

**Capital Improvements
Joint Bond Review Committee**

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DIANNE C. CARRAWAY
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

EVELYN SEXTON
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

JOINT BOND REVIEW COMMITTEE MEETING

DATE: Tuesday, June 6, 2017
TIME: 9:30 a.m.
LOCATION: Room 105, Gressette Building

AGENDA

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JOINT BOND REVIEW COMMITTEEMeeting of June 6, 2017**Item Number 1****AGENCY:** South Carolina Transportation Infrastructure Bank**PROJECT/SUBJECT:** Not Exceeding \$203,580,000 Revenue Refunding Bonds, Series 2017

Section 11-43-315 of the South Carolina Code of Laws directs that review and approval of the Joint Bond Review Committee be obtained prior to the South Carolina Transportation Infrastructure Bank issuing revenue bonds, including refunding bonds.

The Bank is requesting approval to issue Revenue Refunding Bonds in an amount not to exceed \$203,580,000 to reduce its annual debt service payments and capture savings on interest costs. The proceeds will pay the current outstanding balance of Series 2010A revenue bonds as well as the cost of issuance. Net present value savings of approximately \$17 million are anticipated.

The final principal amount will be determined by the Chairman of the Bank, upon advice of the consultants (general counsel, bond counsel, and financial advisor), and in consultation with the Office of the Treasurer. Final details of the bond issuance, including interest rates, maturity dates, and redemption provisions, will be reviewed and approved by the Bank Board prior to the issuance of the Revenue Refunding Bonds.

As directed by Section 11-43-330 of the South Carolina Code of Laws, the bonds will not commit the faith and credit of the state.

COMMITTEE ACTION:

Review and approve the South Carolina Transportation Infrastructure Bank's request for issuance of Revenue Refunding Bonds in an amount not to exceed \$203,580,000 subject to final approval of the Bank Board.

ATTACHMENTS:

- 1) Letter from John B. White, Jr., Chairman, SCTIB, dated May 22, 2016
- 2) South Carolina Code of Laws Sections 11-43-315, 320, and 330

AVAILABLE UPON REQUEST:

- 1) PFM Financial Advisors Report

BOARD OF DIRECTORS

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South Carolina
Transportation Infrastructure Bank



955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2875
Fax: (803) 737-2014

May 22, 2017

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

Re: Proposed Refunding of Series 2010A Bonds

Chairman Leatherman:

David Miller of Public Financial Management, the financial advisor to the South Carolina Transportation Infrastructure Bank, has advised that under current market conditions, the Bank could realize a net present value savings of approximately \$17 million by refunding its Series 2010A Bonds. This savings would amount to 8.5% of the refunded par amount, well within the savings targets traditionally required by the Bank Board. A copy of the most recent refunding analysis is attached.

Our finance working group has discussed the proposed transaction with the office of State Treasurer and has provided the information requested by that office.

As required by Section 11-43-315 of the Bank's Enabling Act, we request approval by the JBRC of the proposed issuance of not exceeding \$203,580,000 of revenue refunding bonds in order to refund the outstanding principal of the Bank's Series 2010A Bonds.

Upon approval by the JBRC we will ask the State Treasurer to receive bids at a competitive sale during the month of July if market conditions indicate that the expected interest cost savings will be achieved.

Sincerely,

A handwritten signature in dark ink, appearing to read "John B. White Jr.", written in a cursive style.

John B. White, Jr.
Chairman

Enclosure

cc: James M. Holly, Esq., General Counsel
David Miller, Public Financial Management Inc., Financial Advisor
Tami Reed, Chief Financial Officer
M. William Youngblood, Esq., McNair Law Firm, P.A., Bond Counsel

SECTION 11-43-315. Issuance of bonds; review and approval of Joint Bond Review Committee.

Whenever it shall become necessary that monies be raised for qualified projects, including monies to be used to refund any bonds then outstanding, the bank may issue bonds as provided in this article. The review and approval of the Joint Bond Review Committee must be obtained prior to the issuance of the bonds.

SECTION 11-43-320. Pledges of revenue or funds to bond payment; bonds secured by pledge.

The bank may pledge any of its revenue or funds to the payment of its bonds, subject only to any prior agreements with the holders of particular bonds which may have pledged specific money or revenue. Bonds may be secured by a pledge of any loan obligation owned by the bank, any grant, contribution, or guaranty from the United States, the State, or any corporation, association, institution, or person, any other property or assets of the bank, or a pledge of any money, income, or revenue of the bank from any source.

SECTION 11-43-330. Bonds not debt or pledge of full faith and credit of State; personal liability; statement.

Bonds issued by the bank do not constitute a debt or a pledge of the full faith and credit of this State, or any of its political subdivisions other than the bank, but are payable solely from the revenue, money, or property of the bank as provided in this chapter. The bonds issued do not constitute an indebtedness of the State within the meaning of any constitutional or statutory limitation. No member of the bank or any person executing bonds of the bank is liable personally on the bonds by reason of their issuance or execution. Each bond issued under this article must contain on its face a statement to the effect that:

- (1) neither the State, nor any of its political subdivisions, nor the bank is obligated to pay the principal of or interest on the bond or other costs incident to the bond except from the revenue, money, or property of the bank pledged;
- (2) neither the full faith and credit nor the taxing power of the State, or any of its political subdivisions, is pledged to the payment of the principal of or interest on the bond;
- (3) the bank does not have taxing power.

JOINT BOND REVIEW COMMITTEE**Item Number 2**Meeting of June 6, 2017**AGENCY:** Department of Commerce**PROJECT/SUBJECT:** Request for Approval of General Obligation State Economic Development Bonds

On behalf of the Department of Commerce, Theodore B. DuBose, of Haynsworth Sinkler Boyd, P.A., has requested that the Joint Bond Review Committee consider the issuance of not to exceed \$40,500,000 in General Obligation State Economic Development Bonds pursuant to the General Obligation State Economic Development Bond Act (Title 11, Chapter 41 of the South Carolina Code of Laws).

The purpose of the proposed issuance of bonds is to finance qualifying infrastructure to support construction of a new economic development project. Wanli Tire Corporation Limited plans to construct facilities in Orangeburg County to manufacture tires.

Secretary Hitt has certified that the improvements to be financed with the proceeds of the bonds constitute "infrastructure" as defined in Section 11-41-30(3); that the project consists of an investment by Wanli Tire Corporation of not less than \$400 million and will create no fewer than 400 "new jobs" as defined in Section 11-41-30(7); that the construction of the infrastructure will enhance the recruitment of industry and business to the state, facilitate the operation and growth of industry and businesses in the state, and provide significant direct and indirect benefits to the state; and that the bonds serve a public purpose by fostering economic development and increasing employment in the state.

Proceeds from the bonds will be used for site preparation and construction of a rail spur and roadways.

The term of the bonds will be 15 years. The preliminary draw schedule is provided in on Page 9 and the debt service is detailed on Page 10.

COMMITTEE ACTION:

Review and approve the issuance of not to exceed \$40,500,000 in General Obligation State Economic Development Bonds pursuant to the General Obligation State Economic Development Act.

ATTACHMENTS:

- 1) Letter from Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A., dated May 24, 2017
- 2) Certificate of the Secretary, South Carolina Department of Commerce
- 3) Section 11-41-30 of the South Carolina Code of Laws

DOCUMENT AVAILABLE UPON REQUEST:

- 1) Draft Resolution

1201 MAIN STREET, 22ND FLOOR (29201-3226)
POST OFFICE BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA
TELEPHONE 803.779.3080
FACSIMILE 803.765.1243
www.hsblawfirm.com

THEODORE B. DUBOSE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7830
tdubose@hsblawfirm.com

May 24, 2017

Via Hand Delivery

Ms. Dianne Carraway
Joint Bond Review Committee
Gressette Building, Room 109
Columbia, South Carolina 29201

Re: Request for Approval of General Obligation State Economic Development Bonds

Dear Ms. Carraway:

On behalf of the South Carolina Department of Commerce, I am enclosing updated materials relating to the proposed issuance of general obligation bonds of the State of South Carolina (the "State") to finance qualifying infrastructure to support construction of a new economic development project to be located within the State. The resolution enclosed herewith has been updated from the version provided to you on May 2, 2017 to identify at Exhibit A the Project, the Project Sponsor, and the location of the Project.

The purpose of this submission is to request that the Joint Bond Review Committee (the "JBRC") approve the issuance of not to exceed \$40,500,000 in General Obligation State Economic Development Bonds to be issued pursuant to Section 11-41-50(A) of the General Obligation State Economic Development Bond Act, codified at S.C. Code Sections 11-41-10 *et seq.* (the "Bonds").

Please do not hesitate to contact me if you have questions or require further information.

Very truly yours,



Theodore B. DuBose

Enclosures

CERTIFICATE OF THE SECRETARY
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Robert M. Hitt III, Do Hereby Certify As Follows:

1. I am, as of this date, the duly qualified and acting Secretary of Commerce of the State of South Carolina. I am authorized to execute this certificate on behalf of the South Carolina Department of Commerce (the "Department"), and I am knowledgeable with respect to the matters set forth herein.

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an investment in the State of South Carolina (the "State") by Wanli Tire Corporation Limited (the "Sponsor"). The Sponsor has announced plans to construct facilities in Orangeburg County, South Carolina, for the manufacture of tires (the "Project").

2. The amount hereby requested for allocation to the Department to defray the costs of certain improvements for the benefit of the Project is Forty Million Five Hundred Thousand Dollars (\$40,500,000).

3. Based upon my independent review, I hereby certify that the improvements to be financed with the proceeds of the Economic Development Bonds requested hereby for the benefit of the Project constitutes "infrastructure" as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Infrastructure"). The Infrastructure is further described in Attachment A-1 hereto.

4. Based upon my independent review, I hereby certify that the Project consists of an "investment" (as defined in Section 11-41-30(4) of the Code of Laws of South Carolina, 1976, as amended) by the Sponsor in the Project of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of no fewer than four hundred (400) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). A tentative time schedule setting forth the period of time during which the sum requested hereby is to be expended is shown in Attachment A-2 hereto.

5. A debt service table showing the annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding as of the date hereof, along with pro forma annual principal and interest requirements for the bonds proposed for issuance, is shown in Attachment A-3 hereto.

6. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of Six Hundred Ten Million One Hundred Thousand Dollars (\$610,100,000).

7. Based on my independent review, I hereby certify that I have determined that the construction of the Infrastructure for the benefit of the Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and

thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this 22nd day of May, 2017.

SOUTH CAROLINA DEPARTMENT OF COMMERCE

A handwritten signature in black ink, appearing to read 'R. Hitt', is written over a horizontal line.

Robert M. Hitt III, Secretary
South Carolina Department of Commerce

DESCRIPTION OF INFRASTRUCTURE

Infrastructure Eligible under S.C. Code § 11-41-30(3):

<u>Description</u>	<u>Projected Amount (in Millions)</u>
Site preparation, rail spur, and roadways	\$40.0

TENTATIVE TIME SCHEDULE
SETTING FORTH THE PERIOD OF TIME DURING WHICH
THE SUM REQUESTED IS TO BE EXPENDED

PRELIMINARY – SUBJECT TO CHANGE

<u>Expenditure Period</u>	<u>Projected Expenditures</u>
July 2017 through December 2017	\$24,325,000
January 2018 through June 2018	14,175,000
June 2018 through December 2018	<u>1,500,000</u>
Total	\$40,000,000

DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING
AND PRO FORMA DEBT SERVICE SCHEDULE FOR THE BONDS PROPOSED FOR ISSUANCE

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2017	\$ -	\$ 104,136	\$ 104,136
June 30, 2018	33,810,000	12,462,385	46,272,385
June 30, 2019	28,725,000	11,341,887	40,066,887
June 30, 2020	29,900,000	10,213,699	40,113,699
June 30, 2021	39,660,000	9,086,688	48,746,688
June 30, 2022	47,000,000	7,411,046	54,411,046
June 30, 2023	30,410,000	5,287,899	35,697,899
June 30, 2024	51,500,000	4,197,651	55,697,651
June 30, 2025	29,050,000	2,832,706	31,882,706
June 30, 2026	9,620,000	2,068,686	11,688,686
June 30, 2027	10,005,000	1,695,178	11,700,178
June 30, 2028	10,390,000	1,314,495	11,704,495
June 30, 2029	10,815,000	909,580	11,724,580
June 30, 2030	9,930,000	561,881	10,491,881
June 30, 2031	5,935,000	247,568	6,182,568
June 30, 2032	3,180,000	106,276	3,286,276
Total	<u>\$ 349,930,000</u>	<u>\$ 69,841,762</u>	<u>\$ 419,771,762</u>

*The payments shown in the table above reflect the effect of the defeasance and refunding of certain maturities.

SECTION 11-41-30. Definitions.

As used in this chapter:

(1) "Department" means the State Department of Commerce.

(2)(a)(i) "Economic development project" or "project" means either (A) a project in this State as defined in Section 12-44-30(16) in which a total of at least four hundred million dollars is invested in the project by the sponsor and at least four hundred new jobs are created at the project by the sponsor, or (B) an expansion of an existing economic development project for which economic development bonds have previously been issued, if in connection with the expansion, in addition to and not including the investment made and new jobs created in connection with the existing project for which economic development bonds have previously been issued, a total of at least four hundred million dollars is invested in the project by the sponsor and at least four hundred new jobs are created at the project by the sponsor.

(ii) "Enhanced economic development project" or "enhanced project" means an economic development project for which the sponsor satisfies the jobs and investment criteria set forth in subsubitem (i), and, further, (A) the total investment in the project by the sponsor is not less than 1.1 billion dollars and (B) the total number of new jobs created at the project is not less than two thousand. Subject to the satisfaction of the additional criteria set forth in this paragraph and further subject to Sections 11-41-50(C), 11-41-60, and 11-41-70, an enhanced project constitutes an economic development project for purposes of this chapter.

(b) "Project" also includes a life sciences facility in this State defined as a business engaged in pharmaceutical, medicine, and related laboratory instrument manufacturing, processing, or research and development. Included in this definition are the following North American Industrial Classification Systems, NAICS Codes published by the Office of Management and Budget of the federal government:

(i) 3254 Pharmaceutical and Medical Manufacturing;

(ii) 334516 Analytical Laboratory Instrument Manufacturing.

With respect to a life sciences facility, the sponsor must invest in the project at least one hundred million dollars and create at the project at least two hundred new jobs with an average annual cash compensation level of at least twice the annual per capita income in this State. Per capita income must be determined by using the most recent per capita income data available at the time the request for funding is made pursuant to this chapter.

(c) To qualify as an economic development project defined in subitems (a) and (b) above for purposes of this chapter, the applicable investment and job creation requirements must be attained no later than the eighth year after the project first begins operations.

(d) "Economic development project" or "project" also includes training and research facilities and the necessary equipment therefor, owned by the State or any agency, instrumentality, or

political subdivision thereof, for a program for purposes of providing the necessary trained personnel to support the state's economically vital tourism industry. A project as defined in this subsection is also referred to herein as a "tourism training infrastructure project". A tourism training infrastructure project is not subject to the job creation and capital investment requirements imposed on projects as defined in subsections (a) and (b) above.

(e) "Economic development project" or "project" also includes a national and international convention and trade show center in this State, owned by the State or any agency, instrumentality, or political subdivision thereof. A "national and international convention and trade show center" means a not less than two hundred thousand square foot facility consisting of meeting and exhibit space at which are held major conventions, trade shows, and special events that bring delegates into the State and community including, but not limited to, consumer shows, sporting events, and other meetings. Included in the space requirement is an adjacent facility allowing specific events thereby making additional time and space available for the major conventions, trade shows, and special events contemplated by this definition. However, if any adjacent facility is contemplated or initiated under the terms and conditions of this subitem, these plans must be submitted to the Joint Bond Review Committee for review and comment. A national and international convention and trade show center is not subject to the job creation and capital investment requirements imposed on projects as defined in subsections (a) and (b) above.

(3) "Infrastructure" must relate specifically to, but is not required to be located at, the economic development project and means:

- (a) land acquisition;
- (b) site preparation;
- (c) road and highway improvements;
- (d) rail spur construction;
- (e) water service;
- (f) wastewater treatment;
- (g) employee training which may include equipment used for such purpose;
- (h) environmental mitigation;
- (i) training and research facilities and the necessary equipment therefor.
- (j) buildings and renovations to buildings whether new or existing (i) associated with an economic development project as defined in Section 11-41-30(2) that includes air carrier hub terminal facilities as defined in Section 55-11-500(a), or (ii) located on land that is owned by the State or an agency, instrumentality, or political subdivision thereof.

(4) "Investment" means money expended by the sponsor on capital assets directly related to the economic development project and does not include amounts expended in aid of the project by the State pursuant to this chapter or otherwise, or amounts expended in aid of the project by a county, municipality, or a special purpose district, however financed.

(5) "Sponsor" means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity or any combination of these entities.

(6) "State general obligation economic development bonds" or "economic development bonds" or "bonds" means general obligation bonds of this State issued under the authority of this chapter.

(7) "New job" means a full-time job created in this State at an economic development project. The term does not include a job created when an employee is shifted from an existing location in this State to a new or expanded facility whether the transferred job is from, or to, a project of the sponsor or a related person. A related person includes any entity or person that bears a relationship to the sponsor as described in Section 267 of the Internal Revenue Code of 1986. Full time means a job requiring a minimum of thirty-five hours of an employee's time a week for the entire normal year of sponsor operations or a job requiring a minimum of thirty-five hours of an employee's time a week for a year if the employee was hired initially for or transferred to the project. Two half-time jobs are considered one full-time job. A half-time job is a job requiring a minimum of twenty hours of an employee's time a week otherwise meeting the full-time job requirements.

JOINT BOND REVIEW COMMITTEE**Item Number 3**Meeting of June 6, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Medical University of South Carolina Proposed Lease, 176 Croghan Spur Road, Charleston

The Medical University of South Carolina is requesting approval to continue leasing 7,267 square feet located at 176 Croghan Spur Road in Charleston from R-WINN ALBEMARLE, LLC, R-WINN III ALBEMARLE, LLC, AND ROSS ALBEMARLE, LLC, for its Psychiatry Family Services Research Department.

A solicitation was conducted, and the selected location was the only response. (The response was identical to the renewal term of the existing lease.)

MUSC requests to exercise the renewal term in its current lease which will be for five years beginning August 28, 2017. Base rent for the first year will be \$28.40 per square foot, which includes \$10.73 per square foot for operating expenses. Thereafter, the base rent will increase 1.25 percent per year. MUSC will be responsible for any operating costs exceeding the first year, subject to a cap of 3 percent. The maximum payout including potential operating costs over the five-year term is \$1,067,740. The lease includes sufficient parking surrounding the building.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar space in the Charleston area range from \$34 to \$39 per square foot.

Lease payments will be funded from clinical revenues and facilities and administration cost recoveries. MUSC has reported that there will be no student fee increase associated with the proposed lease. According to the Budget Approval Form submitted, there are adequate funds for the lease.

The lease was approved by the MUSC Board of Trustees on February 10, 2012 (original lease and renewal), and is on June 1 agenda of the Commission on Higher Education.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for Medical University of South Carolina.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated June 6, 2017
- 2) Letter from Rachel Jones, MUSC Leasing Manager, April 25, 2017
- 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: June 6, 2017

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Medical University of South Carolina Lease- 176 Croghan Spur Road in Charleston

3. Summary Background Information:

The Medical University of South Carolina (MUSC) is requesting approval to continue leasing 7,267 square feet (SF) located at 176 Croghan Spur Road in Charleston from R-WINN ALBEMARLE LLC, R-WINN III ALBEMARLE LLC, and ROSS ALBEMARLE, LLC (collectively the "Landlord") for MUSC's Psychiatry Family Services Research Department.

A solicitation was conducted and the selected location was the only response received.

MUSC will exercise the Renewal Term contained in the current lease which shall be for five (5) years beginning on August 28, 2017. Basic rent for the first year of the Renewal Term shall be \$28.40/SF; which includes an allocation of \$10.73/SF for operating expenses. Thereafter, basic rent shall increase annually as detailed in the table below. After the first year of the Renewal Term, MUSC will also be responsible for any operating costs exceeding the initial year allocation, subject to a cap of three (3) percent. As such, the maximum amount the agency could pay over the term is \$1,067,740.30.

	<u>PERIOD</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>	<u>MAX OPERATING COST</u>	<u>TOTAL</u>
YR 1	08/28/2017 to 08/27/2018	\$206,382.84	\$17,198.57	\$ 28.40 rounded	\$0.00	\$206,382.80
YR 2	08/28/2018 to 08/27/2019	\$208,926.24	\$17,410.52	\$ 28.75 rounded	\$2,325.44	\$211,251.68

YR 3	08/28/2019 to 08/27/2020	\$211,542.36	\$17,628.53	\$ 29.11 rounded	\$2,398.11	\$213,940.47
YR 4	08/28/2020 to 08/27/2021	\$214,231.20	\$17,852.60	\$ 29.48 rounded	\$2,470.78	\$216,701.98
YR 5	08/28/2021 to 08/27/2022	\$216,919.92	\$18,076.66	\$ 29.85 rounded	\$2,543.45	\$219,463.37
Total						\$1,067,740.30

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

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

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

The lease contains sufficient free surface parking surrounding the building.

There are adequate funds for the lease according to the Budget Approval Form submitted by the agency. The lease was approved by the MUSC Board of Trustees on February 10, 2012 (original lease and renewal) and the Commission on Higher Education on June 1, 2017.

4. What is JBRC asked to do? Approve the proposed lease for the Medical University of South Carolina at 176 Croghan Spur Road in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Medical University of South Carolina at 176 Croghan Spur Road in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Sections 1-11-55 and 1-11-56
- MUSC Letter Dated April 25, 2017



Office of Space Management Support
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
843-792-5996

April 25, 2017

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

RE: 176 Croghan Spur Road / Lease Renewal Request

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to exercise our option to extend the lease agreement for 176 Croghan Spur Road (#CL003057) expiring August 27, 2017. This lease agreement is for 7,267 rental square feet of space occupied by MUSC Psychiatry Family Services Research Department. The MUSC Board of Trustees approved the initial lease term and extension(s) at their February 2012 board meeting, agenda and approval attached.

MUSC requests this lease extension be presented to the JBRC June 6th and the SFAA June 13th for approval. A request to the Commission on Higher Education has also been made for approval at their June 1st meeting.

Requested Lease Term:

Lease Term: 5 Years
Square Footage: 7,267
Lease Type: Full Service

Rent for Total Term: \$1,058,002.56

Yr 1:	\$206,382.84	\$28.40 sf rounded
Yr 2:	\$208,926.24	\$28.75 sf rounded
Yr 3:	\$211,542.36	\$29.11 sf rounded
Yr 4:	\$214,231.20	\$29.48 sf rounded
Yr 5:	\$216,919.92	\$29.85 sf rounded

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager

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.

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.

JOINT BOND REVIEW COMMITTEE

Meeting of June 6, 2017

Item Number 4

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: State Ethics Commission Proposed Lease, 201 Executive Center Drive, Columbia

The State Ethics Commission is requesting approval to lease 7,919 square feet of office space located at 201 Executive Center Drive in Columbia from SNH Medical Office Properties Trust. The agency has been in its current location for 29 years; however, the property has been sold and the agency must move.

A solicitation was conducted, and two responses were received. The selected location does not represent the lowest bid; however, the other response was eliminated due to inadequate parking and security concerns.

The term of the proposed lease will be ten years beginning upon completion of renovations by the landlord, which expected to be August 1, 2017. The rate will be \$15.00 per square foot (\$0.65 less than the rate at the current location) for the first year. Thereafter, the rate will increase approximately 3.2 percent annually, for a total payout of \$1,377,520 over the ten-year term. All operating costs and ample parking are included in the rent.

The landlord will provide an improvement allowance of \$36.00 per square foot. In addition, the landlord for the current location is providing a buy-out package of \$84,050 to cover moving costs, cabling, and reimbursement for a security system that was installed by the agency.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar space in the area range from \$16.00 to \$18.50 per square foot.

Lease payments will be funded from the agency's state appropriations and earmarked funds. According to the Budget Approval Form submitted, there are adequate funds for the lease.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the State Ethics Commission.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated June 6, 2017
- 2) Letter from Steven W. Hamm, Interim Executive Director, State Ethics Commission, dated April 26, 2017
- 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: June 6, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: State Ethics Commission Lease- 201 Executive Center Drive in Columbia

3. Summary Background Information:

The State Ethics Commission is requesting approval to lease 7,919 square feet (SF) located at 201 Executive Center Drive in Columbia from SNH Medical Office Properties Trust (the "Landlord").

The agency has been in its current space for twenty-nine years but must move due to sale of the building. A solicitation was conducted and two responses were received. The selected location does not represent the lowest bid; however, the other bid received was eliminated due to inadequate parking and security concerns.

The space will accommodate current staff and provide additional square footage for a large public hearing room and future growth. The term of the lease shall be for ten (10) years beginning upon completion of renovations by the Landlord, which is anticipated to be August 1, 2017. Basic rent for the first year shall be \$15.00/SF, which is \$0.65/SF less than their current location. Thereafter, basic rent shall increase annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER RSF</u>
YEAR 1	\$ 118,785.00	\$ 9,898.75	\$ 15.00
YEAR 2	\$ 122,645.52	\$ 10,220.46	\$ 15.49 Rounded
YEAR 3	\$ 126,631.44	\$ 10,552.62	\$ 15.99 Rounded
YEAR 4	\$ 130,746.96	\$ 10,895.58	\$ 16.51 Rounded
YEAR 5	\$ 134,996.28	\$ 11,249.69	\$ 17.05 Rounded
YEAR 6	\$ 139,383.72	\$ 11,615.31	\$ 17.60 Rounded
YEAR 7	\$ 143,913.60	\$ 11,992.80	\$ 18.17 Rounded
YEAR 8	\$ 148,590.84	\$ 12,382.57	\$ 18.76 Rounded
YEAR 9	\$ 153,420.00	\$ 12,785.00	\$ 19.37 Rounded
YEAR 10	\$ 158,406.24	\$ 13,200.52	\$ 20.00 Rounded

All operating costs are included in the rent. As such, the maximum amount the State Ethics Commission could pay over the term is \$1,377,519.60.

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

Tenant	Location	Rate
Vacant	121 Executive Center Drive	\$16.00/SF
Vacant	107 Westpark Boulevard	\$17.00/SF
Vacant	140 Stoneridge Drive	\$16.50/SF
Vacant	2000 Center Point Road	\$18.50/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q1 2017 report indicates an average rate of \$22.72/SF in the Columbia Business District and \$16.48/SF in the greater Columbia area.

The Landlord is providing a tenant improvement allowance of \$36.00/SF. The lease also contains sufficient free surface parking surrounding the building. Additionally, the landlord for the agency's current location (which is being sold) is providing the agency a buy-out package of \$84,050 to cover moving costs, cabling, and reimbursement for a security system installed by the agency at that location.

There are adequate funds for the lease according to the Budget Approval Form submitted by the agency.

4. **What is JBRC asked to do?** Approve the proposed lease for the State Ethics Commission at 201 Executive Center Drive in Columbia.

5. **What is recommendation of the Department of Administration?** Approve the proposed lease for the State Ethics Commission at 201 Executive Center Drive in Columbia.

6. **List of Supporting Documents:**

- SC Code of Laws Sections 1-11-55 and 1-11-56
- State Ethics Commission Letter Dated April 26, 2017

State of South Carolina
State Ethics Commission



5000 THURMOND MALL, SUITE 250
COLUMBIA, S.C. 29201

STEVEN W. HAMM
INTERIM EXECUTIVE DIRECTOR

April 26, 2017

Ms. Ashlie Lancaster
SC Dept. of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Synergy Business Park – Aiken Building
Lease for 201 Executive Center Drive, Columbia, SC

Dear Ms. Lancaster:

The State Ethics Commission (Commission) requests approval by the State Fiscal Accountability Authority (SFAA) of a 10 year office lease with NAI Avant (on behalf of RMR Group) for approximately 7,919 square feet of office space at 201 Executive Center Drive in Columbia at Synergy Business Park. The Commission must move from its current office space due to the fact that the building in which the Commission is located has been sold. The Commission has occupied its current office space for 29 years and its suitability for the Commission has diminished over recent years due to the fact that we do not have sufficient space to properly accommodate our existing staff.

Two proposals were received in response to the solicitation made by Real Property Services, with both meeting the minimum space requirements. Site visits were made to the two properties by Commission staff.

Among our considerations were:

- The location of the property will be easily accessible from several major highways entering and leaving Columbia by members of the public, staff, and Commission members.
- Availability of free parking for the public, staff and Commission members.
- Reasonable proximity to downtown Columbia and the Capital Complex.

Ms. Ashlie Lancaster

April 26, 2017

Page 2 of 2

- Sufficient space to provide for potential future agency staff additions due to the ongoing impact of legislation enacted by the General Assembly expanding the official responsibilities of the Commission and staff.
- The proposed Aiken Building can be configured to provide for a suitably sized public hearing room for Commission meetings and formal hearings. The current hearing room space used by the Commission is very small and provides extremely limited space for members of the public and also serves as a storage room and a staff office.

On behalf of the Commission, I would deeply appreciate your help and assistance in facilitating all required approvals to authorize the Commission to relocate to 201 Executive Center Drive, Columbia, SC as soon as reasonably possible.

Respectfully,



Steven W. Hamm
Interim Executive Director

SWH:arf

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

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(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.

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(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

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(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.

AGENCY: Department of Administration, Capital Budgeting Office

PROJECT/SUBJECT: University of South Carolina, Classroom/Laboratory
Redevelopment

The University of South Carolina is requesting approval for full design and renovation of the former Law Center for use as classroom and laboratory space. The project was begun with a \$3.5 million appropriation in Act 93 of 2015 (Capital Reserve Fund appropriation bill). The remainder of the funding for the project will be State Institution Bonds.

Permanent Improvement Project

The scope of the project includes (1) abatement of asbestos in the entire 193,973 square-foot building where necessary, (2) renovation and fully upfitting 85,000 square feet for use as classrooms, laboratories, and public areas for use by the College of Arts and Sciences, and 3) renovation of 92,000 square feet as shell space for future academic upfitting. (The remaining 17,000 square-foot auditorium area will not be affected by the renovation and will remain functional as an auditorium and large classroom.) The project will address maintenance issues of the 44-year-old facility as well as academic programming needs and lab shortages resulting from increased enrollment.

The facility will be renovated to meet LEED Silver Certification standards with projected operating savings of \$7,099,412 over a 30-year period. USC projects annual operating savings of \$42,342 when the project is complete.

This request will add \$43,495,000 to the project, bringing the total cost to \$46,995,000. The source of funds for the project is \$3,500,000 in a CRF appropriation and \$43,495,000 from State Institution Bonds.

USC projects September 2017 for execution of the asbestos abatement contract, January 2018 for execution of the construction contract, and completion of the project by August 2019 (to meet the needs of 2019-20 academic year).

The project was approved by the Commission on Higher Education on May 11, 2017.

State Institution Bonds

USC is requesting issuance of not exceeding \$45,000,000 in General Obligation State Institution Bonds to cover the construction of the permanent improvement project, reimburse the University for expenses incurred in anticipation of the Bond issuance, and pay expenses associated with issuance of the Bonds.

The South Carolina Constitution authorizes the issuance of general obligation bonds for state higher education institutions provided the bonds are secured by a pledge of revenues derived

from the tuition fees of the institution. The maximum annual debt service may not exceed 90% of the tuition fees received for the fiscal year. Title 59, Chapter 107, of the South Carolina Code of Laws requires the State Treasurer to set aside the tuition fees to pay the debt service.

The term of the proposed bond issuance is 20 years. USC's tuition fees totaled \$28,902,776 for the fiscal year which ended June 30, 2016. Exhibit A reflects the debt service requirements for all of USC existing and proposed State Institution Bonds; the maximum composite debt service is \$18,803,676. Holding FY 2015-16 revenues constant, the debt service is projected to range from 10% to 65% of pledged revenues (Exhibit B).

While the project is not expected to result in any quantifiable additional revenue, it will allow USC to continue accommodating enrollment growth in the College of Arts and Sciences.

USC reports that the current tuition levels are sufficient to pay the debt service, and no student tuition or fee increase will be required for the project.

Pursuant to Article X, Section 13, of the South Carolina Constitution and Section 59-107-100 of the South Carolina Code of Laws, the full faith, credit, and taxing power of the State will be pledged to pay the principal and interest on the bonds.

Information regarding USC issuance of General Obligation State Institution Bonds is provided in accordance with JBRC policy adopted October 7, 2014, and amended on September 13, 2016.

COMMITTEE ACTION:

Review and make recommendation regarding the University of South Carolina's request for Phase II, Full Design and Renovation of the former Law Center to house the College of Arts and Sciences classrooms and laboratories funded in part with the issuance of not exceeding \$45,000,000 in General Obligation State Institution Bonds.

ATTACHMENTS:

- 1) Department of Administration Agenda Item Worksheet dated June 6, 2017
- 2) A-1, A-49, Questionnaire, and LEED Cost-Benefit Analysis
- 3) Letter from Pope Flynn Law Firm, dated May 2, 2017 (including Bond Information Report and Exhibits A and B)

AVAILABLE UPON REQUEST:

- 1) Article X, Section 13, of the South Carolina Constitution
- 2) Title 59, Chapter 107, of the South Carolina Code of Laws

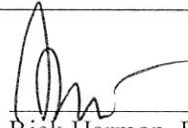
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 6, 2017

Regular Agenda

1. Submitted By:

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



Rick Harmon, Director, Capital Budgeting Office

2. Subject: University of South Carolina-Columbia - Classroom/Laboratory Redevelopment

3. Summary Background Information:

To establish the construction budget for the renovation of the former Law Center for the adaptive reuse of the facility to provide additional classrooms and laboratory space. This project was included in their FY17 CPIP with the priority 2 of 8. This project was established in February 2016 as a legislatively authorized project to complete pre-design work and funded with \$3,500,000 in FY15-16 Capital Reserve Funds. The pre-design work is now complete. The renovation will include the complete abatement of asbestos-containing materials and the removal of lead-based paint. A significant portion of the project will address maintenance needs and enhance energy efficiency since much of the original mechanical, electrical and plumbing are at the end of their serviceable life and will be replaced. Associated site work will include underground utilities, parking and pedestrian hardscape and replacing existing parking with green space. Three floors in the west tower will be upfitted for 17 instructional science labs, classrooms, office and student study spaces. A portion of the 193,973 gross square foot building will be retained as shell space for the future upfit of classrooms and faculty offices. The upgrades and replacements in this project will address maintenance needs within the existing 44 year old facility that was constructed in 1973. The renovation will also address academic programming needs and laboratory shortages resulting from increases in enrollment. The facility will be utilized by the College of Arts and Sciences to conduct science teaching labs, specifically various levels of chemistry. The facility will be renovated to meet LEED Silver certification standards with an estimated cost savings of \$7,099,412 over a 30 year period. The agency estimates that the completed project will cost approximately \$46,995,000 with additional annual operating cost savings of \$2,342 in year 1 and \$42,342 in years 2 and 3. The agency also reports the projects date for execution of the construction contract is January 2018 and for completion of construction is August 2019.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II and bond authorization.

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

The EBO has determined that the item is complete and ready for JBRC review.

6. List of Supporting Documents:

- a) Permanent Improvement Project Phase II Project approval
- b) Bond Authorization

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

RECEIVED MAY 03 2017

KG

(For Department Use Only)

8-2017(A)

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY Code H27 Name USC Columbia
 Contact Person Derek S. Gruner Phone (803)777-1184

2. PROJECT Project # 6118 Name Classroom/Laboratory Redevelopment
 Facility # 085 Facility Name Law Center

County Code	40 - Richland
New/Revised Budget	\$46,995,000.00

Project Type	3 - Repair/Renovate Existing Facilities/Systems
Facility Type	2 - Program/Academic

3. CIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CIP priority number 2 of 8 for FY 16/17

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project		Decrease Budget		Close Project	
Establish Project - CIP		Change Source of Funds		Change Project Name	
Increase Budget	<input checked="" type="checkbox"/>	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 documentation/maps to fully convey the need for the request.)

ACTION: Increase Budget and establish the construction budget.

DESCRIPTION: Establish project for construction and increase budget to fund the renovation of the former Law Center for the adaptive reuse of the facility to provide additional classrooms and laboratory space. The renovation will include the complete abatement of asbestos-containing materials and the removal of lead-based paint. A significant portion of the project will address maintenance needs and enhance energy efficiency since much of the original mechanical, electrical and plumbing are at the end of their serviceable life and will be replaced. Associated site work will include underground utilities, parking and pedestrian hardscape and replacing existing parking with green space. Three floors in the west tower will be upfitted for 17 instructional science labs, classrooms, offices and student study spaces. A portion of the 193,973 gsf building will be retained as shell space for the future upfit of classrooms and faculty offices.

JUSTIFICATION: The upgrades and replacements described in this project will address maintenance needs within the existing facility. The renovation will also address academic programming needs and laboratory shortages resulting from increases in enrollment.

BUDGET: The total projected project budget is \$46,995,000.

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: February 2016 Estimated Completion Date: August 2020
 Estimated Expenditures: Thru Current FY: \$500,000.00 After Current FY: \$46,495,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

6118

1. _____	Land Purchase ---->	Land: _____	Acres _____
2. _____	Building Purchase ---->	Floor Space: _____	Gross Square Feet _____
3. 3,717,130.00	Professional Services Fees		
4. 650,000.00	Equipment and/or Materials ---->	Information Technology	\$350,000.00
5. _____	Site Development		
6. _____	New Construction ---->	Floor Space: _____	Gross Square Feet _____
7. 40,037,750.00	Renovations - Building Interior ---->	Floor Space: 193,973	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. 482,870.00	Other: Dept Relocation Expenses (\$250k), Abatement		
18. 2,107,250.00	Contingency		

\$46,995,000.00 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: _____

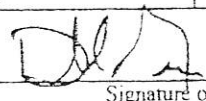
Cost Breakdown:

Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ 232,870.00
Total Costs	\$ 232,870.00

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		43,495,000.00	43,495,000.00 0.00		8111	28800100	4000	3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund	3,500,000.00		3,500,000.00 0.00		8895	50300402	3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify)			0.00 0.00 0.00			98800100		3907
TOTAL BUDGET	\$3,500,000.00	\$43,495,000.00	\$46,995,000.00					

10. SUBMITTED BY:



Director, Planning and Programming

Signature of Authorized Official and Title

April 6, 2017

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 H27 Name University of South Carolina - Columbia

2. PROJECT
 Project # 6118 Name Classroom/Laboratory Redevelopment

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) FY20	\$ 2,342	\$		\$ 2,342
2) FY21	\$ 42,342	\$		\$ 42,342
3) FY22	\$ 42,342	\$		\$ 42,342

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

No "Other" sources will benefit from the savings.

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

The savings will be absorbed into our existing budget.

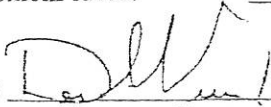
7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS	AMOUNT	
	Current Costs	Future Costs
1. <u>Custodial Staff Services and Supplies</u>	\$135,780	\$194,256
2. <u>Maintenance Staff Services and Supplies</u>	\$339,451	\$218,541
3. <u>Landscaping Staff Services and Supplies (No change)</u>		
4. <u>Waste Management</u>	\$19,397	\$8,100
5. <u>Utilities</u>	\$474,905	\$550,883
6. <u>Administrative Support</u>	\$77,589	\$33,000
7. <u>One time Equipment (reported in FY20 only)</u>		\$40,000
8. <u>Totals</u>	\$1,047,122	\$1,044,780

TOTAL DIFFERENCE BETWEEN CURRENT AND FUTURE* **\$2,342 (SAVINGS)**

*TOTAL DIFFERENCE BETWEEN CURRENT LAW CENTER AND FUTURE CLASSROOM/LABORATORY REDEVELOPMENT

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

9. Submitted By:  Director, Planning and Programming 5/9/2017
 Signature of Authorized Official and Title Date

+ PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE II CONSTRUCTION BUDGET

1. What is the total projected cost of the project and what is it based on? Please attach a summary of the costs prepared during the A&E pre-design phase to support the total cost.

The total projected cost of the project is \$46,995,000 based on a detailed cost estimate prepared during the pre-design phase. A cost summary and a detailed construction estimate are included with the Phase II submittal.

2. What is/are the source(s) of funds for the construction? If any private or federal funds are included, please attach a letter guaranteeing the availability of the funds.

If the state adopts a Capital Improvement Bond Bill during this legislative cycle, the funding will be:

Capital Reserve Funds (FY2016) -	\$ 3,500,000
Capital Improvement Bonds -	\$25,000,000
State Institution Bonds -	\$18,495,000

Should a Capital Improvement Bond not materialize this year, the University must move forward with the Classroom/Laboratory Redevelopment so that the space can be occupied in Fall 2019 following the renovation. Fund sources would be:

Capital Reserve Funds (FY2016) -	\$ 3,500,000
State Institution Bonds -	\$43,495,000

3. What is your agency/institution's definition of each fund source to be used for construction? (If any type of fee makes up a portion of the source, what is the fee called, what is the fee amount, and when it was put in place. If there is a statutory authority authorizing the use of the funds for capital projects, please cite the code section.)

Capital Reserve Funds were provided by the Legislature in the 2016 fiscal year. If available in this legislative cycle, Capital Improvement Bonds would be supported entirely by the State. The University will issue State Institution Bonds which are backed by the full faith and credit of the State of South Carolina and are issued under the state's AAA credit rating. The debt service for State Institution Bonds is the student tuition fees collected each semester. The State Institution Bond statute is Title 59, Chapter 107 of the South Carolina Code of Laws.

4. What is the current uncommitted balance of funds for each source listed in 3 above?

All of the \$3,500,000 of Capital Reserve funds allocated in FY2016 are committed to the classroom/laboratory project. The University has capacity to issue more than \$100M in additional State Institution Bond debt. Additionally, at the end of FY2016, the University reduced annual debt service by \$2.5M as a previous issuance was paid off in full.

5. If institution or revenue bonds are included as a source, when were the bonds issued? If not issued yet, when is the bond resolution expected to be brought for SFAA approval?

The bond resolution will be brought for SFAA approval at the June meeting. The University's intent is to issue debt this summer in conjunction with another institution. With rising interest rates, it will be prudent to issue the debt soon.

6. If a student fee is used to fund debt service, what is the current amount of the fee annually or by semester? Please specify which.

Undergraduate – Semester

Resident - \$301.50 per semester

Non-Resident - \$684.50 per semester

Graduate

Resident - \$301.50 per semester

Non-Resident - \$301.50 per semester

7. Will the use of any funds for construction require an increase in any student fee or tuition? If so, please explain in detail.

This issuance can be achieved within current capacity and does not require an increase in student tuition and fees.

8. Will the project be LEED certified for energy savings and conservation and if so, at what level will it be certified? For projects requiring or using LEED certification, please attach the required cost-benefit analysis and a checklist of items to be used to achieve LEED points or a description of the energy measures to achieve LEED.

The project will be LEED certified.

9. What energy savings/conservation measures will be implemented within the project if the project will not be LEED certified? For projects that do not require/use LEED, please provide a paragraph on energy savings measures to be implemented as part of the project. If there are no energy savings measures included, please state that and explain why.

The project will be LEED certified, so no response is offered for this question.

10. What is the projected date (month and year) for execution of the construction contract?

Asbestos abatement contracting is scheduled to be completed in September of 2017. The building renovation will be contracted in January 2018.

11. What is the projected date (month and year) for completion of construction?

Completion of construction is projected for August of 2019 to meet the needs of the 2019/2020 academic year.

12. What program(s) are to be included in the constructed or renovated space?

The College of Arts and Sciences will conduct science teaching labs, specifically various levels of chemistry.

13. What is the total square footage of the building to be renovated or constructed?

The total square footage of the building is 193,973 gsf.

14. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

Approximately 85,000 GSF will be abated, renovated and fully upfitted for labs, lab support spaces, classrooms and public areas including the building lobby. Approximately 92,000

GSF will be abated and renovated as a shell space prepared for future academic upfitting. The remaining 17,000 GSF resides in the auditorium area which is not directly affected by the renovation, does not require abatement, and will remain functional as an auditorium and large classroom.

15. What is the current age of the building or building systems to be renovated?

The building was completed in 1973. The current age is 44 years old.

16. If any new space is being added to the facility, please provide demand/usage data to support the need.

No new space is being added to the facility.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or the entire building? (Answer for as many as are applicable.)

Several thousand students will occupy the building on a daily basis.

18. If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase?

The construction cost did not increase significantly from the internal estimate (30% or more).

19. If the contingency is more than 10%, please explain why.

The contingency is not more than 10%.

20. If funds are being transferred from another project, what is the current status of the project from which funds are being transferred?

No funds are being transferred from another project.

21. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

The project is included in year 1 of the 2016 CPIP.

22. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

This project will provide economic activity through the construction project. Construction creates and/or retains jobs in three ways: 1) it creates direct jobs that are involved in the construction project; 2) it creates indirect jobs through the manufacturing of building materials and systems and the provision of key services in areas like design professions, legal, and accounting services; and 3) it creates induced jobs in other service areas whereby income from the first two categories is spent on goods and services in other areas of the economy. It is estimated that this project will generate 940 jobs.

23. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Maintenance will be funded from the Education and General Maintenance Reserve and through the annual budget for Operations and Maintenance.

24. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

Education and General (E&G) Maintenance Reserve. At this time, there is no uncommitted balance in the E&G Maintenance Reserve Fund account after factoring in all planned projects. The E&G Maintenance Reserve Fund is replenished annually through student fees of \$40 per student per semester. The E&G Maintenance Reserve revenues total \$2.4M annually.

Institutional Capital Project Funds (ICPF) are the excess of debt service funds provided to the State Treasurer's Office to cover State Institution Bond debt service but returned to the University annually. These funds are identified for capital renewal and large renovation projects in the University's five year plan. There is no uncommitted balance at the end of the five year plan. ICPF was \$9.2M for FY2016. This will increase for FY2017 due to a reduced debt service for a prior issuance paid in full, but will decrease following issuance of the debt for this classroom/laboratory facility.

25. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

The funding of maintenance is described in the answers to questions 23 and 24.

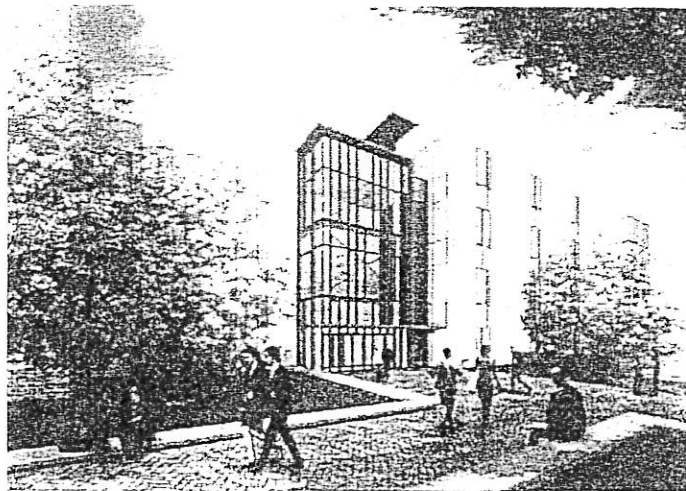
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|------|---|--------------|
| (24) | H59 - State Board for Technical and Comprehensive Education
Central Carolina Technical College - Kershaw Campus | \$ 1,500,000 |
| (25) | H59 - State Board for Technical and Comprehensive Education
Denmark Technical College - Building #200 and #300 Renovations | \$ 1,400,000 |
| (26) | H59 - State Board for Technical and Comprehensive Education
Technical College of the Lowcountry - New River Campus Road Improvements | \$ 500,000 |
| (27) | H09 - The Citadel
Byrd Hall Organic Chemistry Lab Renovation | \$ 1,355,300 |
| (28) | H12 - Clemson University - Education and General
Business and Behavioral Science Building | \$ 5,000,000 |
| (29) | H15 - University of Charleston
Stern Center Repurposing | \$ 1,750,000 |
| (30) | H21 - Lander University
Montessori Education Building | \$ 1,000,000 |
| (31) | H27 - University of South Carolina - Columbia Campus
Old Law School Renovation | \$ 3,500,000 |
| (32) | H27 - University of South Carolina - Columbia Campus
South Caroliniana Library | \$ 5,000,000 |

PHASE II SUBMITTAL



UNIVERSITY OF
SOUTH CAROLINA

CLASSROOM/LABORATORY REDEVELOPMENT University of South Carolina



SC State Project No: H27-6118-FW

06 April 2017



EYP/

ARCHITECTURE

1. Project Overview

The University of South Carolina has planned a major phased renovation of the Old Law Center, transforming it into a new academic teaching center for undergraduate science labs and other future academic space. The 45-year old precast clad building is located southwest of the Horseshoe at the University's main campus in Columbia, South Carolina. During the first construction phase, the project scope includes complete interior demolition and hazardous material abatement of the existing Old Law Center, upfitting of three floors of major chemistry labs, a renovated and enlarged lobby with student study spaces, exterior improvements to address building envelope maintenance needs, and complete mechanical, electrical, plumbing, and fire protection systems replacement to address infrastructure maintenance needs.

Architectural and building systems are expected to meet the standard of quality for a leading, academic institution's long-term use. The exterior materials and construction are to be a 100-year standard and the interior materials and construction are to be a 50-year standard while allowing for flexibility and modification as program requirements change. The new construction is to be of durable materials and finishes with low maintenance requirements. Sustainable design strategies and materials will be incorporated to support a healthy facility. The scope of work, per building sector, consists of the following:

A. West Tower

1. New elevators, egress stairs, toilet rooms, janitor closets, electrical rooms, and telecommunications distribution rooms at every level.
2. Three floors of chemistry teaching labs, lab prep rooms, classrooms, computer rooms, and student study spaces. (Levels Two, Three, and Four)
3. Two floors outfitted with emergency lighting, fire alarm, automatic sprinkler system, exhaust shafts, and perimeter heating and cooling, in anticipation of future research or teaching labs. (Levels One and Five)
4. Renovated loading area and materials receiving dock. (Basement Level)
5. New Materials Management Suite for supporting teaching labs and future research programs (Level One)
6. New rooftop mechanical equipment, penthouse enclosure at elevator override and mechanical equipment room, and screenwall enclosure. The mechanical equipment is sized and provided for the future labs.

B. East Tower

1. A warm shell outfitted with emergency lighting, fire alarm, automatic sprinkler system, and perimeter heating and cooling to accommodate future academic upfitting.
2. New elevator, an accessible toilet room, janitor closets, electrical rooms, and telecommunications distribution rooms at every level.

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3. New rooftop mechanical equipment and screenwall enclosure.
The mechanical equipment is sized and provided for future classrooms and offices.

4. New egress stair between levels 1 and 2, providing access to Atrium from north (Devine Street) entrance.

C. Auditorium

1. It is anticipated that the existing auditorium shall remain as is and may operate during phase 1.
2. Temporary partitioning will be provided, separating the Auditorium and the East Tower, while providing access to toilet rooms.

D. Renovated lobby

1. Renovated lobby to be increased to either two or three floor levels in height, with connecting communicating stair and sky bridges connecting levels three and four.
2. Includes a small food service area and student study spaces at level two, the main building entrance.
3. Features natural lighting over the stair at the main lobby space, new roof, and new structural framing.
4. North and south entrances are glazed curtainwall system.

E. Exterior Improvements (West Tower)

1. At the northwest corner, a new extended glazed aluminum curtainwall system accentuates and opens up the corner, providing natural light to the corridor end where the study space occurs.
2. Enlarging existing window openings at the North and South facades at student study spaces.
3. Replacement of existing windows with new fixed glazed aluminum windows with low-E coating, optimal U-value, and reduced solar heat gain coefficient for energy efficiency and operational cost savings.

F. Site Improvements

1. Proposed site upgrades are anticipated at the northeast site quadrant, where the existing parking lot will be significantly downsized and converted to green space. Fourteen total parking spaces shall be located between the Church and the proposed green space renovation, including the relocation of eight accessible parking spaces currently on site. A new accessible pedestrian sidewalk shall connect the corner of Main and Greene Streets to the north entry plaza and main building entrance.
2. At the south atrium entrance, located along Devine Street, a new exterior stair and plaza paving restoration is anticipated. Due to existing grades, this entrance is not accessible.
3. Reconfiguration of sidewalk and landscape planting strip at north curb of Green Street.

5. Exterior Architectural Materials

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Refer to the schematic architectural elevations for the proposed scope and materials indicated.
Below is a descriptive summary of the exterior architectural materials to be utilized.

A. Glazed Aluminum Curtainwall System

1. Provide aluminum framed wall system at the northwest and southwest corners of the West Tower where student study spaces are located.
2. Provide aluminum framed unit window systems at enlarged window openings along the North and South facades. Framing will be 2 ½" x 6" with one vertical mullion snap cap of 3" x 6".
3. At the new atrium, provide aluminum framed curtain wall system at the north and south entrances. Doors at prominent locations and entrances to be aluminum and glass doors. Include glazed entrance doors with tempered, laminated glass for full height and partial height vision panels. Include locksets and closer, and automatic openers for accessibility.
4. Curtain Wall Framing shall be standard 2 ½" x 6" framing at single story spans; 2 ½" x 10 ½" framing (steel-reinforced) at multi-story spans (i.e. Atrium). Horizontals at the sill shall be ¾" x 2 ½" snap caps and horizontals at floor lines shall be double 6" x 2 ½" snap caps. Verticals consists of 3" x 3" and 3" x 6" snap caps. Corners at curtain wall assemblies shall be butt glazed.
5. Finish system at all exterior aluminum and interior metal panels at atrium to be 3-coat metallic PVDF finish system. Basis of design is PPG Duranar XL, color: Champagne Bronze.

B. Doors, Windows, Louvers, and Glazing

1. Glazing: 1" insulated glazing with low-E coating, Solar Heat Gain Coefficient (SHGC) of 0.39, insulating performance, and a winter nighttime U-value of 0.29. Basis of design product is SolarBan 70XL, clear, by PPG.
2. Windows: As an alternate cost item, new replacement windows (at existing single slot windows) shall be priced for the building's north, south, and west facades. Aluminum windows shall be fixed units, similar to EFCO 6711 series windows, thermally broken, with extruded aluminum framing.
3. Louvers: Provide 4" deep, drainable blade, aluminum louvers with three-coat custom Kynar finish, to match window system.
4. Exterior Doors: All types of exterior doors shall be insulated. Existing roll-up overhead coiling doors shall remain and be refinished. Exterior stair egress doors shall be painted galvanized hollow metal doors and frames.

C. Roofing

1. The existing roof is relatively new and shall be protected during construction.
2. Roof curbs shall be installed on the East and West Towers for new mechanical rooftop equipment. At the East Tower, the existing roofing system shall be modified to accommodate the new curbs and screen wall structural supports.

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3. Primary and overflow roof drainage shall be provided by existing internal roof drain system. Walkway pads shall be provided for access to rooftop mechanical equipment.

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Exposed flashing and metal work to be copper where visible and stainless steel in other locations. One enclosed internal stairwells will extend to roof to provide access to and maintenance of mechanical equipment. A davit system will be provided to lift equipment from Level Five up to the Roof if needed.

4. Sheet metal flashing and trim includes counterflashing, cap flashing, step flashing at vertical surfaces, reglets, and accessories to be stainless steel unless noted otherwise.

D. Screen Wall Enclosure

1. A ribbed aluminum panel system, with open ventilation area (louver) integrated into the rib profile and 3-coat metallic PVDF finish system matching the aluminum glazing systems, shall be fabricated and installed. Basis of design product is Centria Concept Series screen panels and Centria Profile Series Louvers. Screen walls shall enclose roof top mechanical equipment such as air handling units and exhaust fans. The screen wall shall require a galvanized steel support structure.
2. Fall arrest safety anchors will be provided along the screenwall at the West Tower. The East Tower has existing fall safety arrest anchors that will remain in place.

6. Interior Architectural Materials

Refer to the schematic architectural plans and sections for the proposed scope and materials indicated. Below is a descriptive summary of the interior architectural materials to be utilized.

A. Metals

1. Metal components include steel railings and handrails, ladders, camera equipment supports, and ornamental metal handrails and railings at prominent locations.
2. At the open atrium stair, provide stainless guardrail/handrail system with stainless steel woven wire mesh infill panels. Wire mesh basis of design is Banker Wire
3. At egress stairs, provide pre-fabricated metal stairs, resilient treads and nosings, and painted 2" x 2" mesh panels at railings. Provide painted handrail and guardrail cap.
4. Exposed structure (i.e. vertical columns & diagonal bracing in Atrium) shall be finished with intumescent paint to provide required fire rating.

B. Wood, Plastics, and Composites

1. Rough Carpentry: Provide lumber, soft plywood, rough hardware, blocking, nailers, and furring as necessary to complete work.
2. Lab Casework: Provide cabinetry, countertops, backsplashes, tables, and other carpentry to fulfill building program requirement. Provide custom grade wood veneer cabinetry, quarter-sawn beech, and medium gray epoxy countertops. Casework hardware shall include wire pulls, concealed hinges, full extension drawer slides, adjustable shelf standards, supports, cabinet locks, glides, and levelers. Refer to Lab Design narrative for additional information.



3. Architectural Millwork: Provide cabinetry, countertops, backsplashes, mailboxes, paneling, displays, shelving, seating area, tables, desks, and other carpentry and wood items to fulfill building program requirements. Provide custom grade wood veneer cabinetry, and solid surface countertops. Millwork hardware shall include wire pulls, concealed hinges, full extension drawer slides, adjustable shelf standards and supports, cabinet locks, clothes rods, glides, and levelers.
4. Window Sills: Provide solid surface window sills.
5. Blocking: Provide blocking as necessary for support and anchoring where typically required including handrails, millwork, telecommunications and AV equipment, display boards, chalkboards, etc.

C. Interior Aluminum Framed Storefront

1. Provide aluminum framed glazed storefront at labs, classrooms, seminar rooms, study areas, faculty and department offices. Include glazed entrance doors with tempered, laminated glass for full height and partial height vision panels. Include locksets and closer. Basis of design: DIRT, Wilson, Raco or equal. System to include brushed aluminum head and shoe with vertical silicone butt joints.

D. Doors, Frames, and Hardware

1. Doors: For typical door openings, provide wood veneer doors. Basis of design product is Marshfield Signature Series wood veneer doors, quarter sawn beech. For large openings adjacent to the atrium, one-hour fire-rated accordion doors by Won Door shall be utilized.
2. Door Frames: At lab area, door frames to be brushed aluminum (DIRT, Wilson, Raco or equal. At other locations, frames to be painted hollow metal, fully welded.
3. Door Hardware: Provide mortise locksets, hinges, closers, electric strikes, and other appurtenances as required for a complete and functional system. Door and window hardware to be coordinated with the University's standards for access and maintenance. Finishes to be satin chrome at typical locations, and stainless steel at exterior openings. Custom hardware may be included at prominent locations. Provide hold-open devices as required. Provide ADA-approved power door operators at main entry locations. Card pass access will be required at select locations.

E. Glazing

1. 1/2" clear tempered glazing with aluminum storefront systems, and 3/4" clear glazing at door vision panels.
2. Provide tempered glazing at sidelights and interior windows, as required by code.

F. Finishes

The interior finishes are to be a quality expected for a prominent institutional facility with low maintenance requirements. Material selected will promote a comfortable, attractive, healthy, and vibrant atmosphere and to be high in recycled content. Interior paints,



adhesives, sealants, carpeting, and woods to be low-emitting materials (low VOC). Provide local and regional materials, as best possible.

1. Gypsum Board:

Interior partitions for paint finish are typically 5/8" gypsum board with Level 4 finish, (Level 5 at lobbies, corridors, and prominent locations), on 20 gage minimum metal studs and acoustic batt insulation. Extend partitions to underside of slab except where noted. Provide Type X gypsum board where rating is required. Provide water resistant gypsum board at toilet rooms, cafe, and other moist areas. At corridors, teaching areas, and acoustically sensitive zones, provide two layers of gypsum board on each side of studs with acoustic batt insulation. At the building perimeter, provide 5/8" gypsum board over 3-5/8" metal studs with R 20 batt insulation.

2. Tile:

In toilet rooms, provide porcelain paver tiles for floor; glazed, ceramic and/or glass tiles on full height walls with accent pattern. Provide Schluter transition pieces outside and inside wall corners, wall to floor tile transition and top of wall tile. Provide Schluter type or equal metal transition pieces at toilet room doors and generally at transitions from porcelain pavers to carpet or resilient flooring throughout the project. Provide crack isolation and waterproofing membrane, similar to Laticrete 9235 at toilet rooms and wet areas.

3. Terrazzo Flooring:

In the new atrium lobby and corridors on each floor, provide poured epoxy terrazzo and terrazzo base throughout the atrium lobby. Provide carpet tile inserts at the soft seating areas. Allow for three terrazzo colors and a combination of 1/16" and 1/4" zinc divider strips. Ornamental stair in atrium to have precast terrazzo monolithic tread and riser.

4. Carpet Tile:

Provide carpet tiles and rubber base in student study spaces, classrooms, computer labs, and areas designated. Modular 24" x 24" or plank tiles with solution-dyed branded nylon fiber system.

5. Epoxy Flooring:

Provide a high density, trowel applied 1/8" to 1/4" seamless epoxy flooring with decorative quartz aggregate and integral cove base in teaching labs. Basis of design product is Chem-Rez N HD by Dex-o-tex. It is a seamless chemical, heat resistant novolac epoxy and pre-engineered flooring system, formulated to resist chemical attack from a wide range of acids, alkalis, and solvents.

6. Bio-Based Tile:

As an alternate, provide a Modular 12" x 36" bio-flooring tile by Armstrong or equal; made with rapidly renewable materials, 40% pre-consumer recycled content, with low



VOC emissions.

7. Resilient Base:
Where specified, use 100% post-industrial recycled plastic 4" base.
8. Acoustical Panel Ceilings:
Comply with ASTM E1264. Provide commercial grade 9/16" slot-grid metal ceiling suspension system for a variety of panel grid sizes and panels generally 15/16" thick with tegular edges. All panels rated for 90% humidity except in toilet rooms and cafe areas which will have a 100% humidity rating. Basis of design for large format acoustical panel ceilings: Ecophon focus DS 4 x 4, concealed grid, 4' x 4' panels.
9. Wood Ceilings Provide prefinished wood ceiling assembly with suspension system and black acoustical backing material. Basis of design: 9Wood 1400 series cross piece wood grille, walnut.
10. Acoustical Wall Coverings:
Wall coverings may be provided at acoustically sensitive locations and study rooms. If so, provide fabric-wrapped acoustical walls panels in the designated rooms. Panels to be attached to wall utilizing a zee-clip system
11. Paint:
Paint for field application typically three coats. Provide low-VOC coating systems. Allow for up to sixteen interior colors, including six deep accent colors.
 - a. Exterior Paints: At metals, alkyd enamel, satin; at wood, latex, satin.
 - b. Interior Paints: At concrete, latex enamel, eggshell; at CMU block filler and latex enamel, eggshell; at gypsum board walls, latex enamel, eggshell; at gypsum board ceilings and soffits, latex, flat; at wood and hollow metal, latex, satin.

G. Specialties

1. Visual Writing Surfaces:
Provide white porcelain enamel steel writing surface with 2" eased face aluminum trim three sides with marker tray; GREENGUARD Certified.
2. Visual Display Boards:
Provide back-painted glass writing surfaces in Classrooms, Laboratories, Corridors, Offices, Write-up Spaces, Common Areas, and other spaces to be determined.
3. Toilet Compartments and Accessories:
Provide recycled plastic HPDE, floor-mounted overhead braced toilet partitions and urinal screens with full length piano style hinge. Provide stainless steel toilet accessories including: grab bars, mirrors, paper towel dispensers/waste receptacles, soap



dispensers, toilet tissue dispensers; toilet seat cover dispensers; feminine napkin disposals; and janitor's closet accessories, Bobrick or equal.

4. Directories and Signage:
Provide allowance as required for interior room signage, building directory signage, and exterior wayfinding signage.
5. Wall Protection:
Provide 2" stainless steel corner guards at all outside gypsum wallboard corners of corridor and laboratory areas. Provide stainless steel wall bumper rails in receiving area.
6. Fire Protection:
Provide recessed fire extinguisher cabinets, with stainless steel, glass-framed doors, allow 1 per 3,600 square feet, including open mechanical areas.

H. Equipment

1. Lab Equipment:
Provide allowance for furnishings and installation of lab equipment, including refrigerators and freezers, autoclaves, and fume hoods. Refer to Lab Design narrative for additional information.
2. Loading Dock Equipment:
Provide allowance for furnishing and installation of bumper guards and edge markings.
3. Café Equipment, Appliances, and Compactor:
Provide allowance for furnishings and installation of equipment for a coffee bar with grab-and-go operations as required by program.
4. Projectors and Projection Screens:
Provide an allowance for projectors and projection screens, as indicated on plans.
5. Window Treatments:
Provide manually operated light-filtering shades in the offices. Provide motorized light-filtering shades in the Atrium (south wall only) and laboratories. Provide motorized light-filtering and blackout shades in classrooms.

I. Furnishings

1. Entrance Mat:
Provide permanent recessed walk-off Pedimat style stainless steel grate/grill system in the north and south atrium entrance vestibules.
2. Electrical Room Mats:
Provide non-conductive mats, 3'-0" wide, in front of all electrical switchgear.

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J. Specialty Equipment

1. Roof Davits and Tie-Offs

K. Conveying Equipment

1. West Tower Elevators:

Provide two 5,000 lb. passenger / freight gearless machine-less electric traction elevators, each with six stops: Basement Floor, First Floor, Second Floor, Third Floor, Fourth Floor, and Fifth Floor. Basis of design product is Otis GenSet2. Provide operating doors on one side of the cab. Cab interior shall be custom rigidized stainless steel, metal ceiling, and porcelain paver or resilient floor.

2. East Tower Elevator:

Provide one 3,500 lb. passenger / freight gearless machine-less electric traction elevators, four stops: First Floor, Second Floor, Third Floor, and Fourth Floor. Basis of design product is Otis GenSet2. Provide operating doors on one side of the cab. Cab interior shall be custom rigidized stainless steel, metal ceiling, and porcelain paver or resilient floor.

L. Interior Finish Groups

The following indicates typical interior finish groups by space type. In general, finished ceiling are anticipated to be at 10'-0" AFF.

GROUP 1 - Atrium

- Floor: Terrazzo flooring with carpet tile inlay, terrazzo stair tread/risers
- Base: Integral Base to match terrazzo floor
- Walls: Existing precast cladding, painted aluminum panel system, porcelain tile, terrazzo café counter, painted gypsum board
- Ceiling: Painted drywall and large format acoustical ceiling tile system

GROUP 2 - Corridors – West Tower Second, Third, and Fourth Floors

- Floor: Terrazzo Flooring
- Base: Rubber
- Walls: Painted gypsum board, aluminum framed glazing system
- Ceiling: Wood ceiling system, painted drywall, and large format acoustical ceiling tile system

GROUP 3 - Informal / Student Study Spaces

- Floor: Carpet tile
- Base: Resilient, 4" high, unless interior storefront
- Walls: Aluminum storefront system where at enclosed spaces, painted gypsum board, back-painted glass writing surfaces
- Ceiling: Wood ceiling system accents and 2' x 2' acoustical tile ceilings with 9/16" suspension grid; painted gypsum board in niches



- Doors: Aluminum doors with full glass vision panels

GROUP 4 - Faculty Offices / Administrative Offices

- Floor: Carpet tile
- Base: Resilient, 4" high, unless interior storefront
- Walls: Painted gypsum board, back-painted glass writing surfaces
- Ceiling: 2' x 2' acoustical tile ceilings with 9/16" suspended grid;
painted gypsum board accents
- Doors: Aluminum doors with glass vision panels

GROUP 5 - Conference Rooms

- Floor: Carpet tile
- Base: Resilient, 4" high, unless interior storefront
- Walls: Aluminum storefront system, painted gypsum board,
back-painted glass writing surfaces, and fabric wrapped panels.
- Ceiling: 2' x 2' acoustical tile ceilings with 9/16" suspension grid system;
painted gypsum board accents
- Doors: Aluminum doors with glass vision panels.
- Walls: Aluminum storefront system, painted gypsum board,
back-painted glass writing surfaces

GROUP 6 - Classrooms / Computer Labs

- Floor: Carpet tile
- Base: Resilient, 4" high, unless interior storefront
- Walls: Aluminum storefront system, painted gypsum board.
- Ceiling: 2' x 2' acoustical tile ceilings with 9/16" suspension grid;
painted gypsum board accents.
- Doors: Aluminum doors with glass vision panels

GROUP 7 - Teaching / Research Laboratories

- Floor: Resilient (Alternate: Epoxy Flooring)
- Base: Resilient, 4" high, unless interior storefront
- Walls: Aluminum storefront system, painted gypsum board,
back-painted glass writing surfaces
- Ceiling: 2' x 2' acoustical tile ceilings with 9/16" suspension grid;
painted gypsum board accents
- Doors: Aluminum doors with glass vision panels

GROUP 8 - Laboratory Support Spaces

- Floor: Resilient (Alternate: Epoxy Flooring)
- Base: Resilient, 4" high
- Walls: Painted gypsum board

March 2, 2017



EYP/

- Ceiling: 2' x 2' acoustical tile ceilings with 9/16" suspension grid
- Doors: Solid core wood with lite insert

GROUP 9 - Telecomm/Data Closets, Electrical Closets, Mechanical Rooms, Janitor's Closets

- Floor: Sealed Concrete
- Base: Resilient, 4" high
- Walls: Painted gypsum board w/wall protection as needed
- Ceiling: Exposed to painted structure above
- Doors: Solid core wood at lab floors, painted hollow metal at basement and first floor service spaces.

GROUP 10 - Building Entrance Vestibule

- Floor: Recessed walk-off grille with terrazzo border
- Base: Stainless steel
- Walls: Glazed Aluminum Storefront
- Ceiling: Painted gypsum board
- Doors: To match exterior curtain wall system

GROUP 11 -Restrooms

- Floor: Porcelain Pavers
- Base: Porcelain Paver base, size to be determined
- Walls: Glazed ceramic and/or glass tiles on full height walls with accent pattern.
- Ceiling: 2' x 2' acoustical panel ceiling, painted gypsum board
- Doors: Wood veneer with push/pulls.
- Counter: Solid surface material supported by steel tube framing, with stainless steel under-mount bowls
- Accessories: Frameless mirror, Mirror with shelf (single use only); built-in waste receptacles; toilet tissue dispensers; sanitary napkin disposal; hand soap dispenser; paper towel dispenser, and toilet seat cover dispenser.

GROUP 12 – Exit Stairs

- Floor: Rubber treads and risers
- Base: Painted steel
- Walls: Painted gypsum board, eggshell finish
- Ceiling: Painted gypsum board, flat finish
- Doors: 45 minute rated wood veneer on magnetic hold-opens.
- Rails: Painted metal steel guard rails, 2" x 2" steel mesh, and hand rails.

GROUP 13 - Elevators

- Floor: Porcelain Pavers or Resilient flooring

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EYP/

-
- Base: Stainless steel
 - Walls: Rigid stainless panels
 - Ceiling: Metal pan ceiling; Armstrong Metalworks or equal.
 - Access: Stainless steel handrail

March 2, 2017



LAB DESIGN NARRATIVE

1. Laboratory Planning Criteria

The following criteria shall be utilized in the planning of laboratory spaces:

A. Laboratory Overview

1. The project is being undertaken to provide new teaching spaces for the Chemistry Department. Three levels of the building will be up-fit with new teaching and prep labs, classrooms, computer labs, offices and student study spaces. High visibility into the labs is a key element of the design to encourage student excitement and engagement.
2. The existing building column grid is a 25'-9" square. Each Teaching Lab generally falls within this column grid width.
3. The lab flow consists generally of a vestibule directly of a corridor or classroom, where students will leave personal belongings and then gown appropriate safety equipment before entering the lab. The vestibule is fully visible from the lab and has security cameras so students feel safe about leaving their personal belongings in this space. Additionally, the cubbies provided in this space will be lockable. Prep rooms are adjacent to the teaching labs, allowing easy access for servicing the labs. Prep rooms also have direct access to corridors. Teaching laboratories provide work benches and proper clearances, as well as sinks and fume hoods for implementing the Chemistry curriculum.
4. Level 2 contains 5 advanced teaching laboratories and their support spaces. These include labs for Biochemistry, Analytical Chemistry, Instrumental Chemistry, and Physical Chemistry. At the front of each of these four labs is continuous open instrumentation space that is on-display for the building. The fifth lab is for Honors Chemistry. Attached to the Lab is a 18-person classroom. Three Prep Labs are provided for service the labs. There also a 16-person computer lab at this Level.
5. Level 3 contains 8 General Chemistry labs for 24 persons. Each lab has its own vestibule and a direct connection to a shared Prep Lab. Each lab will contain one fume hood as the department is transitioning to green chemistry teaching practices (except for one lab that has 5 to support the nursing program).
6. Level 4 contains 4 Organic Chemistry Labs for 24 persons. Two labs share a 48-person classroom. The four labs share a large shared prep lab.
7. A Materials Management Suite is located on Level 1 and will serve as the primary storage and distribution point for all lab goods, hazardous materials and non-hazardous materials.

B. Sound Attenuation

1. Ambient noise level in the laboratories shall meet RC40 (Room Criterion 40) not to exceed RC45. Quality Assessment Index (QAI) shall not exceed 5 dB. Prevent acoustic levels due to intermittent activity occurring outside the laboratory from exceeding ambient noise level by more than 5 dB.



C. Vibration Criteria [REVIEW WITH STRUCTURAL]

1. Floor vibrations for the typical floors will be designed for laboratory bench microscope use. Vibration parameters will be considered per AISC Design Guide No. 11, Floor Vibrations due to Human Activity. Vibration-sensitive equipment will be confirmed during the next phase, and may need individual vibration isolation devices. An analysis of the vibration requirements of all equipment and appropriate approach to vibration mitigation will be developed after the faculty submit their equipment lists. Particularly sensitive equipment may need to be located on a grade-supported ground floor. For vibrations induced by mechanical equipment, structural slabs between lab and mechanical spaces shall be constructed to a minimum mass of 350 Kg/M² (70 #/sf) in order to provide an appropriate base for equipment isolators to work against. The design approach will then provide equipment isolation to preclude vibrations from being transferred into the structure.

D. Clearances

1. For purposes of safe passage of occupants past people and equipment in aisles, the minimum recommended clearance between benches, or between a bench and a designated equipment area, is 5'-0" in the laboratories.
2. The minimum clear corridor width leading into a laboratory is 5'-0".

E. Accessibility

Access to and within all laboratory areas shall meet the requirements of the 2010 edition of the Americans with Disabilities Act (ADA) and ANSI 117.1-2007. In each laboratory and prep lab, at least one station meeting the following requirements will be provided:

1. Countertop height to not exceed 34" A.F.F.
2. Knee space at least 30" wide with a clear height of at least 27" to underside of nearest obstruction (typically front apron).
3. Service fixtures located maximum 24" from front edge of counter top.
4. Sink with clear knee space.
5. Fume hood with clear knee space and fixtures not mounted above 48" A.F.F. Fixtures can be either standard or remote control type but shall be ball valve operated.
6. Emergency Shower / Eyewash Station will be fully accessible.

F. AV and Telecommunications Integration

AV and telecommunication systems and casework may have to be integrated. AV systems that may need to be integrated with casework include:

1. AV equipment cabinet
2. AV control and input panels
3. Projection screens and controls
4. Flat panel displays
5. Smart boards or electronic whiteboards
6. Data connections



G. Casework

1. Laboratory casework and furnishings will be confirmed in exact detail during the next phase. Exact ratio of cabinet to drawer units under the counter will be determined at the next phase, but can be assumed to be 70% drawer units and 30% cabinet units. Above counter at walls, units can be assumed to be 50% open adjustable shelving and 50% glass front cabinets.
2. Casework will be constructed of materials to withstand liquid disinfectants utilized to disinfect and decontaminate work surfaces. The bench tops will be impervious to water and resistant to common chemicals used for scientific preparation of the samples as well as moderate heat. Epoxy resin will be commonly used for their durability at the classrooms and laboratories.
3. Laboratory casework construction and finish will be as follows:
 - a. Material: 7 ply wood veneer core and combination core plywood
 - b. Design: Full-flush overlay with square edges
 - c. Wood Species: Quarter-sawn Beech
 - d. Stain: Custom color as selected by Architect
 - e. Basis of Design: Mott Manufacturing Ltd.
4. Laboratory countertops will be 1" thick epoxy (medium grey color) with ¾" thick applied backsplashes.
5. Kit drawers (18" W x 7" H) with locking hasps:
 - a. 250 kit drawers at each Organic Chemistry Teaching Lab (4 labs total)
 - b. 155 kit drawers at each General Chemistry Teaching Lab (8 labs total)
6. Backpack Cubbies: Each lab will be provided with backup cubbies (1 per student + 3 extras). Construction will be wood veneer with clear plastic lockable doors.
7. Refer to the architectural design narrative for additional information.

H. Laboratory Services

The utilities required include the following:

1. Natural Gas
2. Vacuum (local systems)
8. Liquid Nitrogen (local manifolds)
9. RO Water (central system) with DI provided at point of use

I. Laboratory Sinks and Fixtures

1. In each lab, one ADA accessible sink will be provided. Sink will be epoxy drop-in style, approximately 24" L x 16" W x 4.5" D.
2. Other labs sinks will be epoxy under-mount style, approximately 24" L x 16" W x 12" D.
3. Sink basis of design: Durcon.
4. All service fixtures shall be satin chrome finish with clear epoxy coating. Basis of design for fixture manufacturer: Water Saver - "The WaterSaver Faucet Company"



J. Natural Gas and Specialty Gas Distribution

Refer to plumbing narrative for description.

K. Fume Hood

1. Exhaust Criteria:
Operating Position: 100 fpm at 18" high vertical sash opening
Setup Position: 60 fpm at full open
2. The face velocity will be set for 100 fpm at the 18" sash height which is the most common exhaust ventilation rate for industrial chemical applications. The fume hood controls and exhaust valves will allow for the hood to pass containment testing in 'Setup' mode, or the full-open position in accordance with ASHRAE 110-95.
3. NFPA 45 recommends the minimum exhaust ventilation for a fume hood in the closed position to be 25 cfm for each square foot of bench surface or approximately 50 cfm per linear foot of hood.
4. Additional Capacity
The exhaust system has been designed with additional capacity to allow of the future fit-out of Levels 1 and 5 as teaching or research lab programs. Level 1 will have the capacity to add 10 fume hoods to the fit-out. Level 5 will have the capacity to add 10 fume hoods for the research lab program and 15 fume hoods for a future Organic Chemistry Lab program.
5. Typical designations:
FH Chemical fume hood
o Typical widths are: 4'-0", 5'-0" and 6'-0".
o Typical piped services:
V Vacuum
N2 Nitrogen (piped from local cylinders)
6. Typical sash configurations: Vertical.
7. Typical base cabinets below fume hoods are:
Acid or Base
Flammable Solvent

L. Laboratory Equipment

1. Sterilizers (5 total)
The prep rooms for Organic Chemistry and General Chemistry (Levels 3 and 4) will be provided with 2 medium size sterilizers each. The Biochemistry Prep will be provide with 1 sterilizer. The sterilizers will be free standing cabinet type with an electric steam generator as clean steam is not available in the facility. Canopy hoods will be provided over the sterilizers.
2. Drying Ovens (4 total)
The prep rooms for Organic Chemistry and General Chemistry (Levels 3 and 4) will be provided with 2 large capacity drying ovens each.

April 6, 2017



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2. **Finishes**

Refer to Architectural Narrative for laboratory finishes.

3. **Safety and Security**

A. Laboratory Safety

1. Hazardous Materials Control Areas:

The building will be segregated into control areas to allow the storage and use of hazardous materials without triggering Hazardous Classifications defined in the 2015 International Building Code. The University will manage and use hazardous materials on each level such that they don't exceed the maximum allowable quantities outlined in the building code.

2. Hazardous materials will be stored in approved cabinets or storage areas. It is anticipated that hazardous materials will be kept in storage when not in use.

3. All control areas will be constructed with non-combustible materials and fire-rated to comply with applicable portions of the 2015 International Building Code. The building will be equipped throughout with an automatic fire-suppression system.

B. Materials Management Suite:

A Materials Management Suite is provided at Level 1 to service the teaching labs and future research lab programs. This suite serves as the point of entry for all hazardous materials, non-hazardous materials and laboratory goods entering the facility. The suite is the primary storage location for all chemicals until needed in each lab. The suite contains two control areas.

C. Hazardous Chemical Waste Management:

Hazardous Chemical Waste will be collected in the lab and disposed of according to University policies and Safety Data Sheets (SDS). Hazardous Chemical Waste will not be disposed of through the building sanitary system, unless by means allows by the University.

D. Safety Features Within the Laboratories:

The following safety features shall be provided in each laboratory and meet OSHA and/or ANSI requirements for configuration, operation and location:

1. Emergency Shower / Eyewash (SSE):

An emergency shower/eyewash consisting a deluge shower and eye/face wash, shall be located within each laboratory with a fume hood. The eye/face wash will be able to operate independently of deluge shower. Height of eye/face wash basin, deluge shower pull ring and deluge shower head will meet ADA and ANSI requirements. The unit will be



supplied with tempered potable water. A floor drain will be provided at each location.

Basis of Design: Guardian GBF2150-AP280-235

2. Safety Station (SP):

A custom safety station will be provided in each lab with a fume that contains the following items: 10lb. ABC fire extinguisher, first aid kit, spill kit, and fire blanket. The safety station will contain a bulletin board panel for posting notices and any signage required by the University.

3. Emergency Gas Shutoff:

An emergency gas shutoff will be provided at labs using natural gas. The shutoff will be located in the corridor, just outside the lab in a protected enclosure.

4. Emergency Communications:

A telephone will be located in each laboratory prep room to summon appropriate safety personnel or emergency aid.

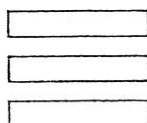
5. Signage:

Appropriate signage indicating, but not limited to, Radioisotope, Flammable, Caustic, Microwave or Biological Hazard, should be posted on each appropriate laboratory entry door. Signage shall be furnished by the University or accommodated in the wall mounted room signage system.



**USC CLASSROOM/LABORATORY REDEVELOPMENT
PROJECT SCHEDULE**

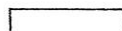
	NO.	TASK	START	FINISH	DURATION
PHASE I DOCUMENTS	1	Hazardous Materials Investigation	12/12/16	01/06/17	20 Days
	2	Meeting 5 - Building Design Review (placeholder date)	01/24/17	01/24/17	1 Day
	3	Meeting 6 - Document	02/07/17	02/08/17	2 Days
	4	Issue Phase 1 Pricing Package	02/24/17	02/24/17	1 Day
	5	Phase I Cost Estimate	02/27/17	03/17/17	15 Days
	6	Pricing Reconciliation/Review	03/20/17	03/24/17	5 Days
	7	Prepare Phase 1 Submission	03/27/17	03/31/17	5 Days
	8	Phase 1 Submission to Owner	04/03/17	04/03/17	1 Day
APPROVALS	9	USC Board of Trustees	04/21/17	04/21/17	1 Day
	10	Commission on Higher Education	05/11/17	05/11/17	1 Day
	11	Joint Bond Review Committee Phase II Funding Approval	06/01/17	06/01/17	1 Day
	12	State Fiscal Authority Phase II Funding Approval	06/07/17	06/07/17	1 Day
	13	OSE Schematic Design Table-Top Review	06/19/17	06/30/17	10 Days
DEMO/ABATEMENT WEST TOWER	14	Demo/Abatement Construction Docs.	04/04/17	05/19/17	33 days
	15	Demo/Abatement OSE Rev. (45 cal. Days)	05/22/17	07/07/17	33 days
	16	Bid Demo/Abatement - West Tower	07/11/17	08/03/17	22 days
		10 Day Protest Period	08/04/17	08/14/17	6 days
	17	Contract Demo/Abatement - West Tower	08/15/17	09/15/17	33 days
	18	UTS Moves out of West Tower Level 1	09/01/17	09/15/17	11 days
	19	Construction Demo/Abatement - West Tower	10/01/17	02/01/17	4 Months
USC CM@R	20	Construction Manager at Risk Proposals Due	04/04/17	04/04/17	1 Day
	21	USC Notice of Intent to Negotiate with CM@R	05/02/17	05/02/17	1 Day
	22	Construction Manager at Risk under Contract	05/15/17	05/15/17	1 Day
DESIGN DEVELOPMENT	23	Design Development	04/03/17	06/30/17	65 Days
	24	CM@R Progress Set Review	06/03/17	06/28/17	20 Days
	25	Design Development Pricing Package	07/04/17	07/04/17	1 Day
	26	DD Cost Estimate - CM@R & Cumming	07/05/17	07/28/17	18 Days
	27	Owner / CM@R Review	07/31/17	08/25/17	20 Days
CONSTRUCTION DOCUMENTS	28	Construction Documents	08/28/17	11/17/17	60 Days
	29	Owner / CM@R Review	11/20/17	12/22/17	20 Days
	30	Issue "For Construction" Documents	01/05/18	01/05/18	1 Day
PRICING	31	CM@R Pricing	01/08/18	02/16/18	30 Days
	32	Contracts & Permits	02/19/18	03/30/18	30 Days
DEMO/ ABATE EAST TOWER	33	Demo/Abatement 2 OSE Rev. (45 cal. Days)	08/14/17	09/28/17	35 Days
	34	Construction Demo/Abatement - East Tower & Auditorium	02/02/18	05/02/18	4 Months
CONSTRUCTION	35	General Construction	04/02/18	05/31/19	13 Months
	36	Commissioning / Test & Balance	06/01/19	07/30/19	2 Months
	37	Final Completion	07/31/19	07/31/19	1 Day

LEGEND

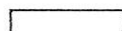
DESIGN

BIDDING/CONTRACTS

CONSTRUCTION



APPROVALS



CM AT RISK CONTRACT

Cost Benefit Analysis USC Classroom/Laboratory Redevelopment

In accordance with the Energy Independence and Sustainable Construction Act of 2007, the construction of the USC Classroom/Laboratory Redevelopment will meet, at a minimum, Silver Level LEED Criteria. All costs are estimated as energy modeling was not a part of the Phase I Scope for this project. Below is a preliminary Cost Benefit Analysis as a produced at the conclusion of the Phase I Design Process. Baseline energy costs are provided below.

Estimated Cost Associated with LEED Silver Level Certification and Improved Energy Performance	
Commissioning Fees	\$50,000
Energy Modeling	\$36,400
LEED Administration Fees	\$25,500
A/E LEED integration & documentation fees	\$15,000
Contractor Overhead for LEED	\$30,000
IEQ Credit 3.2 Testing	\$10,000
Misc cost for meters, sensors and control devices	\$15,000
TOTAL	\$181,900

Estimated Annual Operating Costs of USC Classroom/Laboratory Redevelopment				
	square footage	cost per sq. ft.	annual cost	30-year cost
Operations & Maintenance, not including Utilities (Custodial, Maintenance, and Waste Management)	193,973	\$ 2.89	\$ 560,582	\$ 16,817,459
Utilities (Electricity, Water, Gas, Steam, etc.)	193,973	\$ 3.51	\$ 680,845	\$ 20,425,357
TOTAL			\$ 1,241,427	\$ 37,242,816

Estimated Annual Operating Costs of LEED Silver Level Certified USC Classroom/Laboratory Redevelopment				
	square footage	cost per sq. ft.	annual cost	30-year cost
Operations & Maintenance, not including Utilities (Custodial, Maintenance, Landscaping, and Waste Management) - 19% savings	193,973	\$ 2.34	\$ 453,897	\$ 13,616,905
Utilities (Electricity, Water, Gas, Steam, etc.) - 19% savings	193,973	\$ 2.84	\$ 550,883	\$ 16,526,500
TOTAL			\$ 1,004,780	\$ 30,143,404

SAVINGS OVER 30-YEAR LIFE CYCLE	\$ 236,647	\$ 7,099,412
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POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

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

May 2, 2017

Ms. Dianne Carraway
Senate Finance
111 Gressette Building
Columbia, South Carolina 29202

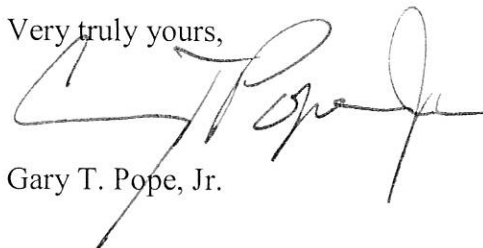
Re: Not Exceeding \$45,000,000 of General Obligation State Institution Bonds
(Issued on Behalf of the University of South Carolina), Series 2017 of the State
of South Carolina (the "Bonds")

Dear Dianne:

In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014 and amended on September 13, 2016, regarding any agency/institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing. On behalf of the University of South Carolina, we respectfully request that the Joint Bond Review Committee consider the request for approval of the use of bond funds from the proceeds of the proposed Bonds at its meeting of June 6, 2017 preceding the State Fiscal Accountability Authority meeting of June 13, 2017.

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

Very truly yours,



Gary T. Pope, Jr.

c: Charlie FitzSimons, Director of Capital Budgets & Financing, University of South Carolina
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer

Enclosures

University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$45,000,000 of State of South Carolina General Obligation
State Institution Bonds (Issued on Behalf of the University of South Carolina),
Series 2017

May 2, 2017

Amount and Type of Bond. University of South Carolina (the “University”) is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$45,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 2017 (the “Bonds”), in order to provide funds to: (i) defray the costs of constructing, reconstructing, improving, furnishing, and refurbishing the site and building comprising its former, or soon to be former, law school facility in order to provide classroom, laboratory, and other space for the use of the University and its students; (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, 2016, totaled \$28,902,776. The debt service requirements on all existing, authorized, and proposed State Institution Bonds (Issued on Behalf of the University of South Carolina) are

Exhibit A

University of South Carolina - State Institution Bonds - Composite Debt Service

Fiscal Year	Proposed Issue				
	Existing Debt Service	Debt Service on		Interest	Composite Debt Service
		Authorized but Unissued	Principal		
6/30/2017	\$ -	\$ -	\$ -	\$ -	\$ -
6/30/2018	15,781,875	-	2,075,000	946,801	18,803,676
6/30/2019	15,748,725	-	1,855,000	1,162,544	18,766,269
6/30/2020	15,734,400	-	1,880,000	1,141,211	18,755,611
6/30/2021	15,706,875	-	1,905,000	1,116,583	18,728,458
6/30/2022	15,696,625	-	1,930,000	1,088,770	18,715,395
6/30/2023	13,274,775	-	1,965,000	1,056,732	16,296,507
6/30/2024	12,118,325	-	2,000,000	1,020,969	15,139,294
6/30/2025	11,677,075	-	2,040,000	981,369	14,698,444
6/30/2026	11,724,325	-	2,080,000	937,917	14,742,242
6/30/2027	7,662,506	-	2,130,000	891,117	10,683,623
6/30/2028	7,663,113	-	2,180,000	841,275	10,684,388
6/30/2029	7,663,038	-	2,235,000	784,225	10,682,263
6/30/2030	7,041,950	-	2,300,000	718,292	10,060,242
6/30/2031	7,041,088	-	2,375,000	645,244	10,061,332
6/30/2032	5,182,644	-	2,450,000	567,107	8,199,751
6/30/2033	5,181,331	-	2,535,000	484,174	8,200,505
6/30/2034	5,185,056	-	2,625,000	396,590	8,206,646
6/30/2035	4,088,481	-	2,715,000	304,242	7,107,723
6/30/2036	-	-	2,810,000	207,344	3,017,344
6/30/2037	-	-	2,915,000	105,931	3,020,931

Exhibit B

University of South Carolina - State Institution Bonds - Coverage

Fiscal Year	FY16 Tuition		Pro Forma	
	Composite Debt	Pledged to Debt	Pro Forma	Coverage
	Service	Service	Pledged Tuition	Percentage
6/30/2017	\$ -	\$ 28,902,776	\$ -	0%
6/30/2018	18,803,676	28,902,776	-	65%
6/30/2019	18,766,269	28,902,776	-	65%
6/30/2020	18,755,611	28,902,776	-	65%
6/30/2021	18,728,458	28,902,776	-	65%
6/30/2022	18,715,395	28,902,776	-	65%
6/30/2023	16,296,507	28,902,776	-	56%
6/30/2024	15,139,294	28,902,776	-	52%
6/30/2025	14,698,444	28,902,776	-	51%
6/30/2026	14,742,242	28,902,776	-	51%
6/30/2027	10,683,623	28,902,776	-	37%
6/30/2028	10,684,388	28,902,776	-	37%
6/30/2029	10,682,263	28,902,776	-	37%
6/30/2030	10,060,242	28,902,776	-	35%
6/30/2031	10,061,332	28,902,776	-	35%
6/30/2032	8,199,751	28,902,776	-	28%
6/30/2033	8,200,505	28,902,776	-	28%
6/30/2034	8,206,646	28,902,776	-	28%
6/30/2035	7,107,723	28,902,776	-	25%
6/30/2036	3,017,344	28,902,776	-	10%
6/30/2037	3,020,931	28,902,776	-	10%
Total	\$ <u>244,570,645</u>			

AGENCY: Department of Administration, Capital Budgeting Office

PROJECT/SUBJECT: Additional Permanent Improvement Project Requests

There are 17 additional Permanent Improvement projects pending as follows:

- 6 Establish Phase I, Pre-Design Budget
- 1 Increase Phase I, Pre-Design Budget
- 5 Establish Phase II, Construction Budget
- 1 Revise Scope and Establish Phase II, Construction Budget
- 2 Increase Phase II, Construction Budget
- 2 Final Land Acquisition

COMMITTEE ACTION:

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

ATTACHMENTS:

Project Requests Worksheet - Summary 8-2017

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Executive Budget Office – Capital Budgeting Unit

SUMMARY 8-2017

Summary of Permanent Improvement
Project Actions Proposed by Agencies
March 18, 2017 through April 28, 2017

Forwarded to JBRC 6/6/2017

Permanent Improvement Projects

Summary Background Information:

Establish Project for A&E Design

- (a) Summary 8-2017: JBRC Item 1. (H51) Medical University of South Carolina
Project: 9836, Basic Science Building 7th Floor Biorepository & Histology Lab Renovations
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Board approval on June 1st.

Ref: Supporting document pages 1-8

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, College of Medicine Clinical Revenue	0.00	0.00	0.00	22,500.00	22,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>22,500.00</u>	<u>22,500.00</u>

Funding Source: \$22,500 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Establish project and budget for \$22,500 (Other, COM Clinical Revenue Fund) to establish a project to begin the Phase I schematic design for the renovation of approximately 4,000 square feet of vacant, partially demolished lab space on the 7th floor of the Basic Science Building to enable the co-location of the following labs: Histology & Immunohistochemistry Lab, Hollings Center Biorepository and Tissue Analysis Lab, Brain Bank Lab, and the Electron Microscopy and Histology Labs. The goal is to realize research efficiencies by co-locating the labs to provide enhanced quality of operations within and between each laboratory. The newly renovated labs will represent MUSC's progressive development in tissue and biorepository research and facilitate future development of the program. The 47 year old facility was constructed in 1970 and is 335,643 square feet. Approximately 10 faculty and staff will use the facility. The agency estimates that the completed project will cost approximately \$1,500,000 and no additional annual operating costs will result from the project.

- (b) Summary 8-2017: JBRC Item 2. (H51) Medical University of South Carolina
Project: 9837, Clinical Sciences Building Cooling Towers Replacement
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Full Commission approval on June 1st.

Ref: Supporting document pages 9-16

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institutional Deferred Maintenance	0.00	0.00	0.00	27,000.00	27,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>27,000.00</u>	<u>27,000.00</u>

Funding Source: \$27,000 Other, Institutional Deferred Maintenance, which is funded by Indirect Cost Recovery Funds.

Request: Establish project and budget for \$27,000 (Other, Institutional Deferred Maintenance Fund) to establish a project to begin the Phase I schematic design for the replacement of three (3) cooling towers at the Clinical Sciences Building. These cooling towers are at the end of their useful life and in need of replacement. The existing structural steel support system is severely deteriorated and must be replaced. Temporary, wood supports have been installed under the towers as a safety measure until the towers can be replaced. Replacement of the steel would require removal of the cooling towers. Replacement of the towers at the same time as replacement of the steel provides the most economical solution. The 42 year old facility was constructed in 1975 and is 273,899 square feet. The agency estimates that the completed project will cost approximately \$1,800,000 and no additional annual operating costs will result from the project.

- (c) Summary 8-2017: JBRC Item 3. (H51) Medical University of South Carolina
 Project: 9838, Clinical Sciences Building 8th Floor Northwest Side Renovation
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Full Commission approval on June 1st.

Ref: Supporting document pages 17-22

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, College of Medicine Clinical Revenue	0.00	0.00	0.00	21,000.00	21,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>21,000.00</u>	<u>21,000.00</u>

Funding Source: \$21,000 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Establish project and budget for \$21,000 (Other, COM Clinical Revenue Fund) to establish a project to begin the Phase I schematic design for the renovation of approximately 7,000 square feet of existing lab and office space on the northwest side of the 8th floor of the Clinical Sciences Building. The goal of the renovation is to increase the operational efficiency and collaboration of the various work groups within the Department of Medicine. Renovations will create open, contemporary, functional, interchangeable, and translational office and open work areas to accommodate the department's residency and medical teaching programs, as well as the department clinical trials programs. The existing space is original to the building and difficult to efficiently use for the departments teaching and research programs. This renovation will compliment adjacent renovations on the south end of this same floor. The 42 year old facility was constructed in 1975 and is 273,899 square feet. Approximately 100 Internal Medicine Residents, 28 Medical Students, 48 Department of Medicine staff, 10 Department of Medicine faculty will use the facility. The agency estimates that the completed project will cost approximately \$1,400,000 and no additional annual operating costs will result from the project.

- (d) Summary 8-2017: JBRC Item 4. (H51) Medical University of South Carolina
 Project: 9839, Thurmond Gazes Building 6th Floor Alcohol Research Center Renovations
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Full Commission approval on June 1st.

Ref: Supporting document pages 23-28

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, College of Medicine Clinical Revenue	0.00	0.00	0.00	34,500.00	34,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>34,500.00</u>	<u>34,500.00</u>

Funding Source: \$34,500 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Establish project and budget for \$34,500 (Other, COM Clinical Revenue Fund) to establish a project to begin the Phase I schematic design for the renovation of approximately 8,500 square feet along the north side and a portion of the central core of the 6th floor of the Thurmond Gazes Building for the Alcohol Research Center (ARC). The 6th floor labs are currently unoccupied and partially demolished. The project will provide for behavioral research. The renovation will create three new animal housing spaces and require the addition of an HVAC system to meet Association for Assessment and Accreditation of Laboratory Animal Care requirements. Existing lab casework, etc. will be reused where practical. The 21 year old facility was constructed in 1996 and is 200,339 square feet. Approximately 25-30 faculty and staff will use the facility. The agency estimates that the completed project will cost approximately \$2,300,000 and no additional annual operating costs will result from the project.

- (e) Summary 8-2017: JBRC Item 5. (D50) Department of Mental Health
 Project: 9755, Upgrade of Lodges A, B, F, G and H to Eliminate Safety Risks
 Included in Annual CPIP: Yes – CPIP Priority 4 of 4 in FY17
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 29-35

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Capital Improvement & Maintenance	0.00	0.00	0.00	11,250.00	11,250.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,250.00</u>	<u>11,250.00</u>

Funding Source: \$11,250 Other, Capital Improvement & Maintenance Fund, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Establish project and budget for \$11,250 (Other, Capital Improvement & Maintenance Fund) to establish a project for renovations in two (Lodges G & H), of the five lodges cited in the December 2015 Joint Commission for Hospital Accreditation as having multiple ligature risks in the bathrooms. In this report Bryan Psychiatric Hospital was cited for multiple ligature risks in the bathrooms in Lodges A, B, F, G and H. The Lodges are all occupied and will require work to be completed utilizing a phased approach. In order to eliminate these risks it will require the change out of hinges, lights, locks, sinks and other potential attachment points. A prototype bathroom has been approved by Hospital Risk Management staff. Each lodge includes an average of 33 patient beds with 25 patient bathrooms and is approximately 13,000 square feet. The total average patient bathroom square footage is 1,034 square foot per lodge. The current population for the 5 lodges includes 166 clients and up to 90 staff per shift. The lodges are approximately 40 years old and the proposed renovations have never been addressed in previous renovations. It is estimated that the 5 lodge renovations will cost approximately \$150,000 each. The agency estimates that the completed project will cost approximately \$750,000 with additional annual operating costs of \$4,000 in years 1 thru 3, as a result of expected abuse of the property.

- (f) Summary 8-2017: JBRC Item 6. (J16) Department of Disabilities & Special Needs
 Project: 9913, Midland Center – Electrical Power Grid Conversion
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 36-44

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Excess Debt Service	0.00	0.00	0.00	19,500.00	19,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>19,500.00</u>	<u>19,500.00</u>

Funding Source: \$19,500.00 Excess Debt Service Funds, which are funds invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year.

Request: Establish project and budget for \$19,500.00 (Excess Debt Service Funds) to establish Phase I for the high voltage electrical distribution grid conversion at Midlands Center. The system needs major upgrade in order to avert catastrophic failure and to turn over of ownership to South Carolina Electric and Gas. SCE&G will rebuild the overhead facilities and replace the underground primary and all three phase transformers currently feeding the facility. DDSN's existing 8 KV system will be converted to 23 KV, requiring the current 15 KV underground cable to be upgraded to 25 KV cable. All transformers will be converted to dual wound transformers to accommodate the new voltage. When work is complete all primary facilities will meet SCE&G specifications at 23 KV system voltage, standard. DDSN currently owns the Midland Center campus wide electrical power distribution grid. However, DDSN has no staff with required expertise to maintain the high voltage system. The overhead facilities and underground cable are beyond useful life expectancy. Several partial failures on underground cable have occurred, as well as downed overhead lines due to storms in recent years. DDSN recognizes the safety and reliability needs for SCE&G to take ownership of the Midlands Center electrical distribution grid. The Midlands Center property was deeded to DDSN from DMH in 1971, and the power grid was existing. The last major upgrade of the system was in 1974, when SCE&G added the substation, and the department added switch gear, pad mounted transformers, duct banks, switches, and overhead primaries; however, this was not a complete new system. Since 1974 only minor maintenance has been done, with cleaning of transformers, painting of equipment, added new labels, and minor component replacements. This work was performed in 2007. Underground failures have occurred on several occasions in recent years requiring emergency response to replace underground cables. More failures are anticipated, as the system is well beyond life expectancy. Approximately 150 residents plus 380 staff for the Midlands Center utilize this system. The agency estimates that the completed project will cost approximately \$1,300,000 and no additional annual operating costs will result from the project.

Phase I Increase (for A&E Design)

- (g) Summary 8-2017: JBRC Item 7. (H15) College of Charleston
Project: 9665, McAlister Residence Hall Renovation
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: November 2016

CHE Recommended Approval: 4/26/17

Ref: Supporting document pages 45-51

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Housing Revenue	88,980.00	0.00	88,980.00	159,480.00	248,460.00
All Sources	<u>88,980.00</u>	<u>0.00</u>	<u>88,980.00</u>	<u>159,480.00</u>	<u>248,460.00</u>

Funding Source: \$159,480 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: Increase budget to \$248,460 (add \$159,480 Other, Housing Revenue Fund) increase the Phase I budget to continue the Phase I pre-design work for renovations to McAlister Residence Hall at the College of Charleston. It has become evident that the building envelope/structural conditions have greatly deteriorated over the past few years. The additional fee request, which is above the normal 1.50% of the total projected cost of the project, will provide building envelope/structural destructive testing at 30 locations to determine the root cause of building envelope/structural deficiencies (large cracks), and the appropriate method for repairs. The 152,142 square foot building and system(s) to be renovated are 14 years old. This project will address HVAC issues and structural deficiencies, as well as, refresh the residence hall's exterior and interior paint, flooring, furniture and plumbing fixtures. The elevator's electronic controls will also be upgraded. A concentration of the facility's HVAC units are discharging hot air into corridors requiring the constant use of large noisy centrifugal box fans during warm weather. This will be remedied by installing a new HVAC system on the roof for this section of the building. There will also be select replacement of failing individual suite HVAC units throughout the rest of the facility. Building envelope failures are allowing water intrusion. Visible damage can be seen at window openings and corrosion is suspected on the wall framing meter components. The building envelope will be repaired then waterproofed. The facility provides housing for approximately 535 co-ed underclassman students. The agency estimates that the completed project will cost approximately \$5,932,000.

Establish Construction Budget

- (h) Summary 8-2017: JBRC Item 8. (H59) Piedmont Technical College
 Project: 9886, Piedmont Upstate Center for Manufacturing Excellence
 Included in Annual CIP: Yes – CIP Priority 1 of 1 in FY18
 JBRC/SFAA Phase I Approval: June 2004

CHE Recommended Approval: Pending CHE Board approval on June 1st

Ref: Supporting document pages 52-84

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16-17 Proviso 118.16	0.00	3,750,000.00	3,750,000.00	0.00	3,750,000.00
Other, PTC Local Funds	250,000.00	(18,695.00)	231,305.00	4,718,999.00	4,950,304.00
Other, Greenwood Local Sales Tax	0.00	0.00	0.00	6,099,696.00	6,099,696.00
All Sources	<u>250,000.00</u>	<u>3,731,305.00</u>	<u>3,981,305.00</u>	<u>10,818,695.00</u>	<u>14,800,000.00</u>

Funding Source: \$3,750,000 Appropriated State, FY16-17 Proviso 118.16 (nonrecurring). \$4,950,304 Other, PTC Local Funds, which are a combination of a dedicated capital fee (\$150 per fulltime student) included in their tuition, and residual balance transfers that have been approved by their Area Commission. \$6,099,696 Other, Greenwood Local Option Sales Tax, which are funds to be received quarterly starting in January 2018 from the 2016 Greenwood County local option sales tax appropriation.

Request: Increase budget to \$14,800,000 (add \$10,818,695 Other, PTC Local and Greenwood Local Sales Tax) to establish the Phase II budget for the construction of a new facility that will be used to house several industrial programs at the college such as CNC Technology, Welding and Mechatronics. A section of the building will also allow for specialized training programs. The current facilities used by the programs are undersized and outdated. The 45 year old labs and classrooms continue to be a safety, code and deferred maintenance concern. Existing space requirements needed for an ideal teaching environment is inadequate. The new 45,500 square foot Industrial Training Center will be constructed on an 8 acre property located adjacent to the Greenwood Campus as described in the College Vision 2020 plan. The facility will include new classrooms, machine tool and CNC labs, a welding lab with 45 stations, administrative offices and 5,000 square foot of flexible lab space for Ready SC Industrial Training. It will also provide the programs with updated safety equipment to better support new and evolving local, state, and federal requirements. The new facility will meet the two Green Globes sustainability design process and construction requirement with a potential \$121,100 in operating costs savings over a 30 year period. The college expects to serve approximately 441 students, instructors, and administrative personnel throughout the day, afternoon, and evening classes. The Economic Development Division trains 750 students in customized training programs a year that are located off campus due to the lack of current facility space on campus. These students, plus additional students will be able to use this centralized space for training. The agency estimates that the completed project will cost approximately \$14,800,000 with additional annual operating costs of \$180,750 in year 1, \$189,787 in

year 2, and \$199,276 in year 3. The agency also reports the projects date for execution of the construction contract is February 2018 and for completion of construction is February 2019.

- (i) Summary 8-2017: JBRC Item 9. (D50) Department of Administration
 Project: 9972, SC Commission for the Blind-Building "A" & "D" Renovations
 Included in Annual CPIP: Not submitted by the SC Commission for the Blind
 JBRC/SFAA Phase I Approval: September 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 85-118

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, SC Commission for Blind Grants	4,725.00	0.00	4,725.00	444,316.00	449,041.00
All Sources	<u>4,725.00</u>	<u>0.00</u>	<u>4,725.00</u>	<u>444,316.00</u>	<u>449,041.00</u>

Funding Source: \$449,041 Other, SC Commission for Blind Grants.

Request: To begin Phase II for the renovations at the SC Commission for the Blind Buildings "A" & "D" located at 1430 Confederate Avenue in Columbia. Building A is 42 years old and 21,939 square feet and Building D is 42 years old and 10,478 square feet. Renovation work in Building A will include the relocation of existing reception desk into a space adjacent to the current reception lobby. The new reception desk will look out onto the existing reception lobby through a reception window added as part of this project, providing greater physical security for the receptionist. Building A renovations also include new carpet and rubber wall base on the first floor of the building. The portion of this building to be renovated is 9,500 square feet. Renovation work in Building D will include renovations of the public restrooms in the building for current code compliance, including, but not limited to the Americans with Disabilities Act, International Building Code and International Plumbing Code. Building D renovations also include a new Accessible Route from the parking lot, including parking lot signs, pavement stripping, curb cuts, and accessible ramp. Finally, a new rubber gymnasium floor will be provided in Building D. The portion of this building to be renovated is 2,458 square feet. The facilities house a total of 75 employees, and 100 visitors use the facilities each day. When brought for Phase I, the conceptual estimate for the total projected cost of the project was \$443,500. The agency estimates that the completed project will cost approximately \$449,041 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is January 2018 and for completion of construction is June 2018.

- (j) Summary 8-2017: JBRC Item 10. (D50) Department of Administration
Project: 9980, State Library – Replace AHUs
Included in Annual CIP: Yes - CIP Priority 11 of 11 in FY17
JBRC/SFAA Phase I Approval: March 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 119-126

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Depreciation Reserve	9,486.00	0.00	9,486.00	845,818.00	855,304.00
All Sources	<u>9,486.00</u>	<u>0.00</u>	<u>9,486.00</u>	<u>845,818.00</u>	<u>855,304.00</u>

Funding Source: \$855,304 Other, Depreciation Reserve, which is derived from the rent account which receives rent charged to agencies.

Request: Increase budget to \$855,304 (add \$845,818 Other, Depreciation Reserve Funds) to replace the building air handlers which are approximately 50 years old. The project will improve temperature and humidity control throughout the building including areas housing materials requiring a higher degree of environmental stability than the current system can provide. The project will also replace the outside air unit serving all floors. Asbestos abatement will be completed as needed for the safe removal of the existing equipment. The new equipment will provide more efficient heat transfer. The new coils in the air handlers will allow maximum heat transfer within minimum pumping and fan power. It is anticipated that an approximate 10% energy savings over current HVAC operational costs will be realized. The State Library Building was constructed in 1967 and is 60,494 gross square feet. The library receives at least 22,000 visitors each year and has 45 staff. When brought for Phase I, the conceptual estimate for the total projected cost of the project was \$730,882. The agency estimates that the completed project will cost approximately \$855,304 with additional annual operating cost savings of \$10,521 each year in years 1 thru 3. The agency also reports the projects date for execution of the construction contract is June 2017 and for completion of construction is June 2018.

- (k) Summary 8-2017: JBRC Item 11. (N04) Department of Corrections
 Project: 9731, Deferred Maintenance and Renovations
 Included in Annual CIP: Yes - CIP Priority 1 of 1 in FY17
 JBRC/SFAA Phase I Approval: September 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 127-134

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward	49,800.00	0.00	49,800.00	3,270,200.00	3,320,000.00
All Sources	<u>49,800.00</u>	<u>0.00</u>	<u>49,800.00</u>	<u>3,270,200.00</u>	<u>3,320,000.00</u>

Funding Source: \$3,320,000 Appropriated State, FY16 Carryforward funds, which are from the remaining FY16 Personnel Services funds.

Request: Increase budget to \$3,320,000 (add \$3,270,200 FY16 Carryforward Funds) to begin Phase II for the most critical maintenance repairs, renovations, and system and equipment replacement for the Agency's 26 institutions and support service buildings located statewide which is more than 6.5 million square feet of building space. The Division of Facilities Management performs a yearly detailed assessment report of the Agency's facilities to determine the physical defects that must be corrected to maintain the buildings operationally. None of the building deficiencies are merely due to the failure to maintain the systems, equipment or structures. The project will address life cycle replacement issues for fire/life safety, accessibility, energy conservation, HVAC and electrical/electronic and environmental health, including asbestos and indoor air quality. The buildings age range from 23 years to over 44 years with an average of 144,230 square feet. The specific systems to be replaced in this project include the following: 1) Evans Correctional Institution Chiller # 2 (Central Energy Plant), for \$360,000. 2) Camille Graham Correctional Institution Fire Alarm System (less the Dana Dorm) for \$750,000. 3) Broad River Correctional Institution Underground emergency power cabling system for \$300,000. 4) MacDougall Correctional Institution Chiller for Kitchen/Dining Building for \$250,000. 5) Lieber Correctional Institution Cooling Tower (Central Energy Plant) for \$375,000. 6) Evans Correctional Institution Cooling Tower (Central Energy Plant) for \$375,000. 7) Trenton Correctional Institution Chillers (total of six) for \$910,000. The agency estimates that the completed project will cost approximately \$3,320,000 and additional annual operating cost savings have not yet been determined since the project involves multi-disciplinary projects at different correctional institutions. The agency also reports the projects date for execution of the construction contract is December 2017 and for completion of construction is July 2020.

- (l) Summary 8-2017: JBRC Item 12. (P28) Department of Parks, Recreation & Tourism
Project: 9754, Hunting Island State Park Beach Restoration
Included in Annual CIP: Yes – CIP Priority 1 of 3 in FY14
JBRC/SFAA Phase I Approval: April 2015

CHE Recommended Approval: N/A

Ref: Supporting document pages 135-172

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
FY16-17 Appropriated State, Proviso 118.16 nonrecurring	0.00	0.00	0.00	10,703,486.00	10,706,486.00
Other, Park Revenue	105,000.00	0.00	105,000.00	0.00	105,000.00
Other, Motion Picture Incentive	0.00	0.00	0.00	1,247,418.00	1,247,418.00
All Sources	<u>105,000.00</u>	<u>0.00</u>	<u>105,000.00</u>	<u>11,950,904.00</u>	<u>12,055,904.00</u>

Funding Source: \$10,706,486 Appropriated State, FY16-17 Proviso 118.16 (nonrecurring). \$105,000 Other, Park Revenue, which is funds generated through admissions, camping, retail sales, etc. \$1,247,418 Other, Motion Picture Incentive, which are funds provided by Proviso 49.9 from FY14, and can be used by the department for capital improvements to the state's Welcome Centers, for deferred maintenance and capital projects at state parks, and for marketing/advertising.

Request: Increase budget to \$12,055,904 (add \$11,950,904 FY16-17 Appropriated State, Proviso 118.16 (nonrecurring) and Other, Motion Picture Incentive Funds.) to establish the Phase II construction budget for the renourishment 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 that the completed project will cost approximately \$12,055,904 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is October 2017 and for completion of construction is May 2018.

Establish Construction Budget & Revise Scope

- (m) Summary 8-2017: JBRC Item 13. (R36) Department of Labor, Licensing and Regulation
Project: 9510, Sewer Force Main Repairs
Included in Annual CPIP: Yes – CPIP Priority 1 of 3 in FY17
JBRC/SFAA Phase I Approval: April 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 173-180

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Other Operating (Fire Academy)	200,000.00	0.00	200,000.00	201,511.00	401,511.00
All Sources	<u>200,000.00</u>	<u>0.00</u>	<u>200,000.00</u>	<u>201,511.00</u>	<u>401,511.00</u>

Funding Source: \$401,511 Other, Other Operating (Fire Academy), which is funded by the Fire Insurance Inspection Tax.

Request: Increase budget to \$401,511 (add \$201,511 Other, SC Fire Academy Bank Account) to establish the Phase II construction budget to repair 4 air valves and associated “DIP” piping that are not working properly. The agency also plans to complete “test pitting” as per the recommendations in the assessment. Due to the majority of the piping for the sewer system being underground, they feel that the recommendation to complete this testing is warranted in order to ensure the sustainability of the system itself and also to validate that the agency completed necessary due diligence in ensuring that the system as a whole is operating properly and that operational concerns are avoided for the foreseeable future given the overall age of the system. The underground sewer system removes sanitary waste from the Divisions site at 141 Monticello Trail in Columbia, and delivers it to the City of Columbia sewer outfall at Crane Creek located near I-20 at Monticello Road. The Division of Fire and Life Safety has operated and maintained the 22,856’ force sewer main for 22 years. The Division of Fire & Life Safety facility is used by over 12,000 – 14,000 firefighting students annually. The agency estimates that the completed project will cost approximately \$401,511 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is June 2017 and for completion of construction is October 2017.

Phase II Increase (transfer to)

- (n) Summary 8-2017: JBRC Item 14. (H71) Wil Lou Gray Opportunity School
 Project: 9514, Dayroom for Residential Dorm (D)
 Included in Annual CPIP: Yes – CPIP Priority 4 of 4 in FY16
 JBRC/SFAA Phase II Approval: December 2015

CHE Recommended Approval: N/A

Ref: Supporting document pages 181-188

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
FY16-17 Capital Reserve	0.00	0.00	0.00	165,000.00	165,000.00
FY11-12 Appropriated State, Proviso 90.20 (nonrecurring)	300,000.00	0.00	300,000.00	16,750.00	316,750.00
Other, Special Deposits	0.00	0.00	0.00	118,268.14	118,268.14
All Sources	<u>300,000.00</u>	<u>0.00</u>	<u>300,000.00</u>	<u>300,018.14</u>	<u>600,018.14</u>

Funding Source: \$165,000 FY16-17 Capital Reserve. \$316,750 FY11-12 Appropriated State, Proviso 90.20 (nonrecurring). \$118,268.14 Other, Special Deposits, which are funds received for office space rent received from Vocational Rehabilitation for a building lease.

Request: Increase budget to \$600,018.14 (add \$300,018.14 FY16-17 Capital Reserve, FY11-12 Appropriated State Proviso 900.20 (nonrecurring) and Other, Special Deposits) as a transfer from H71-9515, H71-9512 and H71-9513 to cover the cost to add/construct a new dayroom in a residential student dorm that has never had a dayroom. A dayroom was in the original plans for the facility but was eliminated due to budget shortages back in 1970-71. All other dorms being used for residential purposes already have dayrooms. This dayroom will be a 1,280 square foot addition to the existing 7,550 square foot building and will be utilized by 75-90 students and 7-9 staff annually for student life in their residential program. The additional funding is needed because the initial award did not provide enough budget to complete the project. Initial discussions indicated that there might be some cost saving measures by relaxing earthquake standards, however, those changes/savings never materialized. Costs associated with unforeseen requirements to relocate water, fiber, telephone, and gas lines also drove costs up and leaving no contingency funds to absorb any other unforeseen changes or requirements. The agency estimates that the completed project will cost approximately \$600,018.14 with additional annual operating cost of \$600 in year 1 and \$1,200 in years 2 and 3. The agency also reports the projects date for completion is August 2017.

Phase II Increase

- (o) Summary 8-2017: JBRC Item 15. (J12) Department of Mental Health
Project: 9745, Bryan Hospital/Morris Village Energy Plant Cooling Tower Replacement
Included in Annual CPIP: Yes – CPIP Priority 5 of 5 in FY16
JBRC/SFAA Phase II Approval: August 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 189-197

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Capital Improvement & Maintenance	4,500.00	475,850.00	480,350.00	291,225.00	771,575.00
All Sources	<u>4,500.00</u>	<u>475,850.00</u>	<u>480,350.00</u>	<u>291,225.00</u>	<u>771,575.00</u>

Funding Source: \$771,575 Other, Capital Improvement & Maintenance Fund, which is authorized by Proviso 35.7 to allow an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to \$771,575 (add \$291,225 Other, Capital Improvement & Maintenance Funds) to increase the construction budget to reflect the revised estimate for the replacement of the 750 ton cooling tower with a new 1200 ton unit at Bryan Hospital. The Buford Goff & Associates revised estimate reflect an analysis of the project scope and expected market conditions, which were reflected in actual bid results received November 22, 2016. Significant changes to the estimate included the addition of concrete work required by elimination of the motor control centers, refeeding the tower and repair of the floor in that area; cooling tower purchase and installation; and insulation costs. The estimate also reflects the significant increase in market costs experienced over the last year. This project was established in August 2015 for pre-design work, which is now complete. The Bryan Hospital/Morris Village Energy Center provides chilled water for cooling to more than 40 individual buildings housing staff and patients spread across both campuses. There are two 1200 ton chillers in the energy plant with one being primary and the second as backup in case of primary failure. Two cooling towers provide condenser cooling water to the chillers. The large unit is 1200 tons and has ample capacity to provide condenser cooling to either chiller. The second cooling tower is only 750 tons and cannot provide the required condenser cooling capacity at temperatures above 80 degrees. If the 1200 ton cooling tower fails while the outside temperature is above 80 degrees Fahrenheit, then the second cooling tower will be unable to achieve required condenser cooling set points, significantly reducing chiller capacity. Temperatures inside buildings on both campuses could begin to climb and potentially become unsafe for patients and employees. The agency reports the total projected cost of this project is \$771,575 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is August 2017 and for completion of construction is March 2018.

Final Land Acquisition & Change Project Name

- (p) Summary 8-2017: JBRC Item 16. (H27) University of South Carolina - Columbia
 Project: 6120, 1800 Gervais Street Property Acquisition Project
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: December 2016

CHE Recommended Approval: 5/11/17

Ref: Supporting document pages 198-204

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institution Capital Project	20,000.00	0.00	20,000.00	839,703.84	859,703.84
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>839,703.84</u>	<u>859,703.84</u>

Funding Source: \$839,703.84 Other, Institution Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

Request: Increase budget to \$839,703.84 (Other, Institution Capital Project Funds) to exercise a lease option to acquire a two-story 19,575 gross square foot structure on .7 acres of land at the southeast corner of the Barnwell and Gervais Street intersection. The building is owned by the State of South Carolina and has been leased to the University of South Carolina since May 2012. The building is occupied for research by the Institute for Mind and Brain and is also occupied by Psychology faculty, both affiliated with the College of Arts and Sciences. The facility is used by approximately 15 Psychology Department faculty actively involved in cognitive neuroscience research, 28 IMB affiliated faculty who may attend meetings in the facility and use the research labs and data labs, 1 administrative staff member, approximately 20 graduate students conducting facets of research projects along with 20 undergraduates serving in independent study or lab staff positions. The "clients" who serve as participants in the laboratory tests and experiments include approximately 50-150 undergraduate students per week and 10-20 members of families who have been recruited for various grant funded research (infants, special needs children, etc.). Altogether, the property serves to support vital cognitive neuroscience research taking place at the University of South Carolina. Upon initial occupancy in 2012, the College of Arts and Sciences renovated the building to accommodate specialized research and the university desires to maintain occupancy of this building to support research and academic programs. Suitable space does not exist on campus to relocate these programs. Subject to the approval of any required governmental entities, the current lease grants to the tenant the option to purchase all of the landlord's right, title, and interest in the demised premises at any time during the lease, at a price equal to the appraised value of the demised premises within two months of the time the option is exercised less the total of basic rent payments made by the tenant during the original lease term from May of 212 to June 30th of 2016. The property appraised at a value of \$1,625,000. Base rent of \$785,296.16 has accrued towards the purchase cost (to be equal to the appraised value). The difference is the requested amount to be increased. The agency reports the total projected cost of this project is \$859,703.84 and they will now assume the operating costs of \$172, 367 to \$192,367 previously covered under the lease. The agency also reports the projects date for completion is June 2017.

Final Land Acquisition

- (q) Summary 8-2017: JBRC Item 17. (P24) Department of Natural Resources
 Project: 9959, Colleton – South Fenwick Island Land Acquisition
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: December 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 205-229

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Federal, North American Wetlands Conservation Act Grant	15,000.00	0.00	15,000.00	525,500.00	540,500.00
Federal, National Coastal Wetlands Conservation Grant	0.00	0.00	0.00	1,850,700.00	1,850,700.00
Other, SC Conservation Bank	0.00	0.00	0.00	500,000.00	500,000.00
All Sources	<u>15,000.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>2,876,200.00</u>	<u>2,891,200.00</u>

Funding Source: \$540,500 Federal, North American Wetlands Conservation Act grant, which is a program administered by the U.S. Fish & Wildlife Service. Enacted in 1989, it provides federal cost sharing to eligible entities to implement the North American Waterfowl Management plan, an international agreement for the long-term protection of wetlands and associated uplands needed by waterfowl. \$1,850,700 Federal, National Coastal Wetlands Conservation grant, which is a program administered by the U.S. Fish & Wildlife Service. Enacted in 1991, it provides matching grants to eligible entities to coastal states for the acquisition, restoration, enhancement, management and preservation of coastal wetlands. \$500,000 Other, SC Conservation Bank, which was created by Act 200 of 2002. The Bank's mission is to improve the quality of life in SC through conservation of significant natural resource lands, wetlands, historical properties, and archaeological sites. Eligible entities may apply for and receive trust grants.

Request: Increase budget to \$2,891,200 (add \$2,876,200 Federal, North American Wetlands Conservation Act grant, Federal, National Coastal Wetlands Conservation grant, and Other, SC Conservation Bank funds), for the acquisition of +/- 405 acres of land in southeastern Colleton County. The land is offered to DNR by The Nature Conservancy of Mount Pleasant, SC, at a purchase price of \$2,876,200. An appraisal conducted in July 2014 and re-certified February 2017 valued the tract at \$2,876,200. The island is located within the ACE Basin Focus Area. It is bordered by rivers on two sides and contains wildlife openings, fields, forested areas, freshwater ponds, and tidal creeks. The property functions as an important breeding, nesting and foraging site for waterfowl, wading birds, bats, songbirds, reptiles, marine and anadromous fish, crayfish and other species. The island provides habitat for 57 terrestrial species and 43 aquatic species. These species, as noted in DNR's State Wildlife Action Plan, include endangered species such as the West Indian manatee, Atlantic and short nose sturgeon, wood stork, bald eagle and swallow-tailed kite. Game and furbearer species on the

island include white-tailed deer, Eastern wild turkey, river otter and mink. The island also contains Revolutionary and Civil War cultural resource sites. Once acquired the island will be protected in perpetuity as part of the National Estuarine Research Reserve. The property will be open to the public for outdoor recreational and educational activities. The agency reports the total projected cost of this project is \$2,891,200 with additional annual operating costs of \$1,000 each year in years 1 thru 3. The agency also reports the projects date for completion is August 2017.

JOINT BOND REVIEW COMMITTEE

Item Number 7

Meeting of June 6, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Patriots Point Development Authority Proposed Lease-Out, Patriots Point Road, Mt. Pleasant

Section 1-11-56 of the South Carolina Code of Laws, as amended by the South Carolina Restructuring Act of 2014, requires the Joint Bond Review Committee (JBRC) to review any lease that commits more than \$200,000 annually or more than \$1 million over a five-year period in lease payments. JBRC review is required of lease agreements with non-state entities whether or not the state (or state agency) is the lessee or lessor.

Patriots Point Development Authority (PPDA) has submitted a request to lease 61.75 acres to Patriots Annex, LLC (Tenant), for 99+ years. (Of the 450 acres of land PPDA owns, approximately 63 acres are not currently leased out.)

A Special Subcommittee of JBRC was appointed to review the proposed lease agreement and make a recommendation to the full Committee. The members of the Special Subcommittee are Senator Campbell (Chairman), Senator Reese, Representative Cobb-Hunter, and Representative Clemmons. The Subcommittee met several times, including a meeting at the location in Mt. Pleasant. The Subcommittee's findings are presented below:

Patriots Annex, LLC: The principal member of Patriots Annex, LLC, is Michael R. Bennett. He is the founder and owner of Bennett Hospitality, Inc., a Charleston-based real estate and development company. Bennett Hospitality owns 8 hotels in the Charleston area, 1 in Georgia, 1 in Florida, and 2 in Montana. In addition, Bennett owns 6 restaurants and a catering company in Charleston. Patriots Annex, LLC, was created to be the Tenant in the proposed amended and restated lease agreement (Lease).

Term: 99 years beginning on Term Commencement Date (date first certificate of occupancy is issued). The Lease Commencement Date is the date the Lease is approved by SFAA.

Permitted Uses: Conference centers, hotels, retail, restaurants and entertainment, parking, offices, residential apartments as part of a mixed-use building, event venues, government facilities, and open space and pedestrian trails. Tenant is prohibited from developing residential condominium units, vacation time shares, or other similar fractional real estate interests.

Inspection Period: On the Lease Commencement Date, an "inspection period" begins during which the Tenant will apply for zoning, negotiate fee-in-lieu of property taxes, and other agreements with Mt. Pleasant and other entities. The inspection period ends when the Tenant obtains required zoning for the premises from Mt. Pleasant. The Tenant may cancel the Lease at any time during the inspection period. If the inspection period exceeds two years, PPDA or the Tenant may cancel the Lease.

Rent: Greater of (a) Percentage Rent or (b) Minimum Rent.

(a) Percentage Rent consists of varying percentages of gross sales and rentals ranging from 3.5% (hotels) to 12.5% (retail) depending on use and is due beginning on the Lease Commencement Date; however, while the site is undeveloped, PPDA will not receive any revenue from the Percentage Rent. When facilities are constructed and fully operational, PPDA expects Percentage Rent to average 6% of Tenant's gross income. (PPDA has right to examine books of Tenant to verify gross income.)

(b) Minimum Rent begins on the earlier of (1) one year after the end of the inspection period or (2) the beginning of the 4th year if zoning has been obtained by that time. Beginning on the Minimum Rent Commencement Date, Tenant must begin paying the greater of (a) Percentage Rent or (b) Minimum Rent, which is a percentage of the Fair Market Rent. Fair Market Rent is determined by an appraisal process. Fair Market Rent is increased annually by the percent increase in CPI. The percentage of the Fair Market Rent that determines the Minimum Rent begins at 10% during the second year of the Lease and increases by 10% annually thereafter until it reaches the full value of Fair Market Rent (10 years). For example, if the Minimum Rent Commencement Date is during the third year of the Lease, then Minimum Rent will begin at 20% of Fair Market Rent. Minimum Rent does not decrease except as a result of reappraisal of Fair Market Rent.

Rental Income: While PPDA expects Percentage Rent to exceed Minimum Rent by a wide margin, over the next 30 years, Minimum Rent is expected to total . . .

\$32,031,410	if inflation is	0%
\$35,072,964	if inflation is	1%
\$38,516,537	if inflation is	2%

Construction: Tenant must begin construction within three years of the end of the inspection period and must complete minimum development requirements within 15 years of the Lease Commencement Date.

If Tenant does not complete minimum development within 15 years, the Lease includes an escalating system of financial penalties to incentivize the Tenant to complete development and to compensate PPDA. If minimum development has not been completed by 21st anniversary, PPDA may (but is not obligated to) cancel the lease with regard to the portions that are not complete and operational.

The Lease contains requirements to ensure that once Tenant commences construction of improvements, those improvements will be completed. Proof of Financial Capability for the entire cost of construction must be provided to PPDA prior to commencement of construction. In addition, the Lease requires the Tenant to provide payment and performance bonds of the general contractor's obligations under the relevant construction contract. If the Tenant provides bonds to its construction lender and PPDA is also listed as a beneficiary, Tenant does not have to provide separate bonds; however, PPDA's interest is junior to the interest of the lender. If the construction lender does not require payment and performance bonds, PPDA may waive the bond requirement upon approval of the SFAA.

Tenant may borrow money to construct the improvements, and the Lease may serve as collateral. The Lease contains restrictions on PPDA's ability to terminate the Lease for an uncured default

before the lender has had an opportunity to cure the default or exercise foreclosure remedies, provided that the rent must continue to be paid. Generally, PPDA retains the right to terminate the Lease for nonpayment of rent after the lender has been given an opportunity to pay the rent on Tenant's behalf.

Sample Timeline 1, Tenant obtains zoning for premises 18 months after commencement of the lease:

Lease Commencement Date:	June 13, 2017
Percentage Rent Commencement Date:	June 13, 2017
Zoning Approval by Town of Mt Pleasant:	December 13, 2018
Last Day of Inspection Period:	December 13, 2018
Minimum Rent Commencement Date:	December 13, 2019 (3 rd year, 20%)
Commencement of Construction Deadline:	December 13, 2021
Deadline to Complete Development:	June 13, 2032

Sample Timeline 2, Tenant obtains zoning for premises 28 months after commencement of the lease:

Lease Commencement Date:	June 13, 2017
Percentage Rent Commencement Date:	June 13, 2017
Zoning Approval by Town of Mt Pleasant:	October 13, 2019
Last Day of Inspection Period:	October 13, 2019
Minimum Rent Commencement Date:	June 13, 2020 (4 th year, 30%)
Commencement of Construction Deadline:	October 13, 2022
Deadline to Complete Development:	June 13, 2032

PPDA Approvals:

- Conceptual Master Plan (generally is expected to be completed during inspection period)
- Development Plan (prior to construction on any portion of premises)
- Construction Plans (prior to commencement of construction)

Insurance: Lease requires Tenant to maintain comprehensive general liability insurance policy, business interruption or loss of rents insurance in amount equal to greater of Percentage Rent or Minimum Rent due to PPDA, and insurance on improvements, merchandise, fixtures, etc. in amount not less than replacement cost. PPDA must be named as additional insured on all insurance policies.

Easements: Parcel 2 is encumbered by a DNR conservation easement that prohibits development of any kind. The easement is set to expire in 2023; however, DNR may renew it for an additional 25 years. In addition, a portion of Parcel 2 and a portion of Parcel 3 are encumbered by Federal Land Water Conservation Fund (LWCF) restrictions which limit development to improvements for public outdoor recreational use as a golf course. Tenant can apply to change the use to a different public outdoor recreational use or go through a process to move the LWCF restrictions to other land of equivalent value. The Lease provides the same timeframes/deadlines for these parcels for obtaining zoning, submitting conceptual master plans, commencing construction, etc., as Parcel 1 except schedules begin when restrictions are removed or expire. New appraisals of these parcels will be completed, and thus Minimum Rent will be reset, when the restrictions on these parcels are removed or expire.

Condition of the Premises and Improvements; Subdivision and Subleasing: Tenant is required to maintain buildings, roads, parking lots, and landscaping in good order and in a safe, clean, orderly condition. Lease requires Tenant to make repairs and renovations necessary to maintain facilities in a high quality condition.

Tenant may subdivide premises and sublease subparcels without further approval of JBRC or SFAA, subject to PPDA approval.

Renewal or Extension: When half of the Lease term has expired, PPDA and Tenant may negotiate renewal or extension of Lease term, subject to approval by appropriate governmental authorities at that time. Upon expiration or termination of Lease, all improvements constructed on the premises will become property of PPDA without further approval of JBRC or SFAA. Unless Lease is terminated due to Tenant's default, Tenant is allowed to remove its furniture, furnishings, equipment, and fixtures.

Relocation of Patriots Point Facilities: PPDA is currently using a portion of the property for its parking, ticket sales office, gift shop, administrative offices, exhibits and restroom facilities in connection with the operation of the museum. These facilities will be relocated subject to required approvals under the State Procurement Code and Permanent Improvement Process. If the required approvals for the necessary PIPs are not obtained, the Tenant can still require relocation by PPDA. (If PPDA fails to relocate due to non-appropriation, Tenant can perform obligation on PPDA's behalf and make a contract-based claim against PPDA; non-appropriation does not excuse PPDA's obligation to relocate and does not terminate Tenant's rights.) Some relocation costs will be reimbursed by the Tenant; however, the cost to construct a new ticket sales office and administrative offices will be at PPDA's expense (estimated to be \$5 million).

SUBCOMMITTEE RECOMMENDATION:

- 1) Review and make favorable recommendation regarding the Amended and Restated Master Lease Agreement dated December 19, 2016, between Patriots Point Development Authority and Patriots Annex, LLC;
- 2) Require Patriots Point Development Authority to provide a report prior to March 31 each year to the Joint Bond Review Committee and the State Fiscal Accountability Authority containing the status of the proposed lease as outlined below; and
- 3) Recommend that the State Fiscal Accountability Authority consider requiring the Patriots Point Development Authority Board to secure a guaranty from the Tenant's principal member (either personal or by another of Mr. Bennett's entities that is adequately capitalized to cover the cost of the construction and/or remediation in the event of default) prior to commencement of construction so as to assure that the State will remain whole in the event of a Lease default on the Tenant's behalf.

Outline of Annual Reporting to JBRC and SFAA

- I. Financial Information
 - A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:
 - (1) The amount of Minimum Rent received; and
 - (2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property.
 - (3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.
 - B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.
 - C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.
 - D. An estimate of the number of people employed by the businesses operating on the Premises.
- II. Development
 - A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.
 - B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:
 - (1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.
 - (2) The status of any improvements currently under construction.
 - (3) The status of any improvements completed and operational within the prior 12 months.
 - (4) Any change in the status of operating improvements.
 - (5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.
 - C. An update concerning the Lease's various development-related deadlines.
 - D. Milestones expected in the upcoming 12 months.
 - E. An update concerning the PPDA improvements affected by the Lease, including:
 - (1) Any improvements vacated by PPDA in the prior 12 months.
 - (2) The status of any improvements currently being relocated or constructed.
 - (3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.
 - (4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.
- III. Legal/Miscellaneous
 - A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

- B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.
- C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.
- D. An update concerning all loans secured by the leasehold estate.

COMMITTEE ACTION:

Review and make recommendation regarding proposed Amended and Restated Master Lease Agreement dated December 19, 2016, between Patriots Point Development Authority and Patriots Annex, LLC.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated June 6, 2017
- 2) Letter from R. Mac Burdette, Executive Director, PPDA, dated April 12, 2017
- 3) Resolution of the PPDA Board enacted May 19, 2017
- 3) South Carolina Code of Laws Sections 1-11-55 and 1-11-56
- 4) South Carolina Code of Regulations 19-447.1000

DOCUMENTS PROVIDED AS SEPARATE HANDOUT:

- 1) Overview of Amended and Restated Master Lease dated February 8, 2017

AVAILABLE UPON REQUEST:

- 1) Amended and Restated Master Lease Agreement dated December 19, 2016
- 2) Supplemental Questions dated March 31, 2017
- 3) Report of William E. Craver, III and Philip G. Wagoner to PPDA Board dated May 18, 2017
- 4) Questions and Answers Regarding Due Diligence Conducted by PPDA dated May 25, 2017
- 5) Economic and Financial Analysis by Dr. Joseph C. Von Nessen, Research Economist, Division of Research, Darla Moore School of Business, USC


JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 6, 2017

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: Patriots Point Development Authority Lease-Out to Patriots Annex, LLC

3. Summary Background Information:

Patriots Point Development Authority (PPDA) is requesting approval to lease approximately 61.75 acres (the "Premises") located on Patriots Point Road to Patriots Annex, LLC ("Tenant"). The principal member of Patriots Annex, LLC is Michael R. Bennett.

The Lease Commencement Date is the date of State Fiscal Accountability Authority approval. The term of the Lease is a minimum of 99 years (unless earlier terminated), beginning on the Term Commencement Date, which is the date that the appropriate authority has issued the first certificate of occupancy for improvements constructed on the Premises. The Term Commencement Date could begin more than twenty-one years after the Lease Commencement Date.

Rent will be the greater of Percentage Rent or Minimum Rent beginning as of the Minimum Rent Commencement Date described below. Tenant must begin paying Percentage Rent, which consists of varying percentages of gross sales and rentals ranging from 3.5% to 12.5 % depending on the use, on the Lease Commencement Date. While the Tenant is required to begin paying Percentage Rent, this rent is contingent upon development of the site and as such does not represent revenue for PPDA until the improvements are complete. As such, the Lease requires the Tenant to begin paying Minimum Rent as delineated below.

From the Lease Commencement Date, Tenant has an Inspection Period during which Tenant will apply for zoning, negotiate fee-in-lieu of property tax and other required agreements with the Town of Mt. Pleasant and other local municipalities, and otherwise perform its due diligence. Tenant's Inspection Period ends when specific conditions precedent are met, including Tenant obtaining the required zoning, property tax agreements and Development Agreement for the Premises from the Town of Mt. Pleasant and the County of Charleston. If the Inspection Period exceeds two years, either PPDA or Tenant may cancel the Lease but there is no requirement to do so and the Inspection Period could potentially extend indefinitely. The Minimum Rent Commencement Date is the earlier of (1) one year after the end of the Inspection Period, or (2) the beginning of the fourth year after the Lease Commencement Date if zoning has been obtained by that point in time. As of the Minimum Rent Commencement Date, Tenant must begin paying the greater of (i) Percentage Rent, or (ii) Minimum Rent. Minimum Rent consists of a percentage of Fair Market Rent, as determined initially through an appraisal process and increased annually by the percentage change in CPI. The percentage of Fair Market Rent applicable to Minimum Rent is 10% for the first applicable Minimum Rent period with an increase annually thereafter by an additional 10% until it reaches the full value of Fair Market Rent in the eleventh (11th) year. Minimum

Rent does not decrease except as a result of reappraisal of Fair Market Rent which may occur in the forty-ninth year following the Lease Commencement Date if requested by either party.

PPDA is currently using a portion of the Premises for purposes such as parking, a ticket sales office, a gift shop, administrative offices, a photo concession, exhibits and restroom facilities in connection with the operation of its museums. Implementing the Lease includes construction of a mixed-use development of the Premises that requires relocating some of PPDA's landside activities. PPDA will undertake relocation of these facilities subject to required approvals under the State's Permanent Improvement Process and Consolidated Procurement Code. If the required approvals are not obtained, Tenant can still require relocation by PPDA. Some of the relocation costs will be reimbursed to PPDA by the Tenant and other landside activities will be relocated at PPDA's cost. As part of the relocation of PPDA facilities, from time to time, portions of current PPDA parcels will be added to the Premises and as a result of certain new PPDA facilities, parcels will be removed from the Premises. If PPDA has not relocated a particular facility and/or use prior to the deadline for vacating such facility and/or use set forth in the Lease, then PPDA will be required to relocate such facility and/or use to a temporary location to allow Tenant to move forward with its development. If PPDA fails to perform due to non-appropriation, Tenant can perform the obligation on PPDA's behalf and make a contract-based claim against PPDA for its cost of performance. Non-appropriation does not excuse PPDA's obligation to vacate a parcel and does not terminate Tenant's rights under the Lease. Tenant will be responsible for the demolition of any improvements left by PPDA on land that PPDA vacates. PPDA facilities to be relocated include but are not limited to its primary facility, pier, storage and maintenance, the Vietnam Support Base Exhibit, and personnel and visitor parking.

Tenant must commence construction on one or more of the Improvements to be built on the Premises within three years of the end of the Inspection Period and must complete the Minimum Development Requirements within fifteen years of the Lease Commencement Date. The Minimum Development Requirements are the aggregate Improvements to be constructed on or made to the Premises and include at least the square footages and/or other applicable units of measurement such as hotel guest rooms per use (including all of the common areas, roadways, parking, pedestrian access, and parks and other areas to be landscaped within the Premises) set forth in Tenant's proposed Conceptual Master Plan, as modified by the Conceptual Master Plan and the Master Plan. If Tenant does not complete the Minimum Development Requirements within 15 years of Lease Commencement Date, the Lease includes an escalating system of penalties designed to incentivize Tenant to complete the development. If Tenant has not completed the Minimum Development Requirements by the 21st anniversary of the Lease Commencement Date, then PPDA has the option, but not the obligation, to cancel the Lease with regard to the portions of the Premises that are not complete and operational, following twelve (12) month notice.

Two sample timelines are provided below. In the first sample timeline, Tenant obtains zoning for the Premises 18 months after the Lease Commencement Date. In the second sample timeline, Tenant obtains zoning 28 months after the Lease Commencement Date.

Sample Timeline 1:

Lease Commencement Date:	June 13, 2017
Percentage Rent Commencement Date	June 13, 2017
Zoning Approval by the Town of Mt. Pleasant:	December 13, 2018
Last Day of Inspection Period:	December 13, 2018
Minimum Rent Commencement Date:	December 13, 2019 (Yr 3, 20%)
Commencement of Construction Deadline:	December 13, 2021
Deadline to Complete All Development:	June 13, 2032

Sample Timeline 2:

Lease Commencement Date:	June 13, 2017
Percentage Rent Commencement Date:	June 13, 2017
Zoning Approval by the Town of Mt. Pleasant:	October 13, 2019
Last Day of Inspection Period:	October 13, 2019
Minimum Rent Commencement Date:	June 13, 2020 (Yr 4, 30%)
Commencement of Construction Deadline:	October 13, 2022
Deadline to Complete All Development:	June 13, 2032

In Sample Timeline 1 above where Tenant begins paying Minimum Rent December 13, 2019 (during the third year of the Lease), Tenant would begin paying Minimum Rent at the rate of 20% of fair market rent. In Sample Timeline 2 above where Tenant begins paying Minimum Rent June 13, 2020 (during the fourth year of the lease), Tenant would begin paying Minimum Rent at the rate of 30% of fair market rent.

Based on Tenant's proposed Conceptual Master Plan, PPDA expects Percentage Rent to be an average of 6% of Tenant's gross income from the Improvements on the Premises. The Conceptual Master Plan has not been approved by PPDA and can be changed. As such, the expected average gross income could change as well. As Tenant completes various Improvements on the Premises and those Improvements become operational and begin producing income on which Percentage Rent is due, PPDA expects Percentage Rent to exceed Minimum Rent.

In order to ensure that Tenant is paying the correct amount of Percentage Rent and that PPDA has the ability to independently verify that Tenant is paying the correct amount of Percentage Rent, the Lease requires that Tenant maintain accurate books and records accounting for all its gross revenues. At the time that each payment of Percentage Rent is due, Tenant must give PPDA a written statement showing the total amount of gross revenue received by Tenant and Tenant Affiliates, the amounts of gross revenue received from each category or type of use, and, in the case of gross rentals, the identity of each source of rental revenue. Tenant must attach to the statements its sales tax and use tax reports. PPDA has the right to examine Tenant's books and records at any reasonable time in order to verify the accuracy of Tenant's statements of gross revenue. In addition, within 90 days of the end of each Lease Year, Tenant must provide PPDA with audits of Tenant's and Tenant Affiliate's gross revenue. The audits must be conducted by a reputable independent certified public accountant doing business in South Carolina and must be performed in accordance with objective and commercially reasonable audit procedures consistent with professional standards.

Tenant will develop the Premises pursuant to a Conceptual Master Plan approved by PPDA. Tenant's proposed Conceptual Master Plan is attached to the Lease as Exhibit F, but PPDA has not approved the proposed Conceptual Master Plan. During the Inspection Period, Tenant will refine its proposed Conceptual Master Plan and will present a Conceptual Master Plan to PPDA. PPDA's approval of the Conceptual Master Plan is in its sole discretion and will not be subject to further review by the Joint Bond Review Committee or the State Fiscal Accountability Authority. Tenant can update and amend the Conceptual Master Plan from time to time during the Lease term, subject to PPDA approval and within the time frames set forth in the Lease. The Conceptual Master Plan must include Tenant's anticipated uses. Tenant's permitted uses under the Lease include but are not limited to: (i) conference centers, (ii) hotels, (iii) retail, (iv) restaurants and entertainment, (v) parking, (vi) offices, (vii) residential apartments as part of a mixed use building, (viii) event venues, (ix) government facilities, and (x) open space and pedestrian trails. Tenant is expressly prohibited from developing residential condominium units, vacation time shares, or other similar fractional real estate interests but may develop commercial horizontal property regimes or other fractional commercial real estate interests.

Once Tenant and PPDA have agreed to a Conceptual Master Plan, but before Tenant can commence construction on a given portion of the Premises, Tenant must submit a Development Plan to PPDA covering the portion of the Premises on which Tenant desires to commence construction for PPDA's approval. All of the Development Plans together constitute the Master Plan for the Premises. Each new Development Plan is an amendment to the Master Plan. Tenant can update and amend a Development Plan (and therefore the Master Plan) from time to time during the Lease term, subject to PPDA approval.

Once PPDA has approved a Development Plan for a portion of the Premises, the final step before Tenant can commence construction is the submission by Tenant of Construction Plans for PPDA approval. The Construction Plans must include (i) a proposed site plan, (ii) a set of elevations for all proposed buildings, (iii) a proposed project construction and completion schedule, (iv) a description of the proposed uses on the applicable portion of the Premises, and (v) Proof of Financial Capability to construct the improvements.

To accommodate separate financing for specific improvements, Patriots Annex, LLC will have the right to subdivide the Premises and assign or sublease subparcels without further approval of the Joint Bond Review Committee or the State Fiscal Accountability Authority. Subject to certain transfers that are expressly permitted in the Lease, Tenant's ability to Transfer the Leasehold Estate is subject to PPDA's approval. "Transfers" include but are not limited to assignments, subleases, sales, mortgages, pledges and other types of encumbrances. Even if Tenant desires to make a Transfer of the Leasehold Estate to a Transferee that otherwise is expressly permitted in the Lease, Tenant cannot make the Transfer if (i) there is an uncured material or monetary default by Tenant under the Lease, or (ii) the Transferee is a "Prohibited Person" (generally, anyone under criminal investigation, who has been convicted of certain felonies, who is on any federal lists related to terrorist activity, or who is a foreign governmental entity). The Transfers and Transferees that are expressly permitted in the Lease include (i) subleases to any affiliate of Tenant that is controlled by Michael Bennett and at least 10% of which is owned by Michael Bennett or his Family Members, (ii) Assignments of Subparcel Leases to Affiliates of Tenant that are controlled by Michael Bennett and at least 10% of which are owned by Michael Bennett or his Family Members, (iii) Transfers in connection with a Loan made in accordance with the terms of the Lease regarding Loans and Lenders (discussed below), and (iv) renting, leasing, or subleasing office space, retail space, hotel rooms, and other similar space in the ordinary course of business.

In addition to the restrictions on Tenant's ability to Transfer the Leasehold Estate, the ability of Tenant's owners to Transfer equity interests in Tenant is also subject to PPDA's approval, subject to certain Transfers that are expressly permitted in the Lease. Even if an owner of Tenant desires to make a Transfer of an equity interest in Tenant to a Transferee that otherwise is expressly permitted in the Lease, the owner of Tenant cannot make the Transfer if (i) there is an uncured material or monetary default by Tenant under the Lease, (ii) the Transferee is a Prohibited Person, or (iii) if the Transfer would result in (a) the Transferee having control of Tenant, and (b) the Transferee owning less than 10% of the equity interest in Tenant. The Transfers and Transferees that are expressly permitted in the Lease include (i) Transfers to any Affiliate of Tenant that is controlled by Michael Bennett and at least 10% of which is owned by Michael Bennett or his Family Members, (ii) Transfers to a Family Member of the Transferor, (iii) Transfers made in connection with a loan made in accordance with the terms of the Lease regarding loans and lenders (discussed below), (iii) Transfers of the stock of a publicly traded entity, and (iv) Transfers of minority equity interests in Tenant so long as Tenant continues to be controlled by Michael Bennett and at least 10% of Tenant continues to be owned by Michael Bennett or his Family Members.

A lender who loans funds to Tenant for the construction of Improvements on the Premises could take a collateral assignment of Tenant's Leasehold Estate (substantively a mortgage) in the Premises as collateral for the Loan. As such, the Lender-related provisions of the Lease contain a set of restrictions on PPDA's ability to terminate the Lease for an uncured default before the Lender has had an adequate

opportunity to cure the default or exercise its foreclosure remedies, provided that the Rent must always continue to be paid. Generally, PPDA retains the right to terminate the Lease for nonpayment of Rent after the Lender has been given an opportunity to pay the Rent on Tenant's behalf.

The Lease contains requirements to safeguard PPDA that once Tenant commences construction of Improvements, those Improvements will be completed. One of the items that Tenant must provide to PPDA prior to commencing any construction on the Premises is Tenant's "Proof of Financial Capability" with respect to the entire cost of the construction that Tenant would like to commence. To satisfy this requirement, Tenant must provide PPDA either (i) a commitment letter or other sufficient proof of a commitment from a lender to provide adequate financing to assure construction of the Improvements, or (ii) satisfactory proof in PPDA's reasonable discretion that Tenant has committed the necessary financial resources to assure construction of the Improvements. Tenant must also provide PPDA with customary payment and performance bonds of the general contractor's obligations under the relevant construction contract. If Tenant provides payment and performance bonds to its construction lender and PPDA is also listed as a beneficiary on those bonds, Tenant does not have to provide separate bonds for PPDA but PPDA's interest therein shall be junior to the interest of the lender. If Tenant's construction lender does not require payment and performance bonds, then PPDA may also waive the payment and performance bond requirement, but only if such waiver is approved by the State Fiscal Accountability Authority at that time.

Once Tenant has constructed Improvements on the Premises, the Lease requires Tenant to maintain the Improvements, including buildings, roads, parking lots, and landscaping, in good order and repair and in a safe, clean, sanitary, and orderly condition. The Lease requires Tenant to make repairs and renovations necessary to maintain the facilities operated on the Premises in a high-quality condition. The Lease also requires Tenant to maintain insurance on the Premises and on the Improvements to the Premises. Tenant must maintain a comprehensive general liability policy with limits specified in the Lease, contingent liability and builder's all-risk insurance in commercially reasonable amounts approved by PPDA, business interruption or loss of rents insurance (as applicable) in an amount equal to the greater of Percentage Rent of Minimum Rent due to PPDA for the prior Lease Year to ensure that PPDA continues to receive Rent in the event of a casualty, and insurance on Tenant's Improvements, merchandise, trade fixtures, furnishing, and equipment on the Premises in an amount not less than the replacement cost thereof. PPDA must be named as an additional insured on all of these insurance policies.

Portions of the Premises are subject to easements and restrictions that restrict the types of development that can occur on the encumbered property. Parcel 2 is encumbered by a South Carolina Department of Natural Resources conservation easement that prohibits development of any kind. The Conservation Easement is set to expire in 2023. The southern third of Parcel 2 and the eastern portion of Parcel 3 are encumbered by Federal Land Water Conservation Fund ("LWCF") restrictions. These restrictions limit development to improvements for public outdoor recreational use. The LWCF agreement that put the restrictions in place specifies that the restricted land is to be used for a golf course and related amenities, but Tenant may apply to have the specified use changed. The LWCF restrictions do not expire, but they can be moved to other land of equivalent value. The Lease provides that the same schedules and deadlines for obtaining Zoning, submitting Conceptual Master Plans and Master Plans, and commencing and completing construction of Improvements that apply to the rest of the Premises also apply to the land restricted by the Department of Nature Resources and LWCF restrictions, except that the schedules and deadlines will be based on the dates that the restrictions are removed or expire, as applicable. As such, the ninety-nine year lease term for these parcels would not begin until such restrictions are removed, which could be decades in the future.

At the time when half of the Lease Term has expired, PPDA and Tenant will negotiate in good faith for a renewal or extension of the Lease Term on such terms and conditions as they may agree, subject to

approval by the appropriate governmental authorities at the time of such renewal or extension. Upon the expiration or earlier termination of the Lease, all of the Improvements constructed on the Premises become PPDA's property without further approval by the Joint Bond Review Committee or the State Fiscal Accountability Authority. Unless the Lease is terminated because of Tenant's default, Tenant is allowed to remove its furniture, furnishings, equipment, and trade fixtures.

The PPDA Board passed a Resolution on May 19, 2017 ratifying the conclusions of its prior due diligence concerning Bennett Hospitality and Michael R. Bennett. PPDA has also agreed to oversight by and reporting to JBRC and the State Fiscal Accountability Authority in accordance with the attached "Questions and Answers Regarding Due Diligence" dated May 25, 2017 with the following additions/modifications:

- Under A.1.b. Financial Information PPDA will also report on the use of funds received in the prior twelve (12) months
- Under A.1.c. Development PPDA will report on project milestones for the next twelve (12) months

4. **What is JBRC asked to do?** Consider approval of the Lease out from PPDA to Patriots Annex, LLC.

5. **What is recommendation of Department of Administration?** Consider approval of the Lease out from PPDA to Patriots Annex, LLC.

6. **List of Supporting Documents:**

1. SC Code of Laws Sections 1-11-55 and 1-11-56
2. SC Code of Regulations 19-447.1000
3. Supplemental Questions
4. Letter from PPDA
5. Michael R. Bennett and Related Controlled Interests – Statement of Financial Condition
6. PPDA Board Resolution Dated May 19, 2017
7. PPDA "Questions and Answers Regarding Due Diligence" dated May 25, 2017

PATRIOTS POINT

★ HOME OF THE USS YORKTOWN ★

April 12, 2017

Via Email:

Ashlie Lancaster
SC Department of Administration
Wade Hampton Building, Suite
460
1200 Senate Street
Columbia, SC 29201
ashlie.lancaster@admin.sc.gov

Via Email

Dianne Carraway
Gressette Building, Room 312
1101 Pendleton Street
Columbia, SC 29201
diannecarraway@scsenate.gov

Re: Submission of Request for Approvals - Amended and Restated Master Lease Agreement between Patriots Point Development Authority as Landlord and Patriots Annex, LLC as Tenant, dated December 19, 2016

Dear Ms. Lancaster and Ms. Carraway:

I am writing this letter to request (i) approval by the South Carolina Joint Bond Review Committee ("JBRC") of the Amended and Restated Master Lease Agreement between Patriots Point Development Authority as Landlord and Patriots Annex, LLC as Tenant, dated December 19, 2016 (the "Lease") at JBRC's meeting on April 26, 2017, and (ii) approval by the South Carolina State Fiscal Accountability Authority ("SFAA") of the Lease at SFAA's meeting on May 2, 2017.

Patriots Point and Patriots Annex, LLC entered a Master Lease Agreement dated April 8, 2016. Our attorneys then worked with State counsel to review and analyze the Master Lease Agreement for any issues that needed to be resolved in connection with the Master Lease Agreement's approval. As a result of those efforts, Patriots Point and Patriots Annex, LLC negotiated and executed the Amended and Restated Master Lease Agreement.

Patriots Point Development Authority

Ashlie Lancaster


Dianne Carraway

April 10, 2017

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We look forward to working with you in obtaining the necessary approvals. After you have reviewed this letter, please do not hesitate to contact me or our attorneys if you have any questions or need any additional information.

Sincerely,


R. Mac Burdette, Executive Director
Patriots Point Development Authority

cc: Ray E. Chandler, Chairman, Patriots Point Development Authority (by e-mail)
Wayne Adams, Vice Chairman, Patriots Point Development Authority (by e-mail)
William E. Craver, III, Esquire (by e-mail)
Philip G. Wagoner, Esquire (by e-mail)
Brandon Dermody, Southern Strategy Group (by e-mail)

RESOLUTION OF THE BOARD OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY

Mt. Pleasant, South Carolina

A RESOLUTION (THE "RESOLUTION") BY THE PATRIOTS POINT DEVELOPMENT AUTHORITY RATIFYING THE CONCLUSIONS OF ITS PRIOR DUE DILIGENCE CONCERNING BENNETT HOSPITALITY AND MICHAEL R. BENNETT REGARDING THE AMENDED AND RESTATED MASTER LEASE AGREEMENT DATED DECEMBER 19, 2016.

1. Recitals.

- 1.1. Patriots Point Development Authority ("Patriots Point") maintains three museum ships: (1) the aircraft carrier ex-U.S.S. Yorktown, (2) the destroyer ex-U.S.S. Laffey, and (3) the submarine ex-U.S.S. Clamagore. Patriots Point is in the process of identifying a prospective governmental entity for transfer of the Clamagore. After that transfer, Patriots Point will focus its efforts on maintaining the Yorktown and the Laffey. Museum ships sitting in saltwater require constant attention and maintenance. The Yorktown needs significant capital investment to complete deferred maintenance in order to ensure that the museum is enjoyed by coming generations. While the Laffey has recently undergone extensive restoration, it will continue to require capital investment and periodic dry docking for maintenance.
- 1.2. Patriots Point funds the operation of the museums and the maintenance of the ships through a combination of (1) income from museum operations (such as ticket sales, gift shop sales, event space rentals, camping sales, parking revenue, and food sales), and (2) income from land leases. Current income from land leases is approximately \$1.5 million per year. At present, a significant portion of the income from land leases is used in the operation of the museums, and in recent years to make payments on the loan advanced by the State of South Carolina for emergency repairs of the Laffey. Patriots Point has implemented an enhanced marketing and sales program to promote enhancements to the museum attractions and estimates that, given the resulting growth in ticket sales, the museum will be able to operate solely from museum operations income by 2020, leaving the full income from land leases for ship maintenance.
- 1.3. Patriots Point owns approximately 450 acres of land. Of that 450 acres, approximately 63 acres are not leased. In 2014, Patriots Point issued a Request for Proposals (the "RFP") seeking proposals from candidates desiring to lease 60 of those 63 remaining unleased acres for development of a mixed use project, with

Patriots Point Development Authority Resolution – Due Diligence Concerning Bennett Hospitality and Michael R. Bennett Regarding the Amended and Restated Master Lease Agreement dated December 19, 2016

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the goal of receiving sufficient rent from the lease to pay for the maintenance of the ships. Bennett Hospitality submitted a response to the RFP dated July 23, 2014. Patriots Point received one other response to the RFP. Patriots Point chose to negotiate a lease with Bennett Hospitality based on its response to the RFP and meetings with Michael R. Bennett, the principal of Bennett Hospitality.

- 1.4. On August 21, 2014, Patriots Point provided Bennett Hospitality with the first draft of a proposed Master Lease Agreement. Over the next two years, Patriots Point and Bennett Hospitality negotiated the terms of the Master Lease Agreement. The final Master Lease Agreement (the "Lease"), dated April 8, 2016, was executed by the parties (Bennett Hospitality's single-purpose entity to be the tenant under the Lease is Patriots Annex, LLC) and approved by the Patriots Point Development Authority Board (the "Board") on April 15, 2016. Over the next several months, William E. Craver, III and Philip G. Wagoner, legal counsel to Patriots Point, had several meeting with State government attorneys to receive their feedback, comments, and suggestions regarding the Lease. Based on their extensive comments (approximately 50), Patriots Point negotiated an Amended and Restated Master Lease Agreement with Patriots Annex, LLC. The parties signed an Amended and Restated Master Lease Agreement (the "Amended and Restated Lease") dated December 19, 2016. In the months that followed, Patriots Point communicated regularly with the staff of both the South Carolina Joint Bond Review Committee ("JBRC") and the South Carolina State Fiscal Accountability Authority ("SFAA") to answer their various questions concerning the Amended and Restated Lease.
- 1.5. The Amended and Restated Lease must be approved by the JBRC before it can be considered for approval by the SFAA. The JBRC has formed a subcommittee to review the Amended and Restated Lease and to make a recommendation to the full JBRC. The subcommittee consists of Senator Paul G. Campbell, Jr., Senator Glenn D. Reese, Representative Gilda Cobb-Hunter, and Representative Alan D. Clemmons. In the course of Patriots Point's meetings with the subcommittee, members of the subcommittee have raised questions about the due diligence conducted by Patriots Point with regard to Patriots Annex, LLC, Bennett Hospitality, and Michael R. Bennett. This Resolution and the Report (defined below) have been prepared in response to those questions.
- 1.6. The Patriots Point Board approved Bennett Hospitality (and therefore Patriots Annex, LLC) based on factors including but not limited to the following:
 - 1.6.1. Rent under the Lease and the Amended and Restated Lease is the greater of (a) fair market rent determined by appraisal and (b) percentage of gross revenue rent. Bennett Hospitality's response to the RFP contemplates

paying Patriots Point in excess of fair market rent for the property under the Amended and Restated Lease. Patriots Point needs to receive rent in excess of fair market rent to have sufficient funds to maintain the ships without having to ask the State of South Carolina for funds. Patriots Annex, LLC has signed a lease which is expected to generate that level of rent for Patriots Point.

1.6.2. While Patriots Annex, LLC is a single-purpose entity formed to be the tenant under the Amended and Restated Lease and presently does not have any assets, the Amended and Restated Lease requires Patriots Annex, LLC to furnish "Proof of Financial Capability" (as defined in the Amended and Restated Lease) with respect to the entire costs of construction of any improvements at least forty-five (45) days prior to the commencement of any construction. In addition, the Amended and Restated Lease requires Patriots Annex, LLC to provide payment and performance bonds for all material construction.

1.6.3. The Amended and Restated Lease is an unsubordinated ground lease. If Patriots Annex, LLC defaults and Patriots Point terminates the Amended and Restated Lease, control of the land will be returned to Patriots Point without encumbrances. If Patriots Annex, LLC has constructed improvements on the Premises at the time of termination of the Amended and Restated Lease, Patriots Point will receive ownership of those improvements. In addition, different benefits would accrue to Patriots Point if Patriots Annex, LLC were to default and Patriots Point were to terminate the Amended and Restated Lease depending on the timing of the default and termination of the Amended and Restated Lease. In each case, Patriots Point is in a better position for having entered into the Amended and Restated Lease:

1.6.3.1. If the Amended and Restated Lease is terminated before Patriots Annex, LLC begins any construction, then (i) Patriots Point will regain control of the land, (ii) Patriots Point will have the form of the Amended and Restated Lease for inclusion with any future Request for Proposals for potential developers, and (iii) Patriots Point will have a viable conceptual master plan for the premises.

1.6.3.2. If the Amended and Restated Lease is terminated after Patriots Annex, LLC has commenced construction of its first improvements but before those first improvements have been completed, then all of the benefits from item 1.6.3.1 above would

apply, and in addition, Patriots Annex, LLC will likely have installed the infrastructure for the premises. Because of the location on the premises where Patriots Annex, LLC is planning to build its first improvements, Patriots Annex, LLC will need to install the infrastructure for most of the premises before it begins construction of the first improvements. If the Amended and Restated Lease is terminated after Patriots Annex, LLC has installed the infrastructure, then Patriots Point will regain control of the premises with the infrastructure installed. Patriots Point could not afford to install the infrastructure itself without significant financial assistance from the State. With the infrastructure installed and the conceptual master plan in hand, Patriots Point could conduct individual Requests for Proposals for developers to construct and operate the various improvements shown on the conceptual master plan. This would not be possible without the infrastructure being constructed and left by Patriots Annex, LLC or significant financial assistance from the State.

1.6.3.3. If the Amended and Restated Lease is terminated after Patriots Annex, LLC has completed its first improvements, then all of the benefits listed in items 1.6.3.1 and 1.6.3.2 above would apply, and in addition, Patriots Point would receive the completed improvements.

- 1.7. No public company, hedge fund, or other developer would be willing to support Patriots Point by agreeing to a rent mechanism contemplating that it will likely pay more than fair market rent. Only a family-owned or individually-owned business could make the civic-minded decision to support Patriots Point with such a rent mechanism, thereby sharing the potential upside of its business with Patriots Point. Michael R. Bennett started and he and his family own Bennett Hospitality and its related businesses. They have demonstrated the civic-minded willingness to support Patriots Point with such a rent mechanism.
- 1.8. Bennett Hospitality has been developing property and running businesses in Charleston for over forty (40) years. Many of the Board members are very familiar with Bennett Hospitality, Michael R. Bennett and the properties they own and operate in the Charleston area.
- 1.9. In Bennett Hospitality's response to the RFP, it provided a financial statement for Mr. Bennett that demonstrated Mr. Bennett's personal financial capability to complete the development contemplated by the Amended and Restated Lease.

- 1.10. Bennett Hospitality's constant construction of properties and opening of businesses is readily apparent to people living in the Charleston area and supports the concept that Bennett Hospitality is capable of completing the development contemplated by the Amended and Restated Lease.
- 1.11. Bennett Hospitality is not in the business of developing property. Developers build or renovate property and then sell the property hoping to make a profit. Bennett Hospitality, on the other hand, is in the hospitality business. It buys property, builds or renovates improvements, opens businesses in those improvements, and operates those businesses. Bennett Hospitality is not in the business of selling its properties. As a result, the improvements are built or renovated in a high quality manner and with an eye to long-term sustainability.
- 1.12. In August of 2013, Bennett Hospitality, through a single purpose entity named Ferry Wharf Cottages, LLC, purchased the lease of Patriots Point's Parcel A-1 which includes 10 cottages operated as an inn under the name "The Cottages on Charleston Harbor." Ferry Wharf Cottages, LLC is up to date on rent payments. The rent payments have increased while Ferry Wharf Cottages, LLC has owned the cottages as the result of Ferry Wharf Cottages, LLC's long-term perspective improving the performance of the property.
- 1.13. A report prepared for Patriots Point by Mr. Craver and Mr. Wagoner titled "Report Concerning Patriots Point's Due Diligence on Bennett Hospitality" dated May 18, 2017 (the "Report"), has been distributed to the Board and has been reviewed by the Board.
- 1.14. The following confidential materials have been provided to the Board for its review (but not retention) in executive session:
 - 1.14.1. An inventory of Michael R. Bennett's businesses, including the name, address, and a short description of each business;
 - 1.14.2. A summary of the assessed values for real estate tax purposes of a list of Michael R. Bennett's real estate and improvements; and
 - 1.14.3. Confirmation Reports for each of the businesses listed on the inventory of Michael R. Bennett's businesses.
- 1.15. The inventory of Michael R. Bennett's businesses shows that Michael R. Bennett owns thirty-two businesses, including twenty hotels (12 in the Charleston area, 2 in Savannah, 5 in Montana, and 1 in Florida), seven restaurants (6 in the Charleston area and 1 in Savannah), an office park in Charleston, a retail center in

Savannah, an historic building housing office and event space in Charleston, and a 960 seat performance venue in Charleston. The list of businesses included in the inventory was provided by Bennett Hospitality. Mr. Bennett owns additional businesses not included in the inventory.

- 1.16. The summary of assessed values for real estate tax purposes shows the assessed values of the various properties (land and improvements) listed on the inventory of Michael R. Bennett's businesses. The values were obtained from the websites for the various counties in which the properties are located. It should be noted that assessed values are not the fair market values of properties, but generally are lower than fair market values. Also, these values do not reflect the value of any businesses operated on the properties. Accordingly, the values reflected on the summary are significantly lower than the fair market values. This summary of assessed values is provided for the purpose of demonstrating an "order of magnitude" asset value of the properties listed on the inventory. This order of magnitude is *substantial*.
- 1.17. In order to confirm that each business listed on the business inventory exists and is operating, either Mr. Craver or Mr. Wagoner has personally visited each business on the inventory that is located in the area of Charleston, South Carolina or in Savannah, Georgia. One restaurant location in Savannah appears to be a functioning restaurant, but was not open during the hours Mr. Wagoner was in Savannah. Mr. Craver and Mr. Wagoner were able to confirm that each of the other businesses was open and operating with personnel and customers inside the property conducting business, and was functioning in a regular manner with all indications that it would continue to do so. Mr. Wagoner also called each business in Montana and Florida. Mr. Craver and Mr. Wagoner completed a Confirmation Report for each visit or phone call. The Confirmation Reports include general information about each business and Mr. Craver's and Mr. Wagoner's observations while on site.
- 1.18. The Report offers the following findings and observations based on the above-described confidential materials, Mr. Craver's numerous personal interviews with Mr. Bennett, Mr. Craver and Mr. Wagoner's almost three years of working with Bennett Hospitality personnel and attorneys to complete the Lease and the Amended and Restated Lease, and Mr. Craver's conversation with a bank reference provided by Bennett Hospitality:
 - 1.18.1. In January of 2016, Bennett Hospitality, through a single purpose entity named Ferry Wharf IV, LLC, purchased the lease of Parcel E, which includes 10.9 acres of developable waterfront land. Ferry Wharf IV, LLC is up to date on rent payments. Ferry Wharf IV, LLC and Patriots Point are

currently negotiating an amendment to the lease. Bennett Hospitality acquired this lease during the negotiation of the Lease, demonstrating Bennett Hospitality's commitment to developing, owning, and operating businesses at Patriots Point.

1.18.2. Since the date of Bennett Hospitality's response to the RFP on July 23, 2014, Bennett Hospitality has completed construction or renovation of and opened two hotels in Montana, one hotel in Florida, and two hotels in the Charleston area.

1.18.3. Since the date of Bennett Hospitality's response to the RFP on July 23, 2014, Bennett Hospitality broke ground on April 27, 2015 on the Hotel Bennett, a 179 room luxury hotel on Marion Square in Charleston. The Post & Courier reported that the construction cost of this project is \$105 million. It is slated to open in early 2018.

1.18.4. The Bennett Hospitality companies have over 1,200 employees that operate their businesses. Bennett Hospitality has a development team headed by Michael R. Bennett that develops each property. If something were to happen to Michael R. Bennett, the team would complete projects in process, continue to operate the businesses and continue to develop new properties. The three hotels, five restaurants, high-end cocktail lounge and music venue developed and operated by Bennett Hospitality in the King/John/Meeting/Tobacco Street and Hudson Alley block in downtown Charleston along with the new \$105 million Hotel Bennett under construction are living testimony of Bennett Hospitality's ability to plan, build and complete the development depicted on the proposed conceptual master plan attached to the Amended and Restated Lease.

1.18.5. Mr. Craver interviewed the Regional Credit Officer for a major regional bank doing business in Charleston who stated the following:

1.18.5.1. The bank has been doing business continuously with Michael R. Bennett for approximately 20 years.

1.18.5.2. The bank currently has permanent financing loans outstanding with Bennett entities.

1.18.5.3. The bank has provided construction loans for Michael R. Bennett and Bennett entities.

1.18.5.4. All Bennett loans are current.

- 1.18.5.5. The bank has never called or foreclosed a Bennett loan.
- 1.18.5.6. The bank anticipates making loans to Michael R. Bennett and related entities in the future.
- 1.18.5.7. Michael R. Bennett is one of the bank's largest customers, both as a borrower and depositor.
- 1.18.6. Mr. Craver and Mr. Wagoner conducted a search of the Charleston County and Berkeley County court records for Michael R. Bennett's name and for the names of each of the entities listed on the business inventory doing business in Charleston or Berkeley Counties. Recognizing that each of these entities represents a substantial construction project, there is a surprising lack of litigation disclosed on the public record in connection with these entities. A reasonable conclusion is that Bennett Hospitality is seasoned in its approach to developing its businesses. Over time there has been some litigation, but there are no outstanding judgments. This indicates that, as a developer and an owner, Bennett Hospitality and Michael R. Bennett pay their creditors and vendors and resolve any other issues generally without litigation.
- 1.18.7. The searches of court records referenced in item 1.18.6 above also would have revealed any criminal charges or convictions against Michael R. Bennett in either Charleston County or Berkeley County. The searches revealed no criminal charges or convictions in either county.
- 1.19. Based on the foregoing and the May 2017 Economic and Financial Analysis of Dr. Joseph C. Von Nessen, Research Economist, Division of Research, Moore School of Business, University of South Carolina, the Authority adopts the following resolutions.
2. NOW, THEREFORE, BASED ON THE FOREGOING AND THE MAY 2017 ECONOMIC AND FINANCIAL ANALYSIS OF DR. JOSEPH C. VON NESSEN, RESEARCH ECONOMIST, DIVISION OF RESEARCH, MOORE SCHOOL OF BUSINESS, UNIVERSITY OF SOUTH CAROLINA, BE IT
- 2.1. RESOLVED, that Patriots Point
- 2.1.1. has 450 acres of land with 63 acres not leased, and a lease with Patriots Annex, LLC executed to lease to Patriots Annex, LLC approximately 60 of the 63 acres,

Patriots Point Development Authority Resolution – Due Diligence Concerning Bennett Hospitality and Michael R. Bennett Regarding the Amended and Restated Master Lease Agreement dated December 19, 2016

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- 2.1.2. needs to maximize the cash flow from the rental of this 60 acres,
 - 2.1.3. needs to monetize this asset to provide Patriots Point more rent than would be provided by a traditional ground lease by using a lease mechanism designed to give Patriots Point part of the developer-business owner's return in the form of rent,
 - 2.1.4. will have to take real-estate oriented risks in order to receive this heightened level of return,
 - 2.1.5. believes that the Amended and Restated Master Lease with Patriots Annex, LLC will provide this higher level of rent to Patriots Point, and
 - 2.1.6. has made the conscious decision to take the risks of entering into the Amended and Restated Master Lease with Patriots Annex, LLC in return for the prospects of receiving the higher level of rent.
- 2.2. RESOLVED FURTHER, that the Board (1) has reviewed the Report and the confidential schedules prepared in conjunction with the preparation of the Report, (2) finds the Report and confidential schedules to be credible and directly relevant to the due diligence previously performed by the Board, its attorneys and staff, and (3) adopts and confirms the findings of the Report as its own findings; and
 - 2.3. RESOLVED FURTHER, that Patriots Point has completed additional due diligence since the Board decided to negotiate the Lease with Bennett Hospitality and Michael R. Bennett and since the approval of the Amended and Restated Lease, which additional due diligence supports the Board's conclusion that Bennett Hospitality and Michael R. Bennett have the creative, management, operational, and financial ability to conceptualize, plan, finance, develop, and operate multiple major hotels and other projects simultaneously; and
 - 2.4. RESOLVED FURTHER, that Patriots Point has completed additional due diligence since the Board decided to negotiate the Lease with Bennett Hospitality and Michael R. Bennett and since the approval of the Amended and Restated Lease, which additional due diligence supports the Board's decision to choose Bennett Hospitality and Michael R. Bennett to develop and operate the property under the Amended and Restated Lease; and
 - 2.5. RESOLVED FURTHER, that the Board ratifies its decision to choose Bennett Hospitality and Michael R. Bennett to develop and operate the property under the Amended and Restated Lease; and

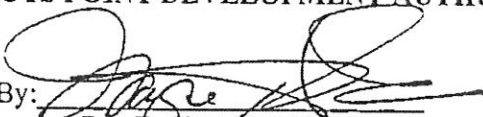
- 2.6. RESOLVED FURTHER, that the Board respectfully requests that the Subcommittee of the Joint Bond Review Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority consent to and approve the Amended and Restated Master Lease as executed by Patriots Point and Patriots Annex, LLC.

This Resolution shall forthwith be filed with Authority's resolutions in the manner prescribed by law.

Enacted: May 19, 2017.

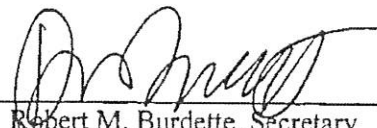
PATRIOTS POINT DEVELOPMENT AUTHORITY

By:


Ray E. Chandler, Chairman

Wayne Adams, Vice

ATTEST:


Robert M. Burdette, Secretary

Patriots Point Development Authority Resolution – Due Diligence Concerning Bennett Hospitality and Michael R. Bennett Regarding the Amended and Restated Master Lease Agreement dated December 19, 2016

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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.

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.

19-447.1000 Leasing of Real Property.

A. LEASE OF NON STATE-OWNED REAL PROPERTY

No governmental body shall contract for the lease, rental, or use of non state-owned real property without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of non state-owned real property unless the governmental body has been exempted.

1. GENERAL REGULATIONS

(a) The Office of General Services shall be accountable for the procurement of leased real property for governmental bodies in accordance with the regulations promulgated by the Board.

(b) All leases shall require the written approval of the Office of General Services, except when such lease is exempt from approval by the Budget and Control Board.

(c) Before approving any lease, Office of General Services shall:

(1) assure that all appropriate approvals have been obtained.

(2) verify that adequate funds exist for the lease payments;

(3) verify that lease payments represent no more than fair market rental;

(4) verify that upfitting costs represent no more than current market costs;

(5) verify that a multi-year financial plan has been submitted by the requesting agency for review by the Budget and Control Board's budget office.

(d) All requests for leased real property by governmental bodies and agencies shall be submitted to the Office of General Services on a "Request for Space Form" provided by General Services.

(1) This form shall include, but not be limited to:

(a) The purpose for which the space will be used.

(b) Any special requirements or needs with written justification (computer rooms, etc.).

(c) Parking requirements and justification.

(d) The general location or area desired.

(e) A multi-year financial plan for review by the Board's budget office.

(2) The amount of office space desired shall be computed and justified using the standards specified in Code Section 1-11-55.

(3) Other types of space (warehouse, laboratory, etc.) shall require a written letter of justification from the requesting agency or governmental body and shall include documentation of market standards for use of this type space. The Office of General Services shall be accountable for investigating the existing space or any other information given in the justification.

(4) The "Request for Space Form" or any other document requesting space or justifying the need for space shall be certified by the Director of the requesting agency or governmental body.

(e) An agency or governmental body desiring to renew an existing lease is responsible for notifying the Office of General Services in writing of its intention to do so at least 60 days before the renewal deadline as stated in the lease. Upon approval by appropriate boards and the Office of General Services, the governmental body or agency shall notify the Lessor that it has elected to exercise its right of renewal pursuant to the lease. The Office of General Services may send each a renewal request form and a reminder notice well in advance of these deadlines.

(f) Under no circumstances will the requesting governmental body or state agency contact or negotiate lease terms with any real estate agency, broker, builder, owner, or representative in reference to space needs without the prior written consent of the Office of General Services.

(g) The Office of General Services will begin investigation of available rental space within ten (10) working days after receiving the "Request for Space Form".

(h) When processing requests for space, the Office of General Services will first determine whether appropriate state-owned or state-leased space is available before exploring commercial space alternatives. If such space is available, the Office of General Services will direct the requesting agency or governmental body to occupy said space. If state-owned or state-leased space is unavailable or inappropriate, the Office of General Services shall begin a solicitation process to secure proposals for commercial space from as many qualified developers and/or brokers as is practicable.

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

- (1) all prior approvals have been obtained;
- (2) adequate funds exist for the lease payments;
- (3) lease payments are no more than fair market rental; and
- (4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

(b) The Office of General Services shall determine which of the above regulations are applicable to any special lease situation and may adopt additional procedures to meet special needs on a case by case basis.

8. STANDARD LEASE DOCUMENTS

(a) The Office of General Services will be responsible for drafting and updating the state standard lease document.

(b) The state standard lease document will be used in all lease negotiations unless a substitute document is approved in advance by the Office of General Services.

(c) The state lease document will incorporate cancellation provisions including a right to cancel in the event of a (a) non-appropriation of funds for the renting agency, (b) dissolution of the agency and (c) the availability of public space in substitution for private space being leased by the agency.

B. LEASE OF STATE-OWNED REAL PROPERTY

No governmental body shall contract with any commercial entity or other governmental body for the lease, rental, or use of state-owned real property whether it be titled in the name of the State of South Carolina or any governmental body, without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of state-owned real property unless the governmental body has been exempted.

C. EXEMPTIONS

The Budget and Control Board may exempt governmental bodies from leasing state-owned and non state-owned real property through the leasing procedure herein required provided, however, that annual reports be filed with the Office of General Services, prior to July 1 of each year. Annual reports shall contain copies of all existing leases of state-owned and non state-owned real property. The Budget and Control Board may limit or withdraw any exemptions provided for in this Regulation.

HISTORY: Added by State Register Volume 23, Issue No. 5, eff May 28, 1999.

JOINT BOND REVIEW COMMITTEEMeeting of June 6, 2017**Item Number 8****AGENCY:** Department of Labor, Licensing, and Regulation**PROJECT/SUBJECT:** Additional Information Requested by Committee

At its April 26 meeting, the Joint Bond Review Committee recommended approval of Phase I of a project to begin evaluation of the underground sewer system that serves the Fire Academy located off Monticello Road in Columbia. The source of funding for the project was the Fire Academy's Operating Revenue Account. (See request for Phase II of the project on Page 77.)

The Committee requested that the Department submit information regarding the Fire Academy's Operating Revenue Account including the sources of revenue of the account, any restrictions on the use of the funds, a history of the uses and expenditure of the revenues, and a history of the cash balances of the account.

COMMITTEE ACTION:

Receive as information the Department of Labor, Licensing and Regulation's response to the inquiry regarding the Fire Academy's Operating Revenue Account.

ATTACHMENTS:

- 1) Department of Labor, Licensing and Regulation Memorandum dated May 22, 2017
- 2) Section 2, Act 60 of 2001
- 3) Section 38-7-30 of the South Carolina Code of Laws



SC Department of Labor, Licensing and Regulation

To: Senator Hugh Leatherman, Chairman
Joint Bond Review Committee

From: Farrar Stewart, Deputy Director of Administration

CC: Emily Farr, Agency Director
Jonathan Jones, Chief Fire Marshal
Rebecca Leach, Director of Business and Governmental Affairs

Date: 5/22/2017

Re: Response to Inquiry Regarding Operating Revenue Account

This memorandum along with the attached information is in response to your letter and the committee's inquiries from the April 26, 2017 Joint Bond Review Committee meeting. I appreciate the committee's approval of LLR's project request. Below you will find information responsive to the committee's request.

History

The South Carolina Fire Academy was initially authorized by the General Assembly in 1968. The first Academy training facility, located on a 5-acre site near the Columbia Metropolitan Airport, began training the state's firefighters in 1973. In 1993, due to growth and expanded training needs, the General Assembly authorized the relocation of the Academy to its current 208-acre site off Monticello Road. Funding for the development of this new site was generated through the issuance of bonds.

The current facility, located at 141 Monticello Trail, began offering training in 1995 at a state-of-the-art education and training facility. Within the first year of the new site's operation, the South Carolina Fire Academy issued 5,268 certificates for 446 classes that were taught both on the new site, and across the state.

Throughout the past 22 years, the Academy has added many props, created additional training areas, and planned, funded, and constructed many additional

buildings for training use, including a large building added in 2008 to house staff and equipment for the Division's Urban Search and Rescue team. This building was the 22nd structure added to the site. Although there have been noted capital improvement projects completed throughout the years, the original structures and infrastructure established in 1995 are in dire need of review, assessment, and repair in order to maintain current service and expansion of service to the State's fire service. Below is a list of capital improvement projects completed since 2005.

- 2005 - Concrete additions in training area
- 2005 - Haz-Mat training area Building
- 2005 - Large Area Search Building
- 2005 - Rescue training area building
- 2007 - New Class A burn Building
- 2008 - US&R Building (Building 22)
- 2013 - Fire Station HVAC system
- 2013 - Site parking and roads Asphalt re-sealing
- 2013 - Water Heater Replacement in the Dorms

In fiscal year 2016, the South Carolina Fire Academy enrolled 32,311 students. 27,304 of these students successfully completed their training program and received certificates in one of the 2,505 classes provided. The Academy provided over 41,000 meals, housed over 5,000 students, and provided an additional 11,000 online students with general-knowledge training during this same fiscal year. Based on the numbers trained and recorded within the Academy's Data Management system, and as compared to the training numbers of other training facilities in the US, the South Carolina Fire Academy provides more fire-only student training than any other state-supported program in the nation.

Current Status and Needs

The Comprehensive Permanent Improvement Plan (CPIP) LLR remitted for FY16 included three projects for the current plan year: 1) Survey and Repair Sewer Lines, 2) Fire Station Renovation (adding a training classroom), and 3) Replacing HVAC Systems Campus-wide. These projects are estimated to cost approximately two million dollars, a large portion of which is associated with repairing and replacing the underground sewer system. However, before work began on the CPIP items, the facility experienced an emergency issue with its Liquid Petroleum gas system. This required a portion of the funds previously allocated for the CPIP projects to be redirected to address this emergent need. The LP Gas project was completed for a total cost of just over \$745,000. Additionally, we completed phase 1 of the HVAC replacement project for a total of \$100,000. We are in the process of reviewing the sewer system and, based on initial findings, expect the total to be less than our original estimate of one million dollars. We anticipate our total sewer costs to be approximately \$402,000.

The Agency is aggressively tackling these large-scale projects using the designated accounts R360CA0010 and a 3035 Operating Revenue Account. The source of funds for these projects is authorized by Section 2 of Act 60 of 2001 as well as §38-7-30.

These statutes require a portion of the tax on fire insurance premiums collected in South Carolina to be directed to the Division of Fire and Life Safety to be used for operation as well as capital improvement projects and support at the State Fire Academy. Enclosed, you will find the revenues and expenses for this designated account over the past four fiscal years.

Future Needs

LLR is currently reviewing the Academy's dormitory facility to determine future capital improvement needs. This facility was one of the original structures built on the property in 1994. There have been several preliminary issues identified with this structure, including problems with the dry pipe fire sprinkler system and an interior mold issue from an unknown source. We are continuing to assess this facility for additional needs. The initial estimate for this project is over \$3.5 million. However, once the architectural review and feasibility study are completed, we will have a more definite understanding of the financial needs of this facility.

In conclusion, LLR is aggressively working to address the capital improvement needs of the 22-year-old facilities at the State Fire Academy. We are also vested in ensuring we are fiscally responsible in our decisions to best meet the needs of the State's fire community while ensuring training at the Academy remains at a high level and is delivered at a facility that exemplifies the State's dedication to both the fire service and the citizens of our State.

South Carolina Department of Labor, Licensing and Regulation
State Fire
30350000 - Other Operating Funds - Revenue - State Fire Academy

Enabling Statute or Provision	Revenue Source	FY14	FY15	FY16	FY17
38-7-30	Fire Insurance Inspection Tax	\$ 3,553,590.08	\$ 3,771,268.80	\$ 3,950,944.64	\$ 3,084,320.88
Act 60 of 2001	Fire Academy Bond Tax	\$ 3,886,741.00	\$ 4,124,824.00	\$ 4,321,357.00	\$ -
23-9-45	Licensee Permit Fee-Fire Equipment	\$ 50.00	\$ -	\$ -	\$ -
FEMA Match via DOA	Federal Operating Grants - Restricted	\$ 6,033.22	\$ -	\$ -	\$ 34,998.00
Proviso 81.1 of FY16-17	Training Conference Registration Fee	\$ 1,334,658.95	\$ 1,497,169.92	\$ 1,081,610.54	\$ 725,455.00
38-7-30	Rent-Studio & Room (Dorm Sales Tax)	\$ (3,074.71)	\$ (5,020.92)	\$ (589.04)	\$ -
Proviso 81.1 of FY16-17	Rent-Equipment (Audio Visual)	\$ 27,618.00	\$ 40,639.00	\$ 22,839.00	\$ 12,675.00
38-7-30	Sale of Goods (Store Sales Tax)	\$ (1,489.97)	\$ (10,837.96)	\$ (708.08)	\$ -
Regulation 19-445.2150	Sale of Surplus (Sale of Vehicles)	\$ -	\$ -	\$ 48,960.00	\$ -
Proviso 81.1 of FY16-17 and 56-3-4910	Miscellaneous Revenue*	\$ 58,214.72	\$ 67,385.32	\$ 55,960.80	\$ 3,386.24
	Totals	\$ 8,862,341.29	\$ 9,485,428.16	\$ 9,480,374.86	\$ 3,860,835.12

*Miscellaneous Revenues includes transcript requests and license plates

South Carolina Department of Labor, Licensing and Regulation					
State Fire					
Expenditures - State Fire Academy					
CB0010 3035		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Beginning Cash Balance		5,474,565.51	7,269,873.25	9,241,455.87	10,024,542.36
See Revenue (Attached)	Total Revenue	8,862,341.29	9,485,428.16	9,480,374.86	3,860,835.12
<u>Enabling Statute</u>					
38-7-30 and Act 60 of 2001	Direct Expenditures (see attached ZBD1)	(6,346,800.10)	(6,924,057.99)	(6,755,769.86)	(4,637,346.78)
Indirect Expenditures (Overhead):					
38-7-30 and Act 60 of 2001	Prior Years Admin Cost (Correction)			(1,000,000.00)	
38-7-30 and Act 60 of 2001	Administration (HR, Finance, IT, etc.)	(308,352.00)	(294,924.00)	(629,681.88)	(444,434.72)
Proviso 81.5 of FY16-17	Transfer to Mobilization	(165,000.00)	(165,000.00)	(165,000.00)	(165,000.00)
Executive Order 2016-06	Transfer to Facilities				(790,000.00)
38-7-30 and Act 60 of 2001	Transfer to Store				(30,000.00)
	Cash Transfer to Fire Marshal - Correction	(30,000.00)			
38-7-30 and Act 60 of 2001	Cash Transfer to Dorm		(20,000.00)	(45,000.00)	(20,000.00)
38-7-30 and Act 60 of 2001	Cash Transfer to Cafeteria	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)
38-7-30 and Act 60 of 2001	Transfer to Capital Project	(116,881.45)	(9,863.55)	(1,836.63)	(854,403.22)
	Total Indirect Expenditures (Overhead)	(720,233.45)	(589,787.55)	(1,941,518.51)	(2,403,837.94)
	NET	1,795,307.74	1,971,582.62	783,086.49	(3,180,349.60)
	Year End Balance	7,269,873.25	9,241,455.87	10,024,542.36	6,844,192.76

FY14

Funds Center/Commitment Item	YTD Expenditures
5010580000 CLASSIFIED POSITIONS	1,411,228.21
5010710000 TEMPORARY POSITIONS	1,359,402.69
5010730000 OVERTIME & SHIFT DIFFERENT	2,915.81
5010890000 TERMINAL LEAVE	13,519.89
5020010000 OFFICE EQUIP SERVICE	914.76
5020030000 PRINTING BINDING ADVERTISING	1,437.18
5020050000 PHOTOGRAPHIC & AUDIOVISUAL SERVICES	446.81
5020070000 DATA PROCESS SERVICES-OTHER	8,002.60
5020070003 DP SERV-SOFTWARE LICENSES	1,001.06
5020080000 FREIGHT EXPRESS DELIVERY	2,115.49
5020090000 TELEPHONE & TELEGRAPH	42,819.10
5020110000 TELECOMMUNICATION SERVICES	(10.74)
5020120000 CELLULAR TELEPHONE SERVICES	14,436.86
5021310000 MEDICAL & HEALTH SERVICES	4,320.00
5021320000 BUILDING RENOVATION	1,900.00
5021340000 ENGINEERING & ARCHITECTURAL	-
5021400000 EDUC TRNG-NON STATE	18,379.00
5021430000 NON-ST EMPLOYEE TRAVEL	4,880.40
5021440000 REPORTABLE MEALS-NON STATE EMPLOYEES	243.00
5021450000 MOTORIZED VEHICLE SERVICES	9,769.89
5021460000 GENERAL REPAIR	4,298.74
5021470000 HSHLD LNDRY GROUNDS MAINT & SEC SRVS	79,003.81
5021510000 TESTING SERVICES	756.49
5021520000 TEMPORARY SERVICES	-
5021530000 CATERED MEALS	8,160.33
5021540000 OTHER PROFESS SERVICES	6,524.59
5024990000 OTHER CONTRACT SERVICES	13,300.98
5030010000 OFFICE SUPPLIES	46,643.87
5030010001 OFFICE SUPP - NEWS	-
5030010003 OFFICE SUPP & EQUIPMENT-NON-IT PLAN REL	1,480.57
5030010004 SUBSCRIPTIONS	30.00
5030020000 COPYING EQUIPMENT SUPPLIES	12,437.58
5030030000 PRINTING	6,880.12
5030050000 PHOTOGRAPHIC AUDIO-VISUAL SUPPLIES	2,144.91
5030060000 DATA PROCESS SUPPLIES	12,605.53
5030060001 DATA PROC SUPPLIES - MINOR EQUIPMENT	570.22
5030060002 DATA PROCESSING SUPPLIES - SOFTWARE	3,808.83
5030070000 POSTAGE	24,169.11
5030090000 COMMUNICATION SUPPLIES	15,832.37
5031010000 HSHLD LNDRY GROUND MAINT & JANTL SUPPLY	30,941.76
5031020000 BUILDING MATERIALS	10,012.35
5031030000 "MAINTENANCE SUPPLIES, PARTS, PAINT"	83,251.02
5031030007 MAINTENANCE SUPPLIES - WASHER/DRYER	2,570.84
5031510000 MOTOR VEHICLE SUPPLIES	30,039.16
5031530000 GASOLINE	15,875.83

5031560000	PROPANE-TRANSPORTATION	2,309.80
5031570000	DIESEL FUEL-TRANSPORTATION	24,471.13
5032410000	MED SCIENT & LAB SUPPLIES	154.96
5032810000	EDUCATIONAL SUPPLIES	70,683.98
5032820000	INSTRUCTIONAL MATERIALS	568,269.28
5032830000	TESTING SUPPLIES	2,582.76
5032910000	MUNITIONS TARGETS LAW ENF SUPPLIES	37,285.24
5033010000	FOOD SUPPLIES	15,425.35
5033030000	PROMOTIONAL SUPPLIES	940.56
5033050000	CLOTHING SUPPLIES	9,362.47
5033150000	PUR RESALE-CONSUMER GDS	50,500.49
5033160000	PUR RESALE-RAW MATERIALS	705.00
5033180000	FUEL OIL & KEROSENE	189,194.50
5033190000	PROPANE-HEATING OTHER	133,930.25
5033990000	OTHER SUPPLIES	60.26
5040020000	RENT-COPYING EQUIPMENT	21,021.65
5040030000	RENT-DATA PROC EQUIPMENT	2,425.32
5040040000	RENT-MED SCI LAB EQUIP	4,890.36
5040050000	RENTAL-CONTINGENT RENTAL PAYMENTS	45,733.37
5040060000	RENT-NON ST OWNED R PROP	20,667.96
5040490000	RENT-OTHER	31,831.67
5040490002	RENT-OTHER- MTG ROOMS & VIDEO EQPT	440.00
5040510000	INSURANCE-STATE	58,271.71
5041010000	DUES & MEMBERSHIP FEES	1,590.00
5041020000	FEES AND FINES	13,265.20
5050010000	IN STATE-MEALS (NON-REPORTABLE)	22,992.00
5050020000	IN STATE-LODGING	47,886.95
5050040000	IN STATE-AUTO MILEAGE	2,769.74
5050041000	HR - IN STATE-AUTO MILEAGE	320,319.28
5050060000	IN STATE-MISC TR EXP	107.54
5050070000	IN STATE-REGISTRATION FEES	1,599.00
5050510000	OUT STATE-MEALS (NON-REPORTABLE)	1,085.00
5050520000	OUT STATE-LODGING	3,870.35
5050531000	HR - OUT STATE-AIR TRANSPORTATION	1,935.60
5050540000	OUT STATE-AUTO MILEAGE	163.52
5050541000	HR - OUT STATE-AUTO MILEAGE	2,459.10
5050550000	OUT STATE-OTHER TRANS	139.00
5050560000	OUT STATE-MISC TR EXPENSE	157.00
5050570000	OUT STATE-REGISTRATION FEES	4,346.00
5051520000	REPORTABLE MEALS	384.00
5051540000	LEASED CAR-STATE OWNED	39,544.27
5060306000	Building Improvements Acquisition (MA)	37,277.28
5060310000	Vehicles & Transportation Acq(MA)	-
5060318000	"Medical, Scientific & Lab Equip Acq (MA)"	2,046.17
5060325000	Other Equipment Acquisition (MA)	55,076.45
5060327000	Major Tools / Other Motor Eq Acq (MA)	9,113.18
5090020000	PROPERTY TAXES	-

5130010000 RETIREMENT-SRS	150,316.14
5130030000 RETIREMENT-POLICE OFFICERS	270,438.65
5130080000 RETIREMENT-ORP	13,337.33
5130310000 SOCIAL SECURITY-ST EMP	207,600.94
5130400000 WORKERS COMP INSURANCE	41,402.75
5130500000 UNEMP COMP INSURANCE	8,271.36
5130610000 HEALTH INS-ST EMP	153,761.58
5130670000 DENTAL INS-STATE EMPLOYEES	4,688.80
5130710000 PRE-RET DEATH BENEFIT-ST EMP	1,466.83
5130730000 PRE-RET DEATH BENEFIT-POL OFF	3,116.12
5130750000 ACCIDENTIAL DEATH BENEFIT-POL OFF	3,116.12
5130780000 PRE-RET DEATH BENEFIT-ORP	130.10
5150010000 WATER AND SEWER (UTILITIES)	59,147.35
5150010006 GARBAGE SERVICE	2,761.25
5150020000 NATURAL GAS	28,013.59
5150030000 ELECTRICITY	191,884.84
5203990000 LOW VALUE ASSETS (MA)	39,000.63
R360CB0010 Fire Academy	6,346,800.10

CB0010 FY15

Funds Center/Commitment Item	YTD Expenditures
5010580000 CLASSIFIED POSITIONS	1,426,695.02
5010650000 GRANT EMPLOYEES	237.42
5010710000 TEMPORARY POSITIONS	1,308,761.27
5010730000 OVERTIME & SHIFT DIFFERENT	3,288.11
5010890000 TERMINAL LEAVE	34,497.43
5020010000 OFFICE EQUIP SERVICE	1,688.00
5020020000 COPYING EQUIPMENT SERVICE	613.00
5020030000 PRINTING BINDING ADVERTISING	1,040.39
5020050000 PHOTOGRAPHIC & AUDIOVISUAL SERVICES	370.00
5020070000 DATA PROCESS SERVICES-OTHER	9,422.10
5020070003 DP SERV-SOFTWARE LICENSES	7,319.13
5020080000 FREIGHT EXPRESS DELIVERY	3,234.21
5020090000 TELEPHONE & TELEGRAPH	43,395.28
5020110000 TELECOMMUNICATION SERVICES	3,285.95
5020120000 CELLULAR TELEPHONE SERVICES	20,177.33
5021310000 MEDICAL & HEALTH SERVICES	3,133.00
5021320000 BUILDING RENOVATION	46,625.00
5021330000 CONTRACT AGMTS W GOVT/NONPROFIT ENTITIES	504.00
5021340000 ENGINEERING & ARCHITECTURAL	5,750.00
5021400000 EDUC TRNG-NON STATE	14,114.72
5021430000 NON-ST EMPLOYEE TRAVEL	1,761.84
5021450000 MOTORIZED VEHICLE SERVICES	2,357.50
5021460000 GENERAL REPAIR	13,672.65
5021470000 HSHLD LNDRY GROUNDS MAINT & SEC SRVS	79,157.88
5021530000 CATERED MEALS	4,175.35
5021540000 OTHER PROFESS SERVICES	16,160.43
5024990000 OTHER CONTRACT SERVICES	19,087.24
5030010000 OFFICE SUPPLIES	63,033.68
5030010002 OFFICE SUPPLIES - MINOR OFFICE EQUIPMENT	-
5030010003 OFFICE SUPP & EQUIPMENT-NON-IT PLAN REL	1,027.91
5030010004 SUBSCRIPTIONS	1,255.50
5030020000 COPYING EQUIPMENT SUPPLIES	30,442.87
5030030000 PRINTING	10,125.32
5030050000 PHOTOGRAPHIC AUDIO-VISUAL SUPPLIES	306.45
5030060000 DATA PROCESS SUPPLIES	12,952.44
5030060001 DATA PROC SUPPLIES - MINOR EQUIPMENT	409.78
5030060002 DATA PROCESSING SUPPLIES - SOFTWARE	5,086.93
5030070000 POSTAGE	22,617.48
5030090000 COMMUNICATION SUPPLIES	15,452.87
5031010000 HSHLD LNDRY GROUND MAINT & JANTL SUPPLY	33,754.54
5031020000 BUILDING MATERIALS	8,675.60
5031030000 "MAINTENANCE SUPPLIES, PARTS, PAINT"	75,426.65
5031510000 MOTOR VEHICLE SUPPLIES	35,492.07
5031530000 GASOLINE	12,307.68
5031560000 PROPANE-TRANSPORTATION	1,189.39

5031570000	DIESEL FUEL-TRANSPORTATION	28,076.22
5032410000	MED SCIENT & LAB SUPPLIES	17,781.60
5032810000	EDUCATIONAL SUPPLIES	83,370.77
5032820000	INSTRUCTIONAL MATERIALS	686,714.43
5032830000	TESTING SUPPLIES	2,687.60
5032910000	MUNITIONS TARGETS LAW ENF SUPPLIES	131,787.38
5033010000	FOOD SUPPLIES	16,508.79
5033030000	PROMOTIONAL SUPPLIES	1,196.78
5033050000	CLOTHING SUPPLIES	5,725.43
5033150000	PUR RESALE-CONSUMER GDS	49,415.75
5033180000	FUEL OIL & KEROSENE	128,854.00
5033190000	PROPANE-HEATING OTHER	74,026.71
5033990000	OTHER SUPPLIES	9,356.00
5040020000	RENT-COPYING EQUIPMENT	65,836.17
5040040000	RENT-MED SCI LAB EQUIP	6,431.03
5040050000	RENTAL-CONTINGENT RENTAL PAYMENTS	59,646.23
5040060000	RENT-NON ST OWNED R PROP	22,331.40
5040490000	RENT-OTHER	10,024.23
5040490002	RENT-OTHER- MTG ROOMS & VIDEO EQPT	-
5040510000	INSURANCE-STATE	121,283.77
5041010000	DUES & MEMBERSHIP FEES	2,840.00
5041020000	FEES AND FINES	13,132.64
5050010000	IN STATE-MEALS (NON-REPORTABLE)	21,363.58
5050020000	IN STATE-LODGING	44,671.95
5050031000	HR - IN STATE-AIR TRANSPORTATION	217.20
5050040000	IN STATE-AUTO MILEAGE	1,001.70
5050041000	HR - IN STATE-AUTO MILEAGE	313,359.38
5050060000	IN STATE-MISC TR EXP	136.86
5050070000	IN STATE-REGISTRATION FEES	1,800.00
5050510000	OUT STATE-MEALS (NON-REPORTABLE)	1,460.00
5050520000	OUT STATE-LODGING	6,109.72
5050530000	OUT STATE-AIR TRANS	1,082.10
5050531000	HR - OUT STATE-AIR TRANSPORTATION	822.50
5050540000	OUT STATE-AUTO MILEAGE	-
5050541000	HR - OUT STATE-AUTO MILEAGE	1,718.62
5050550000	OUT STATE-OTHER TRANS	83.89
5050560000	OUT STATE-MISC TR EXPENSE	288.00
5050570000	OUT STATE-REGISTRATION FEES	268.00
5051020000	FOREIGN TRAVEL-LODGING	-
5051031000	HR - FOREIGN TRAVEL-AIR TRANS	-
5051041000	HR - FOREIGN TRAVEL-AUTO MILEAGE	-
5051060000	FOREIGN TRAVEL-MISC TR EXPENSE	-
5051520000	REPORTABLE MEALS	235.35
5051540000	LEASED CAR-STATE OWNED	62,767.44
5060306000	Building Improvements Acquisition (MA)	47,522.10
5060310000	Vehicles & Transportation Acq(MA)	35,055.00
5060310500	LAW ENFORCEMENT VEHICLE ACQ MA	91,209.00

5060316000	Data Processing Equipment Acq (MA)	13,094.39
5060317000	Printing Equipment Acquisition (MA)	9,180.00
5060318000	"Medical, Scientific & Lab Equip Acq (MA)"	2,283.75
5060321000	Photographic / AV Equip Acquisition (MA)	20,790.00
5060325000	Other Equipment Acquisition (MA)	51,932.37
5090020000	PROPERTY TAXES	-
5130010000	RETIREMENT-SRS	142,626.64
5130030000	RETIREMENT-POLICE OFFICERS	278,310.53
5130080000	RETIREMENT-ORP	26,398.06
5130310000	SOCIAL SECURITY-ST EMP	206,214.02
5130400000	WORKERS COMP INSURANCE	34,783.48
5130500000	UNEMP COMP INSURANCE	5,017.48
5130610000	HEALTH INS-ST EMP	156,657.07
5130670000	DENTAL INS-STATE EMPLOYEES	4,834.17
5130710000	PRE-RET DEATH BENEFIT-ST EMP	1,359.53
5130730000	PRE-RET DEATH BENEFIT-POL OFF	3,081.47
5130750000	ACCIDENTIAL DEATH BENEFIT-POL OFF	3,081.47
5130780000	PRE-RET DEATH BENEFIT-ORP	251.37
5150010000	WATER AND SEWER (UTILITIES)	45,363.88
5150010006	GARBAGE SERVICE	5,590.00
5150020000	NATURAL GAS	31,740.37
5150030000	ELECTRICITY	189,557.78
5203990000	LOW VALUE ASSETS (MA)	123,629.43
R360CB0010	Fire Academy	6,924,057.99

CB0010 FY16

Funds Center/Commitment Item	YTD Expenditures
5010580000 CLASSIFIED POSITIONS	1,489,279.69
5010650000 GRANT EMPLOYEES	46.32
5010710000 TEMPORARY POSITIONS	1,225,397.88
5010730000 OVERTIME & SHIFT DIFFERENT	2,987.94
5010890000 TERMINAL LEAVE	22,833.70
5011000000 ONE TIME BONUS - PROVISIO	24,400.00
5020010000 OFFICE EQUIP SERVICE	625.32
5020030000 PRINTING BINDING ADVERTISING	80.47
5020050000 PHOTOGRAPHIC & AUDIOVISUAL SERVICES	754.92
5020070000 DATA PROCESS SERVICES-OTHER	1,945.17
5020070003 DP SERV-SOFTWARE LICENSES	1,557.80
5020080000 FREIGHT EXPRESS DELIVERY	2,397.81
5020090000 TELEPHONE & TELEGRAPH	43,862.28
5020110000 TELECOMMUNICATION SERVICES	144.75
5020120000 CELLULAR TELEPHONE SERVICES	18,314.84
5021310000 MEDICAL & HEALTH SERVICES	4,594.00
5021320000 BUILDING RENOVATION	51,340.00
5021330000 CONTRACT AGMTS W GOVT/NONPROFIT ENTITIES	64.00
5021350000 RESEARCH SRVY & APPRS	500.00
5021400000 EDUC TRNG-NON STATE	9,000.00
5021430000 NON-ST EMPLOYEE TRAVEL	880.68
5021450000 MOTORIZED VEHICLE SERVICES	6,145.66
5021460000 GENERAL REPAIR	9,078.03
5021470000 HSHLD LNDRY GROUNDS MAINT & SEC SRVS	82,366.30
5021500000 MANAGEMENT CONSULTANTS	6,575.00
5021530000 CATERED MEALS	3,970.40
5021540000 OTHER PROFESS SERVICES	13,054.85
5024990000 OTHER CONTRACT SERVICES	15,591.08
5030010000 OFFICE SUPPLIES	107,622.78
5030010001 OFFICE SUPP - NEWS	-
5030010003 OFFICE SUPP & EQUIPMENT-NON-IT PLAN REL	4,763.58
5030010004 SUBSCRIPTIONS	1,337.40
5030020000 COPYING EQUIPMENT SUPPLIES	11,175.56
5030030000 PRINTING	10,032.73
5030050000 PHOTOGRAPHIC AUDIO-VISUAL SUPPLIES	1,340.02
5030060000 DATA PROCESS SUPPLIES	35,850.70
5030060001 DATA PROC SUPPLIES - MINOR EQUIPMENT	609.85
5030060002 DATA PROCESSING SUPPLIES - SOFTWARE	5,007.08
5030070000 POSTAGE	20,110.44
5030090000 COMMUNICATION SUPPLIES	4,575.68
5031010000 HSHLD LNDRY GROUND MAINT & JANTL SUPPLY	39,858.40
5031020000 BUILDING MATERIALS	6,913.81
5031030000 "MAINTENANCE SUPPLIES, PARTS, PAINT"	88,082.43
5031510000 MOTOR VEHICLE SUPPLIES	33,379.80
5031530000 GASOLINE	11,927.78

5031560000	PROPANE-TRANSPORTATION	991.59
5031570000	DIESEL FUEL-TRANSPORTATION	13,037.17
5032410000	MED SCIENT & LAB SUPPLIES	210.19
5032810000	EDUCATIONAL SUPPLIES	69,542.59
5032820000	INSTRUCTIONAL MATERIALS	577,393.52
5032830000	TESTING SUPPLIES	7,762.72
5032910000	MUNITIONS TARGETS LAW ENF SUPPLIES	159,211.14
5033010000	FOOD SUPPLIES	15,771.90
5033030000	PROMOTIONAL SUPPLIES	7,473.75
5033040000	AGRI-MARINE-FRSTRY SUPPLIES	548.00
5033050000	CLOTHING SUPPLIES	11,589.93
5033150000	PUR RESALE-CONSUMER GDS	38,057.84
5033160000	PUR RESALE-RAW MATERIALS	729.70
5033180000	FUEL OIL & KEROSENE	181,722.00
5033190000	PROPANE-HEATING OTHER	39,811.51
5033990000	OTHER SUPPLIES	5,522.52
5040020000	RENT-COPYING EQUIPMENT	58,476.77
5040040000	RENT-MED SCI LAB EQUIP	9,719.05
5040050000	RENTAL-CONTINGENT RENTAL PAYMENTS	23,676.40
5040060000	RENT-NON ST OWNED R PROP	19,200.00
5040490000	RENT-OTHER	13,204.15
5040510000	INSURANCE-STATE	111,648.66
5041010000	DUES & MEMBERSHIP FEES	3,010.00
5041020000	FEES AND FINES	10,767.46
5050010000	IN STATE-MEALS (NON-REPORTABLE)	17,931.00
5050020000	IN STATE-LODGING	38,574.06
5050040000	IN STATE-AUTO MILEAGE	106.92
5050041000	HR - IN STATE-AUTO MILEAGE	274,978.21
5050060000	IN STATE-MISC TR EXP	33.50
5050070000	IN STATE-REGISTRATION FEES	1,560.00
5050510000	OUT STATE-MEALS (NON-REPORTABLE)	2,328.00
5050520000	OUT STATE-LODGING	9,264.96
5050530000	OUT STATE-AIR TRANS	1,844.80
5050531000	HR - OUT STATE-AIR TRANSPORTATION	1,498.60
5050541000	HR - OUT STATE-AUTO MILEAGE	2,150.08
5050550000	OUT STATE-OTHER TRANS	92.50
5050560000	OUT STATE-MISC TR EXPENSE	927.00
5050570000	OUT STATE-REGISTRATION FEES	1,853.00
5051041000	HR - FOREIGN TRAVEL-AUTO MILEAGE	-
5051520000	REPORTABLE MEALS	303.00
5051540000	LEASED CAR-STATE OWNED	59,704.12
5060310000	Vehicles & Transportation Acq(MA)	123,403.07
5060325000	Other Equipment Acquisition (MA)	212,782.05
5090010000	SALES TAX PAID	186.16
5090020000	PROPERTY TAXES	-
5130010000	RETIREMENT-SRS	158,047.25
5130030000	RETIREMENT-POLICE OFFICERS	276,795.46

5130080000 RETIREMENT-ORP	28,401.11
5130310000 SOCIAL SECURITY-ST EMP	204,202.55
5130400000 WORKERS COMP INSURANCE	29,827.92
5130500000 UNEMP COMP INSURANCE	725.22
5130610000 HEALTH INS-ST EMP	192,631.96
5130670000 DENTAL INS-STATE EMPLOYEES	5,376.55
5130710000 PRE-RET DEATH BENEFIT-ST EMP	1,460.05
5130730000 PRE-RET DEATH BENEFIT-POL OFF	2,965.33
5130750000 ACCIDENTIAL DEATH BENEFIT-POL OFF	2,965.33
5130780000 PRE-RET DEATH BENEFIT-ORP	262.30
5150010000 WATER AND SEWER (UTILITIES)	50,188.00
5150010006 GARBAGE SERVICE	6,818.96
5150020000 NATURAL GAS	18,620.71
5150030000 ELECTRICITY	178,065.31
5203990000 LOW VALUE ASSETS (MA)	49,439.33
R360CB0010 Fire Academy	6,755,769.86

CB0010 FY17 thru March

Funds Center/Commitment Item	YTD Expenditures
5010580000 CLASSIFIED POSITIONS	1,091,298.65
5010710000 TEMPORARY POSITIONS	822,298.14
5010730000 OVERTIME & SHIFT DIFFERENT	9,329.33
5010890000 TERMINAL LEAVE	15,499.21
5020010000 OFFICE EQUIP SERVICE	-
5020030000 PRINTING BINDING ADVERTISING	-
5020050000 PHOTOGRAPHIC & AUDIOVISUAL SERVICES	934.62
5020077100 SERVICES - APPLICATION SUPPORT	139.98
5020077112 "NETWORK, CIRCUIT & VOICE - DATA NETWORK"	3,625.11
5020077130 SERVICES - END-USER COMPUTING	876.80
5020077170 SERVICES - PRINT END USER	102.60
5020077222 "NETWORK, CIRCUIT & VOICE - VOICE NETWORK"	27,060.44
5020080000 FREIGHT EXPRESS DELIVERY	1,481.11
5020090000 TELEPHONE & TELEGRAPH	-
5020120000 CELLULAR TELEPHONE SERVICES	12,860.47
5021310000 MEDICAL & HEALTH SERVICES	5,335.66
5021320000 BUILDING RENOVATION	-
5021400000 EDUC TRNG-NON STATE	-
5021410000 EDUC & TRNG-STATE	-
5021450000 MOTORIZED VEHICLE SERVICES	-
5021460000 GENERAL REPAIR	1,843.02
5021469310 FIRE ALARM SYSTEMS	6,025.03
5021469313 MECHANICAL REPAIRS	680.00
5021469316 SECURITY ALARM SYSTEMS SERVICES	96.00
5021469322 VEHICLE MAINTENANCE	122,788.09
5021479207 JANITORIAL	1,080.00
5021479209 PAINTING (SERVICES)	725.08
5021479211 RUBBISH REMOVAL	5,624.00
5021479600 GROUNDS MAINTENANCE SERVICES	-
5021479604 SIGNAGE	439.08
5021510000 TESTING SERVICES	21,780.00
5021530000 CATERED MEALS	-
5021540000 OTHER PROFESS SERVICES	877.15
5021599104 FOOD SERVICES	14,312.93
5021599105 MAIL SERVICES	64.15
5021599107 OTHER PROFESSIONAL FEES	-
5021599108 REPRODUCTION SERVICES (COPYING)	247.50
5021599501 SECURITY CONTRACTS	48,629.44
5024990000 OTHER CONTRACT SERVICES	-
5024990003 OTHER CONTRACTUAL SERV-FIRE EXT SERVICE	189.55
5030010000 OFFICE SUPPLIES	22,084.17
5030010004 SUBSCRIPTIONS	1,495.00
5030019111 GENERAL OFFICE SUPPLIES	-
5030019113 TRAINING EXPENSES (SUPPLIES)	-
5030020000 COPYING EQUIPMENT SUPPLIES	322.92

5030030000	PRINTING	9,725.09
5030067101	"PRGMS,LIC&MAINT - SOFTWARE SUPPLIES"	894.00
5030067110	EQUIP & SUPP - DATA NETWORK	163.18
5030067130	EQUIP & SUPP - END-USER COMPUTING	962.20
5030067131	"PRGMS,LIC&MAINT - END-USER COMPUTING"	2,017.75
5030067170	EQUIP & SUPP - PRINT END USER	4,668.65
5030067180	EQUIP & SUPP - PRINT ENTERPRISE & MAIL	438.62
5030067191	"PRGMS,LIC&MAINT - INFORMATION SECURITY"	200.00
5030067210	EQUIP & SUPP - STORAGE	2,893.87
5030067220	EQUIP & SUPP - VOICE NETWORK	-
5030070000	POSTAGE	10,947.04
5031010000	HSHLD LNDRY GROUND MAINT & JANTL SUPPLY	-
5031019600	GROUNDS MAINTENANCE SUPPLIES	1,684.80
5031019603	SIGNAGE SUPPLIES	917.67
5031020000	BUILDING MATERIALS	-
5031030000	"MAINTENANCE SUPPLIES, PARTS, PAINT"	-
5031469301	CAFETERIA EQUIP & SMALL WARES	112.32
5031469302	ELECTRICAL SUPPLIES	36.11
5031469304	FIRE ALARM SYSTEMS SUPPLIES	-
5031469306	LIGHTING SUPPLIES	810.00
5031469308	OTHER MAINTENANCE SUPPLIES	-
5031469309	PLUMBING SUPPLIES	98.52
5031469310	STRUCTURAL/ROOFING MAINT SUPPLIES	3,734.29
5031469311	UNIFORMS	-
5031479203	JANITORIAL SUPPLIES	2,082.18
5031479204	LOCKSMITH SUPPLIES	283.51
5031479205	PAINTING (SUPPLIES)	172.11
5031510000	MOTOR VEHICLE SUPPLIES	-
5031530000	GASOLINE	(804.15)
5031560000	PROPANE-TRANSPORTATION	-
5031570000	DIESEL FUEL-TRANSPORTATION	-
5032410000	MED SCIENT & LAB SUPPLIES	727.22
5032810000	EDUCATIONAL SUPPLIES	51,487.36
5032820000	INSTRUCTIONAL MATERIALS	420,877.57
5032910000	MUNITIONS TARGETS LAW ENF SUPPLIES	58,816.93
5033010000	FOOD SUPPLIES	-
5033030000	PROMOTIONAL SUPPLIES	189.00
5033050000	CLOTHING SUPPLIES	2,516.44
5033060000	STAGE PROPERTIES	3,764.41
5033090000	EMPLOYEE RECOGNITION AWARDS	50.00
5033180000	FUEL OIL & KEROSENE	-
5033189400	FUEL OIL	91,117.14
5033190000	PROPANE-HEATING OTHER	-
5033990000	OTHER SUPPLIES	-
5040020000	RENT-COPYING EQUIPMENT	19,402.56
5040040000	RENT-MED SCI LAB EQUIP	2,176.14
5040050000	RENTAL-CONTINGENT RENTAL PAYMENTS	26,772.63

5040060000	RENT-NON ST OWNED R PROP	15,753.60
5040490000	RENT-OTHER	8,803.64
5040499108	RENT/LEASE EQUIPMENT - ADMINISTRATIVE	-
5040510000	INSURANCE-STATE	83,560.31
5041010000	DUES & MEMBERSHIP FEES	-
5041020000	FEES AND FINES	6,166.12
5041469301	RENT/LEASE EQUIPMENT - REPAIRS & MAINTENANCE	-
5050010000	IN STATE-MEALS (NON-REPORTABLE)	8,225.00
5050020000	IN STATE-LODGING	16,966.35
5050031000	HR - IN STATE-AIR TRANSPORTATION	-
5050040000	IN STATE-AUTO MILEAGE	-
5050041000	HR - IN STATE-AUTO MILEAGE	157,139.91
5050050000	IN STATE-OTHER TRANS	-
5050060000	IN STATE-MISC TR EXP	23.00
5050070000	IN STATE-REGISTRATION FEES	600.00
5050510000	OUT STATE-MEALS (NON-REPORTABLE)	666.00
5050520000	OUT STATE-LODGING	3,092.05
5050530000	OUT STATE-AIR TRANS	1,501.65
5050531000	HR - OUT STATE-AIR TRANSPORTATION	-
5050541000	HR - OUT STATE-AUTO MILEAGE	856.44
5050560000	OUT STATE-MISC TR EXPENSE	270.00
5050570000	OUT STATE-REGISTRATION FEES	1,249.00
5051520000	REPORTABLE MEALS	269.00
5051540000	LEASED CAR-STATE OWNED	(1,123.36)
5060310000	Vehicles & Transportation Acq(MA)	37,344.00
5060325000	Other Equipment Acquisition (MA)	384,280.76
5090020000	PROPERTY TAXES	-
5130010000	RETIREMENT-SRS	116,964.63
5130030000	RETIREMENT-POLICE OFFICERS	206,788.07
5130080000	RETIREMENT-ORP	14,294.17
5130310000	SOCIAL SECURITY-ST EMP	143,597.70
5130400000	WORKERS COMP INSURANCE	35,179.51
5130500000	UNEMP COMP INSURANCE	665.83
5130610000	HEALTH INS-ST EMP	140,190.11
5130670000	DENTAL INS-STATE EMPLOYEES	3,793.86
5130710000	PRE-RET DEATH BENEFIT-ST EMP	1,047.95
5130730000	PRE-RET DEATH BENEFIT-POL OFF	2,157.58
5130750000	ACCIDENTIAL DEATH BENEFIT-POL OFF	2,157.58
5130780000	PRE-RET DEATH BENEFIT-ORP	128.08
5150010000	WATER AND SEWER (UTILITIES)	-
5150019400	WATER & SEWER	41,933.14
5150029400	GAS	17,121.14
5150030000	ELECTRICITY	-
5150039400	ELECTRICITY	150,522.43
5203990000	LOW VALUE ASSETS (MA)	75,081.14
R360CB0010	Fire Academy	4,637,346.78

Act 60 of 2001

SECTION 2. Subsections (C), (D), and (E) of Section 2 of Act 1377 of 1968, as added by Act 522 of 1992, are amended to read:

“(C) In addition to the tax imposed pursuant to the provisions of Section 38-7-30 of the 1976 Code, an additional tax of thirty-five one-hundredths percent is imposed annually on the gross premium receipts less premiums returned on canceled policy contracts and less dividends and returns of unabsorbed premium deposits of all fire insurance companies doing business in the State. This tax must be collected by the Director of the Department of Insurance as other taxes on fire insurance companies are collected. All sums collected for this tax must be paid annually by the director to the State Treasurer to be credited to the South Carolina Department of Labor, Licensing and Regulation to be used for capital improvements and support at the State Fire Academy, implementation of the Firefighter Employment and Registration Act established in Chapter 80 of Title 40 of the 1976 Code, regional service delivery of public firefighter education and training, fire prevention services, and public fire safety education, including grants to entities providing fire and life safety education on a statewide basis. Amounts necessary to conduct the fingerprint and background checks required pursuant to Chapter 80, Title 40 of the 1976 Code, must be transferred from the DLLR Fund to SLED and retained, expended, and carried forward for these purposes.

(D) Reserved

(E) Reserved ”

South Carolina Code of Laws

SECTION 38-7-30. Tax on fire insurers to cover expenses of inspections and investigations;
annual report.

Any expenses, including expenses of counsel, detectives, and officers, incurred by the discrimination in rates, must be defrayed by the fire insurance companies doing business in this State, and a tax of one percent on the gross premium receipts less premiums returned on canceled policy contracts and less dividends and returns of unabsorbed premium deposits of all fire insurance companies is levied for this purpose, to be collected by the director or his designee as other taxes on fire insurance companies are collected. The director or his designee shall keep a separate account of all monies received and disbursed under the provisions of this section and shall include the account in his annual report. Fifty percent of the one percent tax levied in this section must be directed to the Division of Fire and Life Safety of the Department of Labor, Licensing and Regulation to be used only for expenses of this division. For fiscal year 1997-98 only, the fifty percent of the tax levied by this section that is directed to the Department of Labor, Licensing and Regulation is capped at \$2,567,325. The department shall report annually to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee where any growth above the base authorization for the preceding is expended and for what purposes within the Division of Fire and Life Safety.

JOINT BOND REVIEW COMMITTEE
Meeting of June 6, 2017

Item Number 9

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Future Meeting Schedule

The next tentatively-scheduled meeting of the State Fiscal Accountability Authority is August 22, 2017.

2017

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				

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				

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	

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						

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			

June

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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25	26	27	28	29	30	

July

Su	Mo	Tu	We	Th	Fr	Sa
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23	24	25	26	27	28	29
30	31					

August

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
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20	21	22	23	24	25	26
27	28	29	30	31		

September

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

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				

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		

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						

Designed by Amy, amystudio.com

COMMITTEE ACTION:
Schedule next meeting.

ATTACHMENTS:
None