

Funding Source: $433,560 Other, Perry Chapel Foundation Funds. This project will be fully funded and paid directly by the Perry Chapel Foundation with no cost to the agency. $105,000 Other, Department of Public Safety FY20 Proviso 118.16 (nonrecurring) for Local Law Enforcement Grants.

Request: Increase budget to $538,560 (add $426,781 Other, Perry Chapel Foundation and $105,000 Other, Department of Public Safety Grant Funds) to construct and furnish a multipurpose building at Perry Correctional Institution. The building will be a single-story modular building that is 81.5’ x 56’ and approximately 4,600 square feet. The building will provide space to hold multi-faith services and program services for the inmate population as well as provide needed office space for staff. Currently, the institution does not have a dedicated space to provide multi-faith programs and counseling services to the institution’s inmate population. This project will include water, sewer and storm drain connections from existing services near the proposed chapel location to connections for the modular building. The relocation of a fire hydrant is not required in this scope of work. The electrical service, phone, internet and fire alarm connections to the main loops will be provided by SCDC. Perry Correctional Institution houses approximately 851 inmates and an average of 271 staff members. The total estimated cost to complete the project has increased from the Phase I estimate due to the need to upgrade an existing electrical infrastructure in order to provide power to the modular building. The agency estimates total project costs for the Perry Chapel Foundation at $538,560 and additional annual operating costs for the agency have not yet been determined. The agency anticipates execution of the construction contract in September 2019 and completion of construction in June 2020.

(35) Summary 2-2020: (N04) Department of Corrections
Project: 9760, Security Upgrades to Headquarters Buildings
Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 6 in FY20 (estimated at $300,000)
JBRC/SFAA Phase I Approval: June 2019 (estimated at $300,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 391-400

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, FY18 & FY19 Carryforward	4,500	-	4,500	295,500	300,000
All Sources	4,500	-	4,500	295,500	300,000

Funding Source: $300,000 Appropriated State, FY18 & FY19 Carryforward Funds.

Request: Increase budget to $300,000 (add $295,500 Appropriated State, FY19 Carryforward Funds) to construct a secure officer station in the Headquarters Building, replace the existing glass store fronts on SCDC's Headquarters Building and Recruiting and Retention Building, and replace the windows and doors at the Gatehouses. The store fronts, windows, and doors will be replaced with ballistic glass that will withstand projectiles and blasts. These buildings face a major roadway and do not have adequate physical security measures. Construction of a secure officer station and the replacement of doors and windows will protect the occupants and secure the buildings from unauthorized entry. The Headquarters 300 building was constructed in 1970 and is 48 years old. The Headquarters 100 and 200 building was constructed in 1975 and is 44 years old. The Recruiting and Retention building was constructed in 1998 and is 21 years old. Approximately 200 personnel occupy the Headquarters buildings, approximately 17 personnel occupy the Recruiting and Retention building and approximately 70-100 clients utilize the building daily. There are approximately 10 officers who occupy the Gatehouse. The agency estimates total project costs at $300,000 with no additional annual operating costs. The agency anticipates execution of the construction contract in October 2019 and completion of construction in March 2020.

Establish Construction Budget & Revise Scope

(36) Summary 2-2020: (J12) Department of Mental Health
Project: 9759, Coastal Empire Community Mental Hlth Ctr HVAC & Sprinkler System Upgrades
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 6 in FY20 (estimated at $1,600,000 – roof replacement estimated at $935,000)
JBRC/SFAA Phase I Approval: April 2018 (estimated at $600,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 429-444

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	9,000	-	9,000	926,000	935,000
All Sources	9,000	-	9,000	926,000	935,000

Funding Source:	$935,000 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.
Request:	Revise the scope and increase budget to $935,000 (add $926,000 Other, Capital Improvement & Maintenance Funds) to replace the roof system on Coastal Empire Community Mental Health Center in Beaufort, with either an insulated metal or shingle roof. This project will be completed in phases. After the roof is replaced, future funds will be added to the project for the HVAC, sprinkler, and fire alarm system. The building is conditioned by 15 split system heat pumps installed in 1995, consisting of outdoor condensing units and indoor air handling units which are well past their useful life and require replacement. The indoor units in the attic also require replacement of all ducting, dampers and refrigerant lines, as well as reconfiguration of the mountings to allow proper maintenance access. The existing fire sprinkler system has experienced multiple leaks over the last several years and requires replacement. Constructed in 1995, the 16,766 square foot building and systems are 24 years old. The building is utilized by 45 staff and serve 26 patients per day. An average of 83 services per day are provided during normal business hours. The agency estimates that the completed project will cost approximately $935,000 with additional annual operating cost savings of $10,000 in years 1 thru 3. The agency anticipates execution of the construction contract in January 2020 and completion of construction in March 2020.

Phase II Increase

(37) Summary 2-2020: (H51) Medical University of South Carolina
Project: 9842, Clinical Sciences Building High Risk Infectious Disease (HRID) Unit
Included in Annual CPIP: Yes – 2019 CPIP Priority 5 of 5 in FY20 (estimated at $2,500,000)
JBRC/SFAA Phase I Approval: March 2018 (estimated at $2,400,000)
JBRC/SFAA Phase II Approval: June 2018 (estimated at $1,865,000)

CHE Recommended Approval: 9/5/19

Ref: Supporting document pages: 467-476

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Federal, ASPR Grant	36,000	1,829,000	1,865,000	635,000	2,500,000
All Sources	36,000	1,829,000	1,865,000	635,000	2,500,000

Funding Source:	$2,500,000 Federal, Office of the Assistant Secretary for Preparedness and Response (ASPR) Grant Funding.
Request:	Increase budget to $2,500,000 (add $635,000 Federal, Office of the Assistant Secretary for Preparedness and Response Grant Funds) to cover bids that came in significantly over the schematic design estimate. This project will create a High-Risk Infectious Disease (HRID) unit in the Clinical Sciences Building (CSB). This specialized medical unit will allow for isolation treatment for highly infectious diseases. This unit will be constructed in approximately 3,500 square feet of vacated space on the first floor of the 273,899 square foot CSB. The HRID unit will be one of the few specialized units in the country, and the only one in South Carolina, equipped to address highly infectious diseases. When not in active use for patients, the space will be used for mock training to prepare providers to handle high risk cases. The building is 42 years old and the new unit will be occupied by up to 50 faculty and staff during an infectious disease event and numerous faculty and staff will utilize the space for training. The agency estimates total project costs at $2,500,000 with no additional annual operating costs. The agency anticipates completion of construction in March 2020.

(38) Summary 2-2020: (D50) Department of Administration
Project: 6013, Data Center – Generator Control Board Replacement
Included in Annual CPIP: No – At the time of the 2019 CPIP submission, the need to increase the project budget was unknown because the bids had not been received.
JBRC/SFAA Phase II Approval: February 2019 (estimated at $397,467)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 477-486

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, DTO Revenue	397,467	-	397,467	29,112	426,579
All Sources	397,467	-	397,467	29,112	426,579

Funding Source: $426,579 Other, DTO Revenue, which are revenues from Network Services, Shared Services, and Print/Mail Services that are collected from customers which are comprised of state agencies, higher education, counties and other local subdivisions.

Request: Increase budget to $426,579 (add $29,112 Other, DTO Revenue Funds) to cover the lowest responsible/responsive bidder to replace the generator control board at the 76,021 square foot Data Center. The increase will cover the $9,773 difference, plus retain a 5% construction contingency. The generator control system is part of the mission-critical power system that supports Data Center operations. As the system is original to the building, installed as part of the Data Center original construction in 1999, a feasibility study was conducted in the fall of 2018 for planning purposes. As a result of the study it was determined that the system had reached the end of its projected life. Additionally, control sub-components, such as the generator sensing panel which is a critical part of the system, are no longer produced by the original manufacturer and replacement components are only available through the manufacturer in the form of salvaged components from decommissioned equipment. Support for the programmable logic controllers in the master and generator control sections has also been discontinued. The generator control system does not have the capability of recording operating data or alarms. Historical recording of this information is useful for determining probable causes of malfunctions which is also important in maintenance of the reliability of the system. For the Data Center to maintain compliance with Uptime Institute Tier 2 standards, it must have N+1 redundancy in its emergency power generation infrastructure. N+1 is also specified in the ANSI/BICSI 002-2014 standard for data centers. New equipment added as a result of this project will support the data processing areas, which is 21,080 gross square feet of the Data Center. The agency estimates total project costs at $426,579 with no additional annual operating costs. The agency anticipates execution completion of construction in January 2020.

(39) Summary 2-2020: (J12) Department of Mental Health
Project: 9763, SCDMH Campbell Kitchen Drain Repair
Included in Annual CPIP: Yes – 2019 CPIP Priority 5 of 7 in FY20 (estimated at $470,000)
JBRC/SFAA Phase I Approval: September 2018 (estimated at $240,000)
JBRC/SFAA Phase II Approval: December 2018 (estimated at $240,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 487-496

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,600	236,400	240,000	230,000	470,000
All Sources	3,600	236,400	240,000	230,000	470,000

Funding Source: $470,000 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.

Request: Increase budget to $470,000 (add $230,000 Other, Capital Improvement & Maintenance Funds) to cover the bid received for the repair/replacement of the existing drain line system in the Richard M. Campbell Veterans Nursing Home kitchen. The work shall include digging up the existing drain system under the slab in the kitchen and replacing it with new due to multiple leaks from old and corroded metal lines. The work shall also include line or coating piping outside of scope and repair to a wall between the kitchen and food serving line with 4’ high CMU block wall. This project was bid twice, the first time no bids were received, and the second time 2 bids were received. The project contingency amount is 25% of the estimated construction costs due to the unknowns under the slab that may require more than simply repair/replacement of the drain lines. Once all the work is corrected under the slab the equipment replacement can begin in a future project. The 92,210-square foot nursing home was built in 1991 and is located in Anderson County. The drain system is original to the building and is 27 years old. The facility houses 218 VA long-term nursing residents and 250 staff/support personnel. The agency estimates total project costs at $470,000 with no additional annual operating costs. The agency anticipates completion of construction in December 2019.

Phase II Increase & Change Source of Funds

(40) Summary 2-2020: (P28) Department of Parks, Recreation & Tourism
Project: 9754, Hunting Island State Park Beach Restoration
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 9 in FY20 (estimated at $14,000,000)
JBRC/SFAA Phase I Approval: April 2015 (estimated at $7,000,000)
JBRC/SFAA Phase II Approval: June 2017 (estimated at $12,055,904)

CHE Recommended Approval: N/A

Ref: Supporting document pages: 497-504

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve	-	10,703,486	10,703,486	3,296,514	14,000,000
Other, Park Revenue	105,000	-	105,000	(105,000)	-
Other, Motion Picture Incentive	-	1,247,418	1,247,418	(1,247,418.00)	-
All Sources	105,000	11,950,904	12,055,904	1,944,096	14,000,000

Funding Source: $14,000,000 FY19 Capital Reserve Funds.

Request: Change source of funds and increase budget to $14,000,000 (add $1,944,096 FY19 Capital Reserve Fund) to cover increased costs. This project includes nourishment of the beach and construction of 2 additional groins at Hunting Island State Park. The beach was last nourished in 2007 and six groins were constructed in 2008. The project has performed as designed and slowed erosion significantly. Additional groins and nourishment are needed to maintain a safe high tide beach for park visitors. When brought for Phase I, the estimate for the total projected cost of the project was $7,000,000. Additional erosion has occurred since the Phase I submission for this project due to Hurricane Joaquin in October 2015 and Hurricane Matthew in October 2016. It is anticipated that $1,247,418 will be reimbursed by FEMA. The agency estimates total project costs at $14,000,000 with no additional annual operating costs. The agency anticipates completion of construction in May 2020.

JOINT BOND REVIEW COMMITTEE **Item 5**
Meeting of October 2, 2019

AGENCY: SC Jobs-Economic Development Authority

PROJECT/SUBJECT: Annual Report

The South Carolina Jobs-Economic Development Authority was created under Act 145 of 1983[1] (South Carolina Jobs - Economic Development Fund Act) as a state-owned enterprise with functions and duties, generally to

> [ ] promote and develop the business and economic welfare of this State, encourage and assist through loans, investments, research, technical and managerial advice, studies, data compilation and dissemination, and similar means, in the location of new business enterprises in this State and in rehabilitation and assistance of existing business enterprises and in the promotion of the export of goods, services, commodities, and capital equipment produced within the State, so as to provide maximum opportunities for creation and retention of jobs and improvement of the standard of living of the citizens of the State, and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State. In the promotion, development, and advancement of these programs, the authority must give consideration to the development of and assistance to small businesses in this State as may be defined by regulation of the authority.

The Authority is governed by a board of 10 directors appointed by the Governor, with advice and consent of the Senate, one director from each congressional district and one from the State at large, who serves as Chairman. Directors must meet experience requirements prescribed by the statute, and the Governor and the Chairman of the State Development Board serve ex officio.

The Authority is authorized to among other things administer loan programs and issue bonds to provide funds for any program authorized under its enabling legislation. The bonds are limited obligations of and are payable solely out of the revenues derived by the authority. The bonds issued do not constitute an indebtedness of the State or the authority within the meaning of any state constitutional provision or statutory limitation, and are payable solely from a revenue producing source or from a special source that does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the State or the authority, or a charge against the general credit of the authority or the State or taxing powers of the State, and this fact must be plainly stated on the face of each bond.

Among other things, the Authority is charged with responsibility to

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[1] Codified at Chapter 43, Title 41.

> [ ] exercise care in the performance of its duties and the selection of specific programs and business enterprises to receive its assistance. The authority may delegate its authority to implement the programs authorized to any governmental agency or financial institution. The authority must retain ultimate responsibility and provide proper oversight for the implementation.

The Authority administers a number of programs and has been utilized as a conduit issuer of special obligation revenue bonds to facilitate issuance of indebtedness for a variety of purposes.

The Authority's enabling legislation provides that

> [t]he authority must be audited annually by the State Auditor or, upon his approval, may execute contracts with an independent certified public accounting firm. The authority must make an annual report to the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, and the Executive Budget Office, and the General Assembly on its programs and operations. The report must include information regarding the size of the businesses that have received assistance based on the number of employees employed and the amount of gross revenues generated during the preceding year. The report also must include the names of businesses that have received assistance and a good faith estimate of the number of jobs retained or created as a result of the authority's assistance.

Act 80 of 2017 among other things eliminated or redirected certain oversight responsibilities previously vested in the State Fiscal Accountability Authority to the SC Coordinating Council for Economic Development, and added a provision requiring the Authority to report its activities in connection with issuance of bonds to the Joint Bond Review Committee. The report is due annually on July 31. The Authority has provided three reports pursuant to this requirement.

1) Bond closings for Fiscal Year 2017-18
2) FY 2017-18 Approvals of the Coordinating Council Enterprise Committee
3) The Authority's 2017 Annual Report

The reports are provided as information to the Committee.

COMMITTEE ACTION:

Receive as information the three reports submitted by the Jobs-Economic Development Authority.

ATTACHMENTS:

1) Bond Closing Report - Fiscal Year 2019.
2) Coordinating Council Enterprise Committee Approvals for FY 2017-18.
3) The Authority's 2017 Annual Report.
4) Section 2, Act 80 of 2017.

AVAILABLE:

1) Audited Financial Report for the Fiscal Years Ended June 30, 2018 and 2017.

Act 80 of 2017

> AN ACT TO AMEND SECTION 41-43-100, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE POWER OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY TO ISSUE CERTAIN BONDS TO FINANCE INDUSTRIAL DEVELOPMENT PROJECTS UNDER THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT FUND ACT, SO AS TO DELETE THE REQUIREMENT THAT THE AUTHORITY APPROVE INTEREST RATES ON SUCH BONDS AND TO SPECIFY APPROVAL OF SUCH INTEREST RATES BY THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT IS NOT REQUIRED; TO AMEND SECTION 41-43-110, AS AMENDED, RELATING TO THE POWER OF THE AUTHORITY TO ISSUE CERTAIN BONDS UNDER THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT FUND ACT, SO AS TO MAKE CONFORMING CHANGES, TO PROVIDE THE AUTHORITY ANNUALLY SHALL REPORT RELATED ACTIVITIES TO THE JOINT BOND REVIEW COMMITTEE, AND TO PROVIDE THE AUTHORITY SHALL PUBLISH LISTS OF BONDS APPROVED BY THE AUTHORITY AND RELEVANT INFORMATION ON ITS WEBSITE; AND TO MAKE THE PROVISIONS OF THIS ACT EFFECTIVE JUNE 1, 2017.

[ ]

SECTION 2. Section 41-43-110(A) of the 1976 Code, as last amended by Act 121 of 2014, is further amended to read:

"(A) The authority may issue bonds to provide funds for any program authorized by this chapter. The bonds authorized by this chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority. The bonds issued do not constitute an indebtedness of the State or the authority within the meaning of any state constitutional provision or statutory limitation. They are an indebtedness payable solely from a revenue producing source or from a special source that does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the State or the authority or a charge against the general credit of the authority or the State or taxing powers of the State and this fact must be plainly stated on the face of each bond. The bonds may be executed and delivered at any time as a single issue or from time to time as several issues, may be in such form and denominations, may be of such tenor, may be in coupon or registered form, may be payable in such installments and at such time, may be subject to terms of redemption, may be payable at such place, may bear interest at such rate payable at such place and evidenced in such manner, and may contain such provisions not inconsistent herewith, all of which are provided in the resolution of the authority authorizing the bonds. Subject to approval by the South Carolina Coordinating Council for Economic Development as to their issuance and sale, any bonds issued under this section may be sold at public or private sale as may be determined to be most advantageous. The bonds may be sold at public or private sale and, if by private sale, the authority shall designate the syndicate manager or managers. The authority may pay all expenses, premiums, insurance premiums, and commissions which it considers necessary from proceeds of the bonds or program funds in connection with the sale of bonds. The interest rate of bonds issued pursuant to this section is not subject to approval by the South Carolina Coordinating Council for Economic Development. The authority shall report its activities undertaken pursuant to this subsection to the Joint Bond Review Committee. The report shall be due annually on July thirty-first. The authority also shall publish on its website a complete list of bonds authorized by the authority pursuant to this subsection. The list shall include information concerning the authorized bonds that the authority deems relevant."

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
BOND CLOSING REPORT - FISCAL YEAR 2019
JULY 1, 2018 - JUNE 30, 2019

COMPANY	COUNTY	FINAL BOND AMOUNT	DATE CLOSED	JOBS CREATED	EXISTING JOBS	NOTES
CR Senior- Lakewood Senior Living 2018A	Spartanburg	$11,815,000	7/13/2018	25	0	New construction of Senior Living Facility
CR Senior- Lakewood Senior Living 2018B	Spartanburg	$495,000	7/13/2018	see above	see above	New construction of Senior Living Facility
Palmetto Goodwill 2018	Beau/Ber/Coll/Dor/Geo/Horry	$19,300,000	9/20/2018	0	235	Refinance existing debt
Benedict College 2018A	Richland	$19,640,000	9/20/2018	0	457	Refinance existing debt
Benedict College 2018B-1	Richland	$5,050,000	9/20/2018	see above	see above	Refinance existing debt
Benedict College 2018B-2	Richland	$910,000	9/20/2018	see above	see above	Refinance existing debt
Presbyterian College Real Estate Foundation	Laurens	$60,420,000	9/21/2018	11	350	New capital expenditures
Montage Living-Woodbridge Clinton 2018A	Laurens	$6,370,000	11/27/2018	50	0	New construction of Senior Living Facility
Montage Living-Woodbridge Clinton 2018B	Laurens	$425,000	11/27/2018	see above	see above	New construction of Senior Living Facility
PRISMA Health 2018A	Green/Oco/Rich/Sumter	$586,525,000	12/5/2018	0	28000	See details below (March 2018)
PRISMA Health 2018B	Green/Oco/Rich/Sumter	$100,000,000	12/5/2018	see above	see above	Refinance existing debt of health care system
PRISMA Health 2018C	Green/Oco/Rich/Sumter	$75,000,000	12/5/2018	see above	see above	Refinance existing debt of health care system
PRISMA Health 2018D	Green/Oco/Rich/Sumter	$50,000,000	12/5/2018	see above	see above	Refinance existing debt of health care system
PRISMA Health 2018E	Green/Oco/Rich/Sumter	$100,000,000	12/5/2018	see above	see above	Refinance existing debt of health care system
Jasper Pellets 2018A	Jasper	$11,140,000	12/7/2018	12	3	New capital expenditure for recycling facility
Jasper Pellets 2018B	Jasper	$1,360,000	12/7/2018	see above	see above	New capital expenditure for recycling facility
CR Senior - Avondale Senior Living 2018 *	Lancaster	$3,280,000	12/14/2018	0	0	New capital expenditure- real estate purchase only
Montage Living - The Renaissance 2018A	Abbeville	$6,665,000	12/19/2018	0	50	New construction of Senior Living Facility
Montage Living- The Renaissance 2018B	Abbeville	$65,000	12/19/2018	see above	see above	New construction of Senior Living Facility
High Point Academy Series 2018A	Spartanburg	$26,645,000	12/20/2018	10	145	New construction of Charter Scool facility
High Point Academy Series 2018B	Spartanburg	$250,000	12/20/2018	see above	see above	New construction of Charter School facility
SC Episcopal Home Still Hopes 2018A	Lexington	$67,950,000	12/20/2018	28	539	New captial expenditure
SC Episcopal Home Still Hopes 2018B	Lexington	$23,000,000	12/20/2018	see above	see above	Refund Series 2014 JEDA bonds
Rolling Green Village 2018A	Greenville	$35,295,000	12/27/2018	21	541	New capital expenditures -Senior Living Facility
Rolling Green Village 2018B	Greenville	$18,990,000	12/27/2018	see above	see above	New capital expenditures -Senior Living Facility
Rolling Green Village 2018C	Greenville	$13,289,000	12/27/2018	see above	see above	Refinance prior debt -Senior Living Facility
The Muffin Mam	Laurens	$10,000,000	3/15/2019	114	90	New capital expenditures- manufacturing facility
Lexington Memory Care 2019A	Lexington	$10,065,000	5/8/2019	0	66	New construction-Assisted Living Facility
Lexington Memory Care 2019B	Lexington	$1,940,000	5/8/2019	see above	see above	New construction-Assisted Living Facility
Wofford College	Spartanburg	$24,405,000	5/23/2019	4	485	New capital expenditures
AAC East [Probitas Ventures] 2019A	Marlboro	$10,000,000	5/30/2019	30	2	New capital expenditure- manufacturing faciltiy
AAC East [Probitas Ventures] 2019B	Marlboro	$3,500,000	5/30/2019	see above	see above	New capital expenditure- manufacturing faciltiy
Greer Middle College Charter High School 2019	Greenville	$4,850,000	6/7/2019	5	32	New capital expenditures

* Avondale Senior Living - this issue was only for real estate purchase; balacne of bond issue still pending.

Total JEDA Bonds Issued FY 2019 >>>>> $1,308,639,000

PROJECT NAME	COUNTY	ASSOCIATED JOB #	INDUCEMENT AMOUNT	JEDA INDUCEMENT DATE	COORDINATING COUNCIL / ENTERPRISE COMMITTEE APPROVAL DATE
Benedict College	Richland	457	$30MM	4/18/2018	7/12/2018
C.R. Senior Living- Lakewood Senior Living	Spartanburg	20	$13MM	11/15/2017	7/12/2018
Greenville Tech Charter High School	Greenville	49	$10MM	9/24/2015	7/12/2018
Palmetto Goodwill	Beaufort, Berkeley, Colleton, Dorchester, Georgetown, Horry	235	$20MM	6/20/2018	7/12/2018
Presbyterian College Real Estate Foundation	Laurens	361	$60.42MM	3/21/2018	7/12/2018
S.C. Episcopal Home at Still Hopes	Lexington	567	$100MM	9/19/2018	10/4/2018
Jasper Pellets, LLC	Jasper	12	$12.5MM	9/19/2018	10/4/2018
High Point Academy Charter School	Spartanburg	155	$35MM	9/19/2018	10/4/2018
Legion Collegiate Academy	York	52	$14MM	10/17/2018	11/1/2018
Rolling Green Village	Greenville	562	$80MM	10/17/2018	11/1/2018
Montage Living-Woodbridge Clinton Sr. Living	Laurens	50	$9MM	10/17/2018	11/1/2018
Lexington Memory Care	Lexington	66	$15MM	3/19/2018	11/1/2018
Montage Living- The Renaissance	Abbeville	50	$11MM	11/14/2018	12/6/2018
C.R. Senior Living- Avondale Senior Living	Lancaster	85	$45MM	11/14/2018	12/6/2018
C.R. Senior Living-River Park Independ. Living	Horry	35	$25MM	11/14/2018	12/6/2018
Technical College of the Lowcountry	Beaufort	11	$8MM	11/14/2018	12/6/2018
Jasper Pellets, LLC	Jasper	15	$15MM	9/19/2018	12/6/2018
The Muffin Mam	Laurens	204	$10MM	1/16/2019	2/7/2019
The Villas at Carolina Forest	Horry	85	$50MM	1/16/2019	2/7/2019
AAC East LLC	Marlboro	32	$13.5MM	2/20/2019	3/7/2019
Wofford College	Spartanburg	489	$25MM	3/20/2019	4/4/2019
Greer Middle College Charter High School	Greenville	37	$5MM	3/20/2019	4/4/2019
Lowcountry Leadership Charter School	Charleston	70	$15MM	5/15/2019	6/6/2019

JEDA
SOUTH CAROLINA
Jobs-Economic Development Authority

2018 ANNUAL REPORT

Since its creation in 1983, JEDA has facilitated the issuance of **531 bonds** for more than **$10.9 billion** resulting in the creation and retention of more than **249,147 jobs.**

Celebrating 35 Years of Economic Growth and Progress in South Carolina

As the South Carolina Jobs-Economic Development Authority (JEDA) marks its 35th Anniversary, we reflect on the positive role our agency has played in helping South Carolina achieve increased prosperity, economic advancement and job growth. JEDA is pleased to be at the forefront of economic progress in the Palmetto State by helping to contribute to the growth of healthcare facilities, educational institutions, manufacturing facilities, solid waste sectors and non-profit organizations.

BONDS ISSUED JULY 1, 2017 THROUGH JUNE 30, 2018

During this past fiscal year, which ended on June 30, 2018, JEDA served as conduit issuer in **21 financings** totaling more than **$694 million,** benefitting **21 different borrowers** in **15 counties.** In addition to benefitting the various local communities by creating temporary construction jobs, these financings contributed to the creation and retention of **10,216 jobs.**

JEDA, a conduit issuer of tax-exempt and taxable special obligation revenue bonds, is completely self-supporting, generating most of our revenues through bond-issuing activities and without cost to the taxpayers. Entities borrow money through, not from, JEDA, bringing together financial markets and entrepreneurs in public-private partnerships that help maximize South Carolina's potential as a place to grow a business and raise a family. Building on our more than three decades of progress, we look toward the future and the continued prosperity and expansion of South Carolina businesses through the issue of tax-exempt and taxable bonds.

Michael W. Nix, CFA Chairman, JEDA Board of Directors	Harry A. Huntley, CPA Executive Director, JEDA

Acts Retirement-Life Communities | Park Pointe Village

Acts Retirement-Life Communities issued a $21,540,000 bond through JEDA to refinance and renovate Park Pointe Village in Rock Hill.

The tax-exempt Retirement Community Revenue Bonds will be used to refund bonds used to finance the continuing care retirement community in 2012, and to finance new renovations and upgrades to residential units, common areas, the auditorium and dining areas.

> *"The availability of tax-advantaged bond financing has helped Acts grow into the nation's largest not-for-profit provider of continuing care retirement communities. We appreciate JEDA's ongoing partnership with us in South Carolina."*
>
> *— Richard Winter*
> *Senior Vice President, Financial Services*
> *Acts Retirement-Life Communities*

$21.54 MILLION INVESTED | **5** NEW JOBS CREATED | **183** JOBS RETAINED

SC JEDA TAX-EXEMPT RETIREMENT COMMUNITY REVENUE BOND

REFINANCE AND RENOVATE PARK POINTE VILLAGE
ROCK HILL, SC | YORK COUNTY

Mitchell Johnson | Haynsworth Sinkler Boyd, P.A. | Charleston, SC
Joshua Pasker | Saul Ewing Arnstein & Lehr LLP | Philadelphia, PA

Bon Secours Health System

Bon Secours Health System used a $69,925,000 bond issue through JEDA to re-finance expansion and improvements at St. Francis Hospital in Greenville.

The Series 2017 tax-exempt revenue bonds retired 2008 bonds that paid for acquisition of land, buildings, equipment and furnishings that followed the 2000 transfer of sponsorship of St. Francis to the Bon Secours Health System.

> *"The ability to access favorable financing and refinancing terms has played a major role in our expansion in and around the Greenville community that St. Francis Hospital has served since 1932."*
>
> *— Ronnie Hyatt*
> *Chief Financial Officer*
> *Bon Secours St. Francis Hospital*

$69.925 MILLION INVESTED | **3,400** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

RE-FINANCE EXPANSION AND IMPROVEMENTS AT ST. FRANCIS HOSPITAL
GREENVILLE, SC | GREENVILLE COUNTY

Amy Curran | Chapman and Cutler LLP | Chicago, IL

CR Senior Living, LLC | River Park Senior Living

CR Senior Living, LLC used a combination of $14,595,000 in tax-exempt bond issues and a $3,500,000 taxable bond issue through JEDA to finance a new assisted living facility in Little River.

River Park Senior Living, which will consist of approximately 60,000-square-feet and 80-beds, is expected to create 65 new jobs and opened the summer of 2018 off S.C. 9 near McLeod Seacoast Hospital.

> *"We're excited to be developing a new senior living community that will help the Grand Strand continue to grow as a place for retirees to relocate and stay. JEDA bonds are a boost to that effort."*
>
> *— Ryan Lambert*
> *Managing Partner*
> *CapRock*

$18.1 MILLION INVESTED | **65** NEW JOBS CREATED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

FINANCE A NEW ASSISTED LIVING FACILITY
LITTLE RIVER, SC | HORRY COUNTY

Emily Luther and Jeffrey Poley | Parker Poe Adams & Bernstein LLP | Columbia, SC, and Raleigh, NC

Hampton Regional Medical Center

Hampton Regional Medical Center used a $33,570,000 bond issue through JEDA to refund previous financing and pay for new upgrades at the Varnville hospital, which currently employs 175 people.

The tax-exempt Series 2017 Hospital Refunding and Improvement Revenue Bonds will refund 2006 bonds that paid for the acquisition and upgrading of the 32-bed, 80,000-square-foot medical center. Additionally, some proceeds will be used to pay for projects that include upgrading MRI equipment, as well as information and patient call systems.

> *"As a not-for-profit operation, we're happy that we can once again access tax-exempt financing to provide critical healthcare services to our community."*
>
> *— Julie Allen*
> *Chief Financial Officer*
> *Hampton Regional Medical Center*

$33.570 MILLION INVESTED | **175** JOBS RETAINED

SC JEDA HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BOND

REFUND PREVIOUS FINANCING AND PAY FOR NEW UPGRADES AT THE HOSPITAL
VARNVILLE, SC | HAMPTON COUNTY

Alan Lipsitz | Nexsen Pruet, LLC | Columbia, SC

Lakeside Place Senior Living

To come.

“To come.”

— XXX

$11.925 MILLION INVESTED | **55** NEW JOBS CREATED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

LEXINGTON, SC | LEXINGTON COUNTY

Jeffrey Poley | Parker Poe Adams & Bernstein LLP | Raleigh, NC

Lutheran Homes of South Carolina

Lutheran Homes of South Carolina used a $12.9 million bond issue through JEDA. This issue, in conjunction with a $19.7 million bond issued in the Spring of 2017, completes the refinancing of the Series 2007 bonds which paid for expansions and improvements in Mount Pleasant, Columbia, Inman, Aiken and the White Rock community near Irmo.

The combined $35.6 million in new, tax-exempt financing will retain 1,179 jobs. Lutheran Homes is a not-for-profit ministry of the South Carolina Synod of the Evangelical Lutheran Church of America that provides independent living, Alzheimer’s care, hospice and home services, skilled nursing and assisted living.

“We’re happy to have completed the second round of new JEDA financing for these extensive upgrades in our network of retirement living and care facilities.”

— Parke Horton
Chief Financial Officer
Lutheran Homes of South Carolina

$12.9 MILLION INVESTED | **1,179** JOBS RETAINED

SC JEDA TAX-EXEMPT HEALTHCARE FACILITIES REVENUE REFUNDING BOND

COMPLETE THE REFINANCING OF FIVE RETIREMENT COMMUNITY PROJECTS ACROSS THE STATE

IRMO, SC | RICHLAND COUNTY

Kathy McKinney | Haynsworth Sinkler Boyd, P.A. | Greenville, SC

McLeod Health

To come.

"To come."

— Fulton Ervin
Chief Financial Officer
McLeod Health

$144.275 MILLION INVESTED | **8,418** JOBS RETAINED

SC JEDA TAX-EXEMPT HOSPITAL REFUNDING AND IMPROVEMENT BOND

EXPANSION AND RENOVATION OF MCLEOD PAVILION AND REFINANCE OF LORIS SEACOAST LOAN
FLORENCE AND HORRY COUNTIES

Sam Howell | Howell Linkous & Nettles, LLC | Charleston, SC
Allen Robertson | Robinson Bradshaw & Hinson, P.A. | Charlotte, NC

Medical University of South Carolina (MUSC)

The Medical University of South Carolina (MUSC) is using a $46 million bond issued through JEDA to help finance a new pediatric outpatient center in North Charleston.

The MUSC Children's Health Ambulatory Campus is expected to open in 2019 as a 100,000-square-foot facility that provides operating and procedure rooms, MRI and CT labs, pharmacy and clinic space and more.

"JEDA funding has once again helped MUSC expand our operations and ability to serve more people in more areas around the Lowcountry. We appreciate that assistance and the ongoing trust from the investors in these bonds."

— Steve Hargett
Chief Financial Officer
Medical University of South Carolina (MUSC)

$46 MILLION INVESTED | **25** NEW JOBS CREATED | **107** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

FINANCE A NEW PEDIATRIC OUTPATIENT CENTER
NORTH CHARLESTON, SC | CHARLESTON COUNTY

Charlton deSaussure, Jr. | Haynsworth Sinkler Boyd, P.A. | Charleston, SC

MUSC Foundation

JEDA issued a $15,755,000 economic development revenue bond to secure favorable permanent financing by the MUSC Foundation for the acquisition of an office facility and a surface parking lot for the benefit of the Medical University of South Carolina.

The tax-exempt bond replaces interim financing used by the MUSC Foundation affiliate 165 Cannon Street Associates to purchase the two properties on Courtenay Drive adjacent to the MUSC campus which will be used as sites of future development to serve the Medical University of South Carolina.

> *"JEDA has once more made it possible for the Foundation and MUSC to leverage opportunities to efficiently and effectively finance our growth and better serve the people who work and commute here for medical care and training."*
>
> *— Thomas P. Anderson*
> *Chief Executive Officer*
> *MUSC Foundation*

$15.755 MILLION INVESTED | 10 JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

ACQUISITION OF AN OFFICE FACILITY AND A SURFACE PARKING LOT TO BENEFIT MUSC
CHARLESTON, SC | CHARLESTON COUNTY

Jeremy Cook | Haynsworth Sinkler Boyd, P.A. | Charleston, SC

Presbyterian Communities of South Carolina | Laurel Crest

Presbyterian Communities of South Carolina used a $21,260,000 tax-exempt bond issue through JEDA to add Laurel Crest in West Columbia to its family of senior living and care centers. The bond financing offset costs of the acquisition and renovations at the 26-acre campus.

Laurel Crest was founded in 1994 by members of First Presbyterian Church in Columbia and offers continuum of care from home care to independent living to skilled nursing. The center joins Presbyterian Communities' other facilities in Clinton, Easley, Florence, Summerville and Lexington.

> *"We're thrilled to be able to add Laurel Crest to the list of caring, capable options that Presbyterian Communities offers to senior citizens across the Palmetto State. JEDA bonds have helped make that happen."*
>
> *— Ashley Taylor*
> *Chief Financial Officer*
> *Presbyterian Communities of South Carolina*

$21.26 MILLION INVESTED | 100 JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

OFFSET COSTS OF THE ACQUISITION AND RENOVATIONS AT THE 26-ACRE CAMPUS
WEST COLUMBIA, SC | LEXINGTON COUNTY

Ray Jones | Parker Poe Adams & Bernstein LLP | Columbia, SC

Regional Medical Center of Orangeburg & Calhoun Counties (RMC)

The Regional Medical Center of Orangeburg & Calhoun Counties (RMC) used $30.8 million in bond issues through JEDA to retire debt from major expansions of the past several years. A $6.68 million bond issue was used to refund its 2009 JEDA bonds, which refinanced healthcare facilities and improvements at RMC. A separate $24.2 million bond issue was used to retire the 2012 JEDA bonds, which paid for expansion of the H. Filmore Mabry Center for Cancer Care at RMC including construction of a new linear accelerator vault, the Dialysis Access Institute at RMC and other infrastructure improvements.

At the 286-bed, acute care hospital over 1,200 people are employed by the healthcare system, including more than 100 physicians at the hospital and its 22 primary care and specialty care practices.

> *"Keeping up with the healthcare needs of our service area is essential for the economic development of Orangeburg and Calhoun counties. JEDA bond financing continues to help us grow to meet those needs."*
>
> *— Liza Porterfield*
> *Chief Financial Officer*
> *Regional Medical Center of Orangeburg & Calhoun Counties (RMC)*

$30.8 MILLION INVESTED | **1,200** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BONDS

RETIRE DEBT FROM MAJOR EXPANSIONS OF THE PAST SEVERAL YEARS
ORANGEBURG AND CALHOUN COUNTIES

Kathy McKinney | Haynsworth Sinkler Boyd, P.A. | Greenville, SC

Roper St. Francis

Roper St. Francis Healthcare used $43.105 million in bonds issued through JEDA to finance the system's expansion across Charleston and Berkeley counties and to refinance a previous bond issuance. Roper St. Francis currently offers more than 650 hospital beds, 90 facilities and diverse healthcare services in seven counties.

The financing includes tax-exempt bond issues for constructing, expanding and equipping healthcare facilities throughout the Charleston area, including the new Roper St. Francis Berkeley 50- bed hospital in the Carnes Crossroads Community in Goose Creek.

> *"We're pleased to be able to count on financing through JEDA to assist our diverse healthcare enterprise as we grow along with the Lowcountry communities we serve."*
>
> *— Bret Johnson*
> *Chief Financial Officer*
> *Roper St. Francis*

$43.105 MILLION INVESTED | **5,600** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BONDS

FINANCE IMPROVEMENTS AND EXPANSIONS AND REFINANCE PRIOR BONDS
BERKELEY AND CHARLESTON COUNTIES

Jeremy Cook | Haynsworth Sinkler Boyd, P.A. | Charleston, SC

South Carolina Episcopal Home at Still Hopes

The South Carolina Episcopal Home at Still Hopes is using a $39,325,000 tax-exempt bond issue through JEDA for a major expansion at its West Columbia location.

The only Episcopal-sponsored continuing retirement care community in the Midlands plans to build a 48-bed skilled nursing facility and a 22-apartment community residential care facility. Still Hopes was established in 1977 and currently serves more than 400 residents.

> *"The need for personalized, compassionate care for our aging population just continues to grow. JEDA financing helps us to respond to that need."*
>
> *— Danny Sanford*
> *Chief Executive Officer*
> *South Carolina Episcopal Home at Still Hopes*

$39.325 MILLION INVESTED | **12** NEW JOBS CREATED | **297** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

FINANCE MAJOR EXPANSION AT ITS MIDLANDS LOCATION
WEST COLUMBIA, SC | LEXINGTON COUNTY

Kathy McKinney | Haynsworth Sinkler Boyd, P.A. | Greenville, SC

Tidelands Health

Tidelands Health is using a $45,295,000 tax-exempt bond issue through JEDA to finance a new, 85,000-square-foot medical campus on the southern Grand Strand.

Tidelands Health Medical Park at The Market Common will include physicians' offices, physical therapy, pain management and laboratory services, and will add 100 positions to the current workforce of 1,800 employed by Tidelands Health, operator of Tidelands Georgetown Memorial Hospital.

> *"This is our largest expansion since we built Tidelands Waccamaw Community Hospital in Murrells Inlet in 2002. JEDA bond financing is key to making this possible."*
>
> *— Beth Ward*
> *Chief Financial Officer*
> *Tidelands Health*

$45.295 MILLION INVESTED | **100** NEW JOBS CREATED | **1,800** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

FINANCE A NEW MEDICAL CAMPUS ON THE SOUTHERN GRAND STRAND
MYRTLE BEACH, SC | HORRY COUNTY

Kathy McKinney | Haynsworth Sinkler Boyd, P.A. | Greenville, SC

Westminster Memory Care of Aiken

To come.

"To come."

— Michael Anderson
Vice President
Westminster Memory Care

$11 MILLION INVESTED | 66 NEW JOBS CREATED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

FINANCE AIKEN'S FIRST RESIDENTIAL CENTER EXCLUSIVELY FOR MEMORY CARE
AIKEN, SC | AIKEN COUNTY

Jeffrey Poley | Parker Poe Adams & Bernstein LLP | Raleigh, NC

Columbia International University (CIU) and Ben Lippen School

JEDA issued $9,741,425 in economic development bonds to finance energy efficiency improvements at Columbia International University (CIU) and Ben Lippen School.

The bonds — $9,487,085 tax-exempt and $254,340 taxable — will finance HVAC, water/sewer and lighting upgrades at the CIU campus off Monticello Road and at both campuses of Ben Lippen Schools (Lower School on St. Andrews Road & Lower and Upper School on Monticello Road).

"Saving money and energy helps us fulfill our educational mission. We're pleased we could take advantage of JEDA financing for this project."

— Rob Hartman
Chief Financial Officer
Columbia International University (CIU)

$9.741 MILLION INVESTED | 229 JOBS RETAINED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

FINANCE ENERGY EFFICIENCY IMPROVEMENTS AT BOTH CAMPUSES
COLUMBIA, SC | RICHLAND COUNTY

Theodore B. DuBose | Haynsworth Sinkler Boyd, P.A. | Columbia, SC

Pinewood Preparatory School

Pinewood Preparatory School used a $4.9 million bond issue through JEDA to refinance previous investments on the Summerville campus. The tax-exempt funding was used to refund 2008 bonds that paid for construction and equipping of facilities including the Lower School and High School classroom buildings, a gymnasium and field house, and the acquisition of the Drummond House and The Headmaster House.

Pinewood Prep is an independent school serving children from pre-school through high school. It currently has a staff of 116 serving 700 students from 15 nations and traces its roots to the founding of Pinewood School with 52 students in 1952.

"The expansions we financed a decade ago were a major milestone in our growth, and being able to refinance that investment now will position Pinewood Prep for even more service to the educational needs of the children of the Lowcountry."

— Julie Londergan
Chief Financial Officer
Pinewood Preparatory School

$4.9 MILLION INVESTED | **116** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

REFINANCE PREVIOUS INVESTMENTS ON THE CAMPUS
SUMMERVILLE, SC | DORCHESTER COUNTY

Jeremy Cook | Haynsworth Sinkler Boyd, P.A. | Charleston, SC

Royal Live Oaks Academy of the Arts and Sciences Charter School

Royal Live Oaks Academy of the Arts and Sciences Charter School is using a $17,825,000 bond issue through JEDA to provide construction financing to build a new public charter school in Ridgeland. The JEDA financing is part of a program in which a permanent, forty-year, low interest mortgage will be provided by the USDA/RD upon completion of construction.

Ground was broken on June 8, 2018, for the 70,000-square-foot facility, which will be funded with a $17,225,000 tax-exempt bond and a $600,000 taxable issue. The new school will have wings for elementary, middle and high school students at its campus, located on 26 acres of donated land in downtown Hardeeville. The charter school originally opened on Aug. 12, 2012, on the site of a former Hardeeville elementary school. The new building is expected to open in 2019.

"Our new home will allow us to greatly expand our offerings, especially high-tech programs. This is an exciting next step for us."

— Karen Wicks
Executive Director
Royal Live Oaks Academy

$17.825 MILLION INVESTED | **7–10** NEW JOBS CREATED | **85** JOBS RETAINED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

PROVIDE CONSTRUCTION FINANCING TO BUILD A NEW PUBLIC CHARTER SCHOOL
RIDGELAND, SC | JASPER COUNTY

Alan Linkous | Howell Linkous & Nettles, LLC | Charleston, SC

Burroughs & Chapin

Burroughs & Chapin used a $31,185,000 bond issue through JEDA. The $28,030,300 tax-exempt issue, combined with $3,155,000 taxable revenue bond issue, refinanced bonds previously issued by JEDA to finance extensive infrastructure work supporting several commercial enterprises located in Horry County.

To accomplish the financings, Horry County cooperated with neighboring counties (Georgetown and Marion Counties) and the City of Myrtle Beach, to create a multi-county business park which includes about 1,550 non-contiguous parcels (totaling approximately 3,800 acres). A portion of the property tax revenues generated by the parcels in the park are used to pay the debt service on the bonds. The businesses that now occupy the business park provide 7,215 full-time jobs, 916 part-time jobs and 99 seasonal positions.

> *"Being able to access JEDA bond financing over the years has been an essential piece to putting together these projects that have fueled the Grand Strand's growth as a major provider of economic activity, including steady employment."*
>
> *— J. Bratton Fennell*
> *Chief Financial Officer*
> *Burroughs & Chapin*

$31.185 MILLION INVESTED | 8,230 JOBS RETAINED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

REFINANCE AN INVESTMENT IN ONE OF ITS LANDMARK PROJECTS
MYRTLE BEACH, SC | HORRY COUNTY

Michael Seezen | McNair Law Firm, P.A. | Columbia, SC

City of Rock Hill | Rock Hill Sports & Event Center

The City of Rock Hill is using a $21,295,000 economic development revenue bond issued through JEDA to finance the acquisition of a new sports center. The financing includes a $20,810,000 tax-exempt bond as well as a $485,000 taxable bond.

The 140,000-square-foot facility located between Winthrop University and down-town Rock Hill includes training and locker rooms, concession facilities, eight basketball courts, 16 volleyball courts, and a separate championship court with 1,200 arena-style seats to accommodate for multi-purpose use, including basketball, soccer, volleyball, and cheerleading competitions.

> *"JEDA financing made this important next step in our growth as a sports and tourism destination possible. It will be an exciting new complement to Cherry Park and Manchester Meadows and to the continuing development of our city."*
>
> *— Anne Harty*
> *Chief Financial Officer*
> *City of Rock Hill*

$21.295 MILLION INVESTED | 11 NEW FULL TIME JOBS CREATED | 19 NEW PART TIME JOBS CREATED

SC JEDA TAX-EXEMPT AND TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS

FINANCE THE ACQUISITION OF A NEW SPORTS CENTER
ROCK HILL, SC | YORK COUNTY

Mike Burns | McNair Law Firm, P.A. | Greenville, SC

RePower South Berkeley

RePower South Berkeley is using a $43,850,000 tax-exempt bond issue through JEDA to build a new county mixed waste processing facility to deliver cost effective recycling and landfill diversion to Berkeley County.

The Berkeley County Recycling and Recovery Facility will process mixed waste to separate recyclables such as aluminum and plastics from county collections and process non-recyclable materials into a substitute for coal fuel. Approximately 60 jobs are expected to be created. The facility will be located at the current Berkeley County landfill in Moncks Corner and is expected to open early 2019.

> *"JEDA bonds make it possible for Berkeley County to provide its residents with the least cost, highest recycling recovery systems that maximize re-use and minimize landfill disposal."*
>
> *— Brian Gilhuly*
> *Chief Operating Officer*
> *RePower South*

$43.85 MILLION INVESTED | **60** NEW JOBS CREATED | **4** JOBS RETAINED

SC JEDA TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND

BUILD A NEW COUNTY MIXED WASTE PROCESSING FACILITY
MONCKS CORNER, SC | BERKELEY COUNTY

Doug Lamb | McGuireWoods | Richmond, VA

State Small Business Credit Initiative (SSBCI) Program

Over the past seven years, the State Small Business Credit Initiative (SSBCI) program, which supports state-level, small-business lending programs, has helped create and retain jobs in South Carolina and has spurred millions of dollars in additional lending to small businesses. The SSBCI Program, an important component of the Small Business Jobs Act, enables small businesses in South Carolina to obtain short to long-term financing to help businesses grow and expand.

This program is managed and administered by Business Development Corporation of SC (BDC) by contract with JEDA.

IMPACT OF SSBCI CAP & LOAN PARTICIPATIONS IN SOUTH CAROLINA (AS OF 7.31.18)

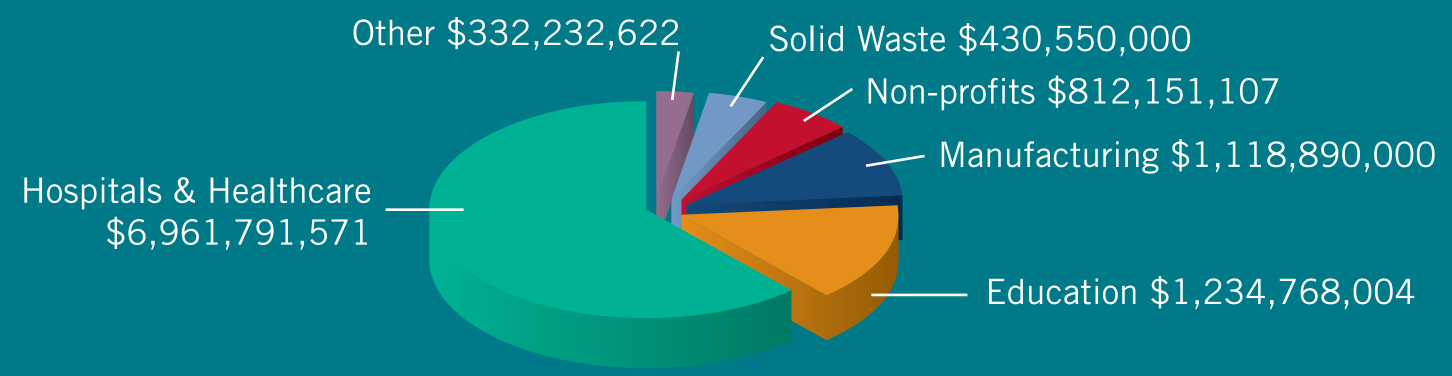
TOTAL NEW LOANS CLOSED WITH SSBCI SUPPORT: **232**
TOTAL AMOUNT OF LOANS ENROLLED (BANK AND SSBCI FUNDS COMBINED): **$214,733,778**
TOTAL AMOUNT OF SSBCI FUNDS UTILIZED: **$30,660,031**

TOTAL PRIVATE TO PUBLIC LEVERAGE RATIO: **10.88:1**

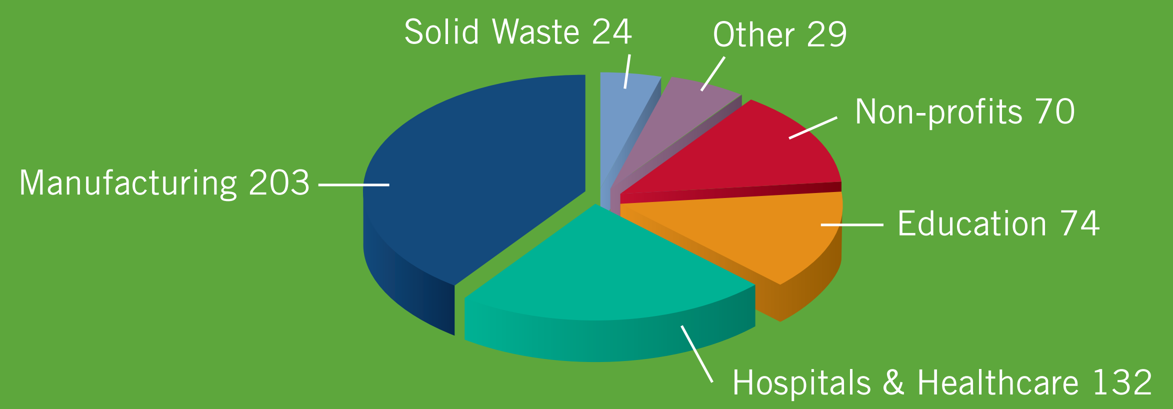
59% IN LOW-TO-MODERATE INCOME AREAS | **13%** DIRECTLY TO VETERANS | **35%** TO WOMEN-OWNED BUSINESSES

NEW JOBS CREATED: **930** | JOBS RETAINED: **2,639**

2018 Bonds Issued by Dollar Amount | **$10,890,383,304**

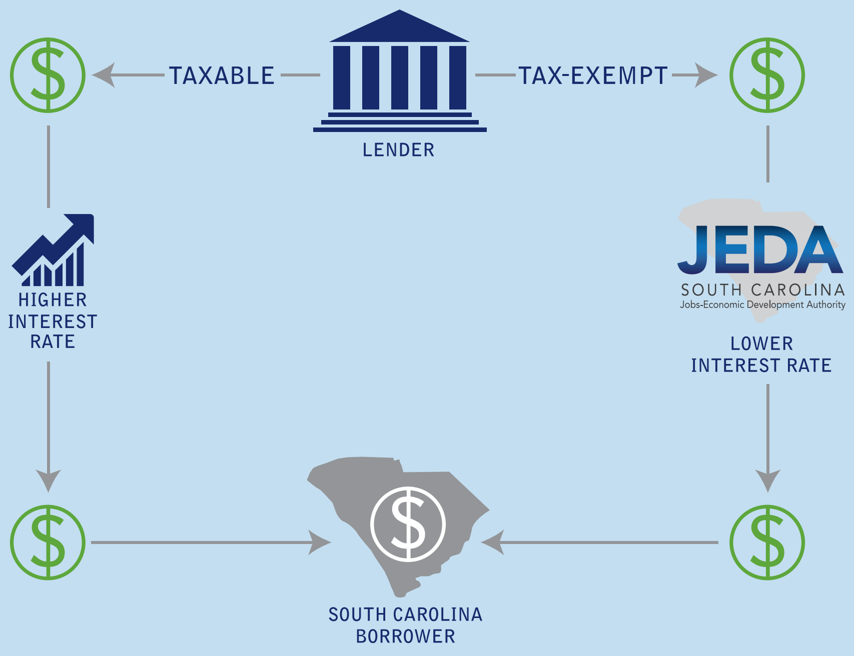


2018 Total Number of Bonds Issued | **531**



JEDA Diagram of Lending Practices

JEDA assists in the financing of eligible projects by serving as a conduit issuer of special obligation revenue bonds. Qualifying entities borrow money through, not from, JEDA. This allows the entity to reduce its borrowing costs using tax-exempt bonds.



JEDA Board of Directors and Staff

Left to right: Andy Lowrey, Curtis Carter, Bobby Hitt, Michael Nix, Harry Huntley, Claudia Miller, Bucky Drake and Warner Peacock. Not pictured: Greg Thompson, Henry Swink and Ron Millender.

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Secretary of Commerce, Columbia, SC

Felton A. Lowrey
Governor Designee, Columbia, SC

2018 Bonds Issued by County

COUNTY	NUMBER OF BONDS	BOND AMOUNT	TOTAL JOBS CREATED/RETAINED
Abbeville	2	$8,200,000	1,862
Aiken	7	$52,185,000	551
Anderson	38	$863,386,240	23,294
Bamberg	1	$650,000	51
Barnwell	1	$8,000,000	133
Beaufort	4	$12,817,500	272
Berkeley	9	$128,550,000	5,368
Charleston	64	$1,595,786,120	36,378
Cherokee	7	$28,585,000	1,218
Chester	2	$17,000,000	63
Chesterfield	3	$7,765,000	104
Clarendon	3	$7,500,000	260
Colleton	5	$12,300,000	731
Darlington	6	$37,251,742	1,967
Dillon	1	$7,500,000	75
Dorchester	13	$145,997,434	1,899
Fairfield	1	$54,215,000	651
Florence	17	$273,870,000	9,794
Georgetown	10	$428,430,000	9,279
Greenville	63	$1,740,710,591	24,505
Greenwood	11	$138,950,000	1,739
Hampton	3	$74,150,000	491
Horry	19	$544,525,000	9,808
Jasper	1	$17,825,000	190
Kershaw	2	$24,595,000	1,064
Lancaster	6	$30,100,000	801
Laurens	18	$134,503,000	2,939
Lee	2	$9,200,000	169
Lexington	13	$220,865,127	3,610
Marion	2	$19,500,000	313
Marlboro	4	$22,445,000	495
McCormick	1	$600,000	43
Newberry	2	$9,000,000	130
Oconee	9	$171,465,000	4,466
Orangeburg	11	$161,880,000	4,613
Pickens	9	$47,664,000	1,989
Richland	67	$2,661,891,425	75,417
Saluda	1	$9,000,000	55
Spartanburg	46	$460,340,000	7,767
Sumter	15	$344,697,000	10,030
Union	1	$20,750,000	623
York	31	$335,738,125	3,940
TOTAL	**531**	**$10,890,383,304**	**249,147**

JEDA
SOUTH CAROLINA
Jobs-Economic Development Authority

1201 MAIN STREET, SUITE 1600 | COLUMBIA SC 29201 | 803.737.0268 | SCJEDA.COM

JOINT BOND REVIEW COMMITTEE **Item 6**
Meeting of October 2, 2019

AGENCY:	Department of Administration Capital Budget Office
PROJECT/SUBJECT:	Report of Staff Action SC Department of Natural Resources Cape Dike Restoration Project

On August 9, 2019, Committee staff received a request to establish a project to repair and restore the dike system for 3,308 acres of managed wetlands on the Cape, which is part of the Santee Coastal Reserve Wildlife Management Area. The work includes installation or replacement of 11 rice field trunks to control water flow through the dyke, and an internal wooden spillway box; re-topping 10,590 linear feet of dike to a top width of 14 feet to prevent over-topping during high tides; construction or replacement of 214 linear feet of bulkhead; and enhancement or re-establishment of 3,650 linear feet of berm on the inside of the dyke.

The Department of Natural Resources estimates the cost of the project to be $1,559,000, which will be funded by $1 million from a U.S. Fish and Wildlife Service grant designated for the Santee Coastal Reserve Wetlands Restoration Project; $425 thousand in transfers to the Department from the SC Conservation Bank; $121 thousand in matching funds for the federal grant from the Cedar Island Dike Repair project; $11 thousand from Ducks Unlimited; and $1 thousand each from Audubon South Carolina and the Open Space Institute. The Department states that the project does not qualify for FEMA reimbursement.

Staff reviewed and recommended approval of the project on August 12, 2019, pursuant to Committee action on December 5, 2017, permitting staff review of requests by the SC Department of Natural Resources for maintenance, repair or replacement of existing roads and dikes on DNR-owned or DNR-controlled state lands. The Committee action requires that the Department submit documentation supporting establishment of the permanent improvement project, and a report of the staff recommendation at the next meeting of the Committee.

COMMITTEE ACTION:

Receive as information establishment of the SC Department of Natural Resources Cape Dike Restoration Project pursuant to Committee policy adopted December 5, 2017.

ATTACHMENTS:

1) Capital Budget Office Summary of Project.
2) A-1, A-49, Questionnaires.

JOINT BOND REVIEW COMMITTEE STAFF LETTER (01) ITEM
AUGUST 2019

Summary Background Information:

Establish Construction Budget

August 2019 (FY20): JBRC Staff Item 1. (P24) Department of Natural Resources
Project: 9998, Charleston – Cape Dike Restoration Project
Included in Annual CPIP: No
If not included in the CPIP, why not? The Federal funds were not available to fund this project until after the 2018 CPIP submission.
JBRC Staff Phase I Approval: N/A

CHE Recommended Approval: N/A

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Federal, US Fish & Wildlife Service	-	-	-	1,000,000	1,000,000
Other, SC Conservation Bank	-	-	-	424,974	424,974
Other, In Kind Match	-	-	-	134,026	134,026
All Sources	-	-	-	1,559,000	1,559,000

Funding Source: $1,000,000 Federal, US Fish & Wildlife Service Funds, which are grant funds related to Coastal Wetlands and Planning, Protection, and Restoration Act. $424,974 Other, SC Conservation Bank Funds, which are funds provided to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical properties, and archaeological sites. $134,026 Other, In Kind Match Funds, which are from the Cedar Island Dike Repair project (P24-9962), Ducks Unlimited, Open Space Institute and Audubon SC.

Request: Establish project and budget for $1,559,000 (Federal, US Fish & Wildlife Service Funds, Other, SC Conservation Bank Funds, and Other, In Kind Match Funds) to repair and restore the dike system for 3,308 acres of managed predominately palustrine emergent wetlands on the Cape which is part of the Santee Coastal Reserve Wildlife Management Area in Charleston County. Repairs and renovations to the existing dike system will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. In addition, numerous wading birds, reptiles and amphibians benefit from this management. DNR also provides opportunity for the public to participate in public lottery waterfowl hunts on the Cape. The project will provide for the installation/replacement of (a) eleven (11) rice field trunks to control water flow through the dike, and (b) one internal wooden spillway box, (c) re-topping 10,590 linear feet of dike to a top width of 14 feet with slope to remain within the existing footprint so as to prevent over-topping during high tides, (d) construct/replace 214 linear feet of bulkhead, and (e) enhance or re-establish 3,650 linear feet of berm on the inside of the dike. Material for refurbishing the dikes and berms will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth moving equipment such as a track-hoe must be mobilized. This project does not qualify for FEMA Public Assistance program funding. The agency estimates total project costs at $1,559,000 with no additional annual operating costs. The agency anticipates execution of the construction contract in August 2019 and completion of construction in March 2020.

Summary Background Information:

Final Land Acquisition

August 2019 (FY20): JBRC Staff Item 2. (P24) Department of Natural Resources
Project: 9980, Georgetown-Tom Yawkey Wildlife Center Heritage Preserve Land Donation
Included in Annual CPIP: Yes – CPIP Priority 7 of 27 in FY18 (estimated at $10,000)
If not included in the CPIP, why not? N/A
JBRC Staff Phase I Approval: April 2018 (estimated at $10,000)

CHE Recommended Approval: N/A

Source of Funding Detail	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Current Budget Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust	10,000	-	10,000	-	10,000
All Sources	10,000	-	10,000	-	10,000

Funding Source: $10,000 Other, Heritage Land Trust Fund, which are funds used to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas.

Request: To accept a land donation of 269 acres of land in Georgetown County. The land, which adjoins the Tom Yawkey Wildlife Center Heritage Preserve, is currently owned by Yawkey Foundations of Dedham, MA. The property, composed of two tracts referred to as Dawson and Blackout, is located approximately 10 miles east of Georgetown on Cat Island. The Tom Yawkey Wildlife Center, a DNR Heritage Preserve property, adjoins the tracts on three sides. . A Phase I Environmental Site Assessment was completed in June 2018 and revealed no evidence of RECs in connection with the subject property. The property includes a residence and two equipment sheds that were constructed in 1990. No renovations are expected to be made to the structures on the property. A building condition assessment was completed for the residence on the property and finds the structure meets applicable code requirements. The three remaining structures are open sided for storing agricultural equipment and trucks used on the property. Letters of support are not required from Georgetown County Council and Georgetown County School District because the property is currently owned by a not for profit entity and therefore is not included on the tax rolls. Approximately 161 acres of the proposed donation is composed of upland pine and 108 acres is brackish managed wetland. The upland contains foraging habitat for a red-cockaded woodpecker cluster on the preserve. The wetland has a high utilization by waterfowl, wading birds and numerous shorebird species. Due to its central location on Cat Island, acquisition of the property is essential to the management of the preserve. Upon acquisition, the property will be dedicated as a heritage preserve and placed into the corpus of the South Carolina Heritage Trust. The agency reports the total projected cost of this project is $10,000. The agency anticipates completing the land acquisition in August 2019.

FOR DEPARTMENT USE ONLY

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

RECEIVED
By Kim Sharpe at 1:33 pm, Jul 24, 2019

(For Department Use Only)

(I)

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

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

2. PROJECT
Project # 9998 Name Charleston - Cape Dike Restoration Project
Facility # ____________ Facility Name Santee Coastal Reserve

County Code	10 - Charleston		**Project Type**	3 - Repair/Renovate Existing Facilities/Systems
New/Revised Budget	$1,559,000.00		**Facility Type**	8 - Roads/Parking/Site Development

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
CPIP priority number ____________ of ____________ for FY ________

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

Establish Project		**Decrease Budget**		**Close Project**	
Establish Project - CPIP	×	**Change Source of Funds**		**Change Project Name**	
Increase Budget		**Revise Scope**		**Cancel Project**	

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

The Department of Natural Resources (DNR) requests approval from Joint Bond Review Committee staff and State Fiscal Accountability Authority staff to establish and execute a project to repair and restore the dike system for 3,308 acres of managed predominately palustrine emergent wetlands on the Cape which is part of the Santee Coastal Reserve Wildlife Management Area in Charleston County. Repairs and renovations to the existing dike system will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. In addition numerous wading birds, reptiles and amphibians benefit from this management. The DNR also provides opportunity for the public to participate in public lottery waterfowl hunts on the Cape.

The project will provide for the installation/replacement of (a) eleven (11) rice field trunks to control water flow through the dike, and (b) one internal wooden spillway box, (c) re-topping 10,590 linear feet of dike to a top width of 14 feet with slope to remain within the existing footprint so as to prevent over-topping during high tides, (d) construct/replace 214 linear feet of bulkhead, and (e) enhance or re-establish 3,650 linear feet of berm on the inside of the dike. Material for refurbishing the dikes and berms will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth moving equipment such as a track-hoe must be mobilized.

The Department estimates repair and restoration costs to be $1,559,000 and requests budget be established to proceed with the project. Funds in the amount of $424,974 will come from funds transferred to the DNR by the SC Conservation Bank for the purpose of supporting North American Wetlands Conservation Act projects. Funds in the amount of $1,000,000 will be from a U.S. Fish and Wildlife Service grant titled "Santee Coastal Reserve Wetlands Restoration Project" (SC-C-F18AP00410). The department has documented and is using in kind match for the federal grant from the Cedar Island Dike Repair project ($121,026), Ducks Unlimited ($11,000), Open Space Institute ($1,000) and Audubon South Carolina ($1,000). This project does not qualify for FEMA Public Assistance program funding and is expected to be completed in March of 2020.

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

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES
Estimated Start Date: August 2019 Estimated Completion Date: March 2020
Estimated Expenditures: Thru Current FY: $1,559,000.00 After Current FY: $0.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT # 9998

1. ______ Land Purchase ----> Land: ______ Acres
2. ______ Building Purchase ----> Floor Space: ______ Gross Square Feet
3. ______ Professional Services Fees
4. ______ Equipment and/or Materials ----> Information Technology ______
5. ______ Site Development
6. ______ New Construction ----> Floor Space: ______ Gross Square Feet
7. ______ Renovations - Building Interior ----> Floor Space: ______ Gross Square Feet
8. ______ Renovations - Utilities
9. ______ Roofing - ______ Roof Age
10. ______ Renovations - Building Exterior
11. ______ Other Permanent Improvements
12. ______ Landscaping
13. ______ Builders Risk Insurance
14. ______ Other Capital Outlay
15. ______ Labor Costs
16. ______ Bond Issue Costs
17. 1,559,000.00 Other: Repair of earthen dike infrastructure
18. ______ Contingency

$1,559,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

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

Type: ______

Cost Breakdown

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

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal US Fish & Wildlife Svc SC-C-F18AP00410	0.00	1,000,000.00	1,000,000.00 0.00			78800100	5055	5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) Conservation Bank Funds In Kind Match	0.00	424,974.00 134,026.00	424,974.00 134,026.00 0.00			98800100	3035 3035	3907 3907
TOTAL BUDGET	$0.00	$1,559,000.00	$1,559,000.00					

10. SUBMITTED BY: Scott Speares, Asst Dep Director Support Services — July 15, 2019
Signature of Authorized Official and Title — Date

11. APPROVED BY: ______ ______
(For Department Use Only) Authorized Signature and Title — Date

Revised 3/30/16

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code P240 Name Department of Natural Resources

2. PROJECT Project # 9998 Name Charleston - Cape Dike Restoration Project

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

☐ COSTS ☐ SAVINGS ☒ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	$	$	$	$ 0.00
2) 2021	$	$	$	$ 0.00
3) 2022	$	$	$	$ 0.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
The portion of the Documentary Stamp Fee allocated to the Heritage Land Trust program.

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

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

	COST FACTORS	AMOUNT
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
	TOTAL	$0.00

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

9. Submitted By: Scott Speares, Asst Dep Director Support
Signature of Authorized Official and Title

July 15, 2019
Date

SECTION 1: GENERAL – TO BE PROVIDED FOR ALL PROPOSALS

1. Provide the internal projected cost of the project.

$1,559,000

2. Identify the sources of funds to be used for A&E pre-design.

No A&E pre-design work is needed.

3. Describe and define each fund source to be used for A&E pre-design, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

N/A

4. Provide the current uncommitted balance of funds for each source described above.

N/A

5. Identify the sources of funds for construction.

1) 30350081 Conservation Bank funds
2) 50550000 USF&WS Grant (SC-C-F18AP00410)
3) PIP 9962 Work conducted on Cedar Island Dike as match
4) Ducks Unlimited (in-kind services)
5) Open Space Institute (in-kind services)
6) Audubon South Carolina (in-kind services)

6. Describe and define each fund source to be used for construction, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

Funds derived from SC Conservation Bank: SC Code of Laws 48-59-70 NCWCG: PL 101-646, Title III
Funds derived from USF&WS Grant (SC-C-F18AP00410) Coastal Wetlands and Planning, Protection, and Restoration Act, Title III, Public Law 101-646, 16 U.S.C 3951-3956.
Funds derived from work completed on Cedar Island P240G00010 P240_CPEX 36008010

1) Funds derived from SC Conservation Bank: SC Code of Laws 48-59-70 NCWCG: Public Law 101-646, Title III
2) Funds derived from USF&WS Grant (SC-C-F18AP00410) Coastal Wetlands and Planning, Protection, and Restoration Act, Title III, Public Law 101-646, 16 U.S.C 3951-3956.
3) In Kind match derived from work completed on Cedar Island Dike Repair PIP 9962
4) Ducks Unlimited in-kind services
5) Open Space Institute in-kind services
6) Audubon South Carolina in-kind services

7. Provide the current uncommitted balance of funds for each source described above.
   Conservation Bank - $424,974 USF&WS Grant - $1,000,000 Cedar Island match - $121,026
   1) Conservation Bank - $424,974

1) Conservation Bank fund $424,974
2) USF&WS Grant - $1,000,000
3) Cedar Island PIP 9962 - $121,026
4) Ducks Unlimited in-kind - $11,000
5) Open Space Institute in-kind -$1,000
6) Audubon South Carolina in-kind $1000

8. Provide the total square footage of the building to be renovated or constructed.

N/A

9. If any portion of the building is to be renovated, provide the square footage of the portion that will be included in the renovation.

N/A

10. Describe the programs that will use the constructed or renovated space.

N/A

11. Provide the current age of the building and building systems to be renovated or replaced.

N/A

12. If any new space is being added to the facility, provide demand and usage data to support the need.

N/A

13. If the A&E pre-design request exceeds 1.5% of the internal estimated cost of the project, provide the reason the amount exceeds 1.5%.

N/A

14. Provide an estimate of the numbers of students, faculty, staff and clients that are expected to utilize the space associated with the project or building.

N/A

15. Indicate whether or not the project has been included in a previous year's CPIP. If so, provide the last year the project was included and year for which it was proposed.

No

16. Provide the economic impact of the project or project request, including job creation and retention. If there is no economic impact, provide an explanation.

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

17. Discuss how maintenance of this facility construction/renovation will be addressed and funded.

Funding for as needed future maintenance will be from annual operating funds.

18. Provide the name of any account from which costs of deferred maintenance are addressed and its current uncommitted balance. Indicate the sources used to fund the account.

N/A

19. If funding for maintenance of this facility construction/renovation has not yet been determined, discuss the steps that have been taken to address and fund maintenance of this and other facilities owned or managed by the agency or institution.

N/A

SECTION 2 – TO BE PROVIDED FOR HIGHER EDUCATION PROPOSALS

20. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

N/A

21. If the use of any funds for construction includes any student fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

N/A

22. Provide a five-year history of each component within the institution's tuition and fee structure designated or utilized for permanent improvements. Identify the tuition or fee component per student, per semester; the total revenue collected during the academic year; and the fund balance at fiscal year end, all delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the fee is projected to increase. Use the following format in responding to this question and provide as many tables as are necessary to promote a

clear understanding of the relationship of tuition and fee revenue designated by the institution for permanent improvements, maintenance and other facility-related expense, including debt service.

Academic Year	Amount per student per semester	Total Revenue Collected During Academic Year	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

23. Identify any other funds not specifically designated that may be utilized or redirected for permanent improvements, maintenance and other facility-related expense, including debt service. Provide a five-year history of total collections, by fund; amounts applied to or for permanent improvements, maintenance and other facility-related expense, including debt service; and the fund balance at fiscal year end, delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the revenue is projected to increase. Describe any portion of the source that originates from any tuition or fee component. Include all permanent improvements without regard to Joint Bond Review Committee or State Fiscal Accountability approval requirements. Use the following format in responding to this question and provide as many tables as are necessary to provide a complete and comprehensive response for each fund.

Fund Source or Name:
Description:

Academic Year	Total Revenue Collected During Academic Year	Portion Collected From Tuition or Fee Revenues	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

24. Describe the fund sources reflected above that will be utilized to support the project that is the subject of this Phase I proposal.

admin
THE SOUTH CAROLINA
DEPARTMENT *of* ADMINISTRATION

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR PHASE II CONSTRUCTION BUDGET

1. Provide the total projected cost of the project. Attach a <u>summary</u> of the costs prepared during the A&E pre-design phase to support the total cost.

$1,559,000

2. Identify the source(s) of funds for construction. If any private or federal funds are included, attach a letter guaranteeing the availability of the funds.

1) 30350097 Conservation Bank funds
2) 50550000 USF&WS Grant (SC-C-F18AP00410)
3) PIP 9962 Work conducted on Cedar Island as match
4) Ducks Unlimited (in-kind services)
5) Open Space Institute (in-kind services)
6) Audubon South Carolina (in-kind services)

3. Describe and define each fund source to be used for construction. Cite any statutory authority, including the code section other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

1) Funds derived from SC Conservation Bank: SC Code of Laws 48-59-70 NCWCG: Public Law 101-646, Title III
2) Funds derived from USF&WS Grant (SC-C-F18AP00410) Coastal Wetlands and Planning, Protection, and Restoration Act, Title III, Public Law 101-646, 16 U.S.C 3951-3956.
3) Match derived from work completed on Cedar Island Dike Repair PIP 9962
4) Match derived from Ducks Unlimited in-kind services, allowable for Grant SC-C-F18AP00410
5) Match derived from Open Space Institute in-kind services, allowable for Grant SC-C-F18AP00410
6) Match derived from Audubon South Carolina in-kind services, allowable for Grant SC-C-F18AP00410

4. Provide the current uncommitted balance of funds for each source described above.

1) Conservation Bank - $424,974
2) USF&WS Grant - $1,000,000
3) Cedar Island PIP 9962 - $121,026
4) Ducks Unlimited in-kind - $11,000
5) Open Space Institute in-kind - $1,000
6) Audubon South Carolina in-kind - $1,000

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

N/A

6. If a student fee is used to fund debt service, provide the current amount of the fee collected annually or by semester. Specify which.

N/A

7. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

N/A

8. If the project qualifies for the JBRC policy requirement to meet the LEED certification/Green Globes certification as the conservation measure, please attach the findings of a cost-benefit analysis showing the anticipated energy savings over the life of the project. Additionally, attach the checklist of items to be included to achieve LEED points or a description of the energy measures to achieve LEED.

N/A

9. If the project does not qualify for the JBRC policy requirement to meet the LEED certification/Green Globes certification as the construction measure, provide what savings/conservation measures will be implemented within the project. Explain the energy savings measures to be implemented as part of this project. If there are no energy savings measures included, state that and explain why.

N/A

10. Provide the projected date (month and year) for execution of the construction contract.

Bidding scheduled to occur August 2019

11. Provide the projected date (month and year) for completion of construction.

March 2020

12. Describe the programs that will use the constructed or renovated space.

N/A

13. Provide the total square footage of the building to be renovated or constructed.

N/A

14. If a portion of the building is to be renovated, provide the square footage of the portion that will be included in the renovation.

N/A

15. Provide the current age of the building and building systems to be renovated or replaced.

N/A

16. If any new space is being added to the facility, provide demand and usage data to support the need.

N/A

17. Provide an estimate of the numbers of students, faculty, staff and clients that are expected to utilize the space associated with the project or building.

N/A

18. If the construction cost increased significantly from the internal estimate and/or from the total estimated cost provided on the CPIP (30% or more), provide what factors caused the cost to increase.

N/A

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

N/A

20. If funds are being transferred from another project, provide the current status of the project from which funds are being transferred.

M/A

21. Indicate whether or not the project has been included in a previous year's CPIP. If so, provide the last year the project was included and year for which it was proposed.

No

22. Provide the economic impact of the project or project request, including job creation and retention. If there is no economic impact, provide an explanation.

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

23. Discuss how maintenance of this facility construction/renovation will be addressed and funded.

Funding for as needed future maintenance will be from annual operating funds.

24. Provide the name of any account from which costs of deferred maintenance are addressed and its current uncommitted balance. Indicate the sources used to fund the account.

N/A

25. If funding for maintenance of this facility construction/renovation has not yet been determined, discuss the steps that have been taken to address and fund maintenance of this and other facilities owned or managed by the agency or institution.

N/A

PERMANENT IMPROVEMENT PROJECTS

REQUIRED INFORMATION FOR
PHASE II CONSTRUCTION BUDGET

TO BE PROVIDED FOR HIGHER EDUCATION PROPOSALS

1. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

N/A

2. If the use of any funds for construction includes any student fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

N/A

3. Provide a five-year history of each component within the institution's tuition and fee structure designated or utilized for permanent improvements. Identify the tuition or fee component per student, per semester; the total revenue collected during the academic year; and the fund balance at fiscal year end, all delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the fee is projected to increase. Use the following format in responding to this question and provide as many tables as are necessary to promote a clear understanding of the relationship of tuition and fee revenue designated by the institution for permanent improvements, maintenance and other facility-related expense, including debt service.

Academic Year	Amount per student per semester	Total Revenue Collected During Academic Year	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

4. Identify any other funds not specifically designated that may be utilized or redirected for permanent improvements, maintenance and other facility-related expense, including debt service. Provide a five-year history of total collections, by fund; amounts applied to or for permanent improvements, maintenance and other facility-related expense, including debt service; and the fund balance at fiscal year end, delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the revenue is projected to increase. Describe any portion of the source that originates from any tuition or fee component. Include all permanent improvements without regard to Joint Bond Review Committee or State Fiscal Accountability approval requirements. Use the following format in responding to this question and provide as many tables as are necessary to provide a complete and comprehensive response for each fund.

Fund Source or Name:
Description:

Academic Year	Total Revenue Collected During Academic Year	Portion Collected From Tuition or Fee Revenues	Amount Expended for Permanent Improvements	Fund Balance at Year End
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

5. Describe the fund sources reflected above that will be utilized to support the project that is the subject of this Phase I proposal.

South Carolina Department of
Natural Resources

Robert H. Boyles, Jr
Interim Director

July 15, 2019

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

RE: **Project 9998 Charleston - Cape Dike Restoration Project**

Dear Jennifer:

The Department of Natural Resources (DNR) requests approval from Joint Bond Review Committee staff and State Fiscal Accountability Authority staff to establish and execute a project to repair and restore the dike system for 3,308 acres of managed predominately palustrine emergent wetlands on the Cape which is part of the Santee Coastal Reserve Wildlife Management Area in Charleston County. Repairs and renovations to the existing dike system will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. In addition numerous wading birds, reptiles and amphibians benefit from this management. The DNR also provides opportunity for the public to participate in public lottery waterfowl hunts on the Cape.

The project will provide for the installation/replacement of (a) eleven (11) rice field trunks to control water flow through the dike, and (b) one internal wooden spillway box, (c) re-topping 10,590 linear feet of dike to a top width of 14 feet with slope to remain within the existing footprint so as to prevent over-topping during high tides, (d) construct/replace 214 linear feet of bulkhead, and (e) enhance or re-establish 3,650 linear feet of berm on the inside of the dike. Material for refurbishing the dikes and berms will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth moving equipment such as a track-hoe must be mobilized.

The Department estimates repair and restoration costs to be $1,559,000 and requests budget be established to proceed with the project. Funds in the amount of $424,974 will come from funds transferred to the DNR by the SC Conservation Bank for the purpose of supporting North American Wetlands Conservation Act projects. Funds in the amount of $1,000,000 will be from a U.S. Fish and Wildlife Service grant titled "Santee Coastal Reserve Wetlands Restoration Project" (SC-C-F18AP00410). The department has documented and is using in kind match for the federal grant from the Cedar Island Dike Repair project ($121,026), Ducks Unlimited ($11,000), Open Space Institute ($1,000) and Audubon South Carolina ($1,000). This project does not qualify for FEMA Public Assistance program funding and is expected to be completed in March of 2020.

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

Sincerely,

Scott Speares
Assistant Deputy Director - Office of Support Services

Attachments: A-1, A49
Budget Load Worksheet
Phase I A&E Design Questionnaire
Phase II Construction Questionnaire

JOINT BOND REVIEW COMMITTEE **Item 7**
Meeting of October 2, 2019

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Pending Matters and Updates from Prior Meetings
University of South Carolina Intramural Recreation Fields

At its meeting on July 30, 2019, the Committee requested further information about the property proposed by the University of South Carolina as a location for its intramural recreation fields.

The University confirmed that the 300 acres of property is not a part of the property formerly known as the Green Diamond (now Columbia Ventures LLC) property. The proposed University property is located north of the Columbia Ventures LLC property, as more clearly reflected on the attached aerial map provided in response to the request for further information. The proposed University property was acquired in 2014 by the USC Development Foundation from R. William Metzger, Jr., as Trustee for William Maxwell Gregg, II - Debtor.

The proposed University property is located approximately 0.75 miles from Williams Brice Stadium. Parking planned for the site, approximately 150 spaces for the first phase of recreation field development, will strictly support student access to the intramural fields. The University has no plans to develop Game Day parking on the site.

COMMITTEE ACTION:

Receive this update as information.

ATTACHMENTS:

Aerial map of the subject and adjacent properties.

300 Acres- USC Acquisition Project (currently owned by USC Development Foundation)

prepared by USC | Campus Planning 08.12.2019

JOINT BOND REVIEW COMMITTEE **Item Number 8**
Meeting of <u>October 2, 2019</u>

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Future Meeting

The next meeting of the State Fiscal Accountability Authority is tentatively scheduled for Tuesday, December 10, 2019.

2019

January

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

October

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

May

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

March

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

September

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None