

**Capital Improvements
Joint Bond Review Committee**

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ADMINISTRATIVE ASSISTANT
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JOINT BOND REVIEW COMMITTEE MEETING

DATE: Tuesday, October 10, 2017
TIME: 10:30 a.m.
LOCATION: Room 105, Gressette Building

AGENDA

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JOINT BOND REVIEW COMMITTEE**Item Number 1**Meeting of October 10, 2017**AGENCY:** Department of Commerce**PROJECT/SUBJECT:** Request for Approval to Issue 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 \$46 million 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. Volvo Car USA, LLC, plans to expand its facilities located in Berkeley County for the manufacture of automobiles.

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 Volvo Car USA 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 to construct an office building and employee care center (on land owned by the South Carolina Public Service Authority and Berkeley County), a rail spur, road improvements, and water infrastructure.

The term of the bonds will be 15 years. The preliminary draw schedule is provided on Page 7 and the debt service is detailed on Pages 8 and 9.

COMMITTEE ACTION:

Review and make recommendation regarding the issuance of not to exceed \$46,000,000 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 September 28, 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

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POST OFFICE BOX 11889 (29211-1889)
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THEODORE B. DUBOSE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7830
tdubose@hsblawfirm.com

September 28, 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

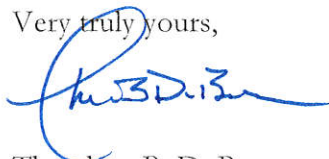
Dear Ms. Carraway:

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 August 31, 2017 to identify at Exhibit A the Project, the Project Sponsor, and the location of the Project. Moreover, all tables attached as exhibits to the resolution have been completed. Finally, the principal amount of the bonds has been increased to \$46,000,000.

The purpose of this submission is to request that the Joint Bond Review Committee (the "JBRC") approve the issuance of not to exceed \$46,000,000 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 Volvo Car USA, LLC (the "Sponsor"). The Sponsor has announced plans to expand its facilities located in Berkeley County, South Carolina, for the manufacture of automobiles (the "Project").

3. The amount hereby requested for allocation to the Department to defray the costs of certain improvements for the benefit of the Project is Forty-Five Million Five Hundred Thousand Dollars (\$45,500,000); such amount is in addition to such amounts as may be required to defray the costs of issuance of the Economic Development Bonds described herein.

4. 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.

5. 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.

6. 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.

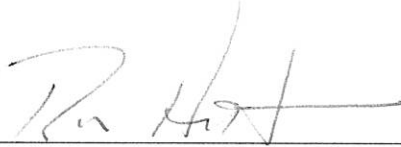
7. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of Six Hundred Ten Million One Hundred Thousand Dollars (\$610,100,000).

8. 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 27 day of September, 2017.

SOUTH CAROLINA DEPARTMENT OF COMMERCE

A handwritten signature in dark 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>
Buildings on land owned by South Carolina Public Service Authority (office building) and Berkeley County (Employee Care Center), rail spur, road improvements, and water infrastructure.....	\$45.5

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>
4 th Quarter 2017	\$7,446,500
1 st Quarter 2018	11,311,000
2 nd Quarter 2018	11,139,500
3 rd Quarter 2018	10,193,500
4 th Quarter 2018	4,984,500
1 st Quarter 2019	425,000

DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING
AND PRO FORMA DEBT SERVICE SCHEDULE FOR
THE PROPOSED \$46,000,000 PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT GENERAL
OBLIGATION BONDS

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2018	\$ 12,185,000	\$ 6,101,036	\$ 18,286,036
June 30, 2019	28,940,000	11,482,099	40,422,099
June 30, 2020	30,255,000	10,216,560	40,471,560
June 30, 2021	40,010,000	9,093,802	49,103,802
June 30, 2022	47,345,000	7,423,485	54,768,485
June 30, 2023	30,750,000	5,307,297	36,057,297
June 30, 2024	51,830,000	4,225,213	56,055,213
June 30, 2025	29,370,000	2,868,569	32,238,569
June 30, 2026	9,930,000	2,114,081	12,044,081
June 30, 2027	10,310,000	1,749,514	12,059,514
June 30, 2028	10,685,000	1,376,914	12,061,914
June 30, 2029	11,095,000	984,392	12,079,392
June 30, 2030	10,205,000	646,748	10,851,748
June 30, 2031	6,200,000	340,545	6,540,545
June 30, 2032	3,435,000	206,736	3,641,736
June 30, 2033	3,535,000	107,464	3,642,464
Total	<u>\$ 336,080,000</u>	<u>\$ 64,244,452</u>	<u>\$ 400,324,452</u>

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

EXHIBIT B

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR
THE NOT EXCEEDING \$46,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
June 30, 2019	\$ 2,650,000	\$ 992,680	\$ 3,642,680
June 30, 2020	2,815,000	827,814	3,642,814
June 30, 2021	2,840,000	801,071	3,641,071
June 30, 2022	2,870,000	771,535	3,641,535
June 30, 2023	2,905,000	739,104	3,644,104
June 30, 2024	2,940,000	703,663	3,643,663
June 30, 2025	2,980,000	663,679	3,643,679
June 30, 2026	3,025,000	618,681	3,643,681
June 30, 2027	3,075,000	568,164	3,643,164
June 30, 2028	3,130,000	512,814	3,642,814
June 30, 2029	3,190,000	452,092	3,642,092
June 30, 2030	3,265,000	379,998	3,644,998
June 30, 2031	3,345,000	297,720	3,642,720
June 30, 2032	3,435,000	206,736	3,641,736
June 30, 2033	3,535,000	107,464	3,642,464
Total	<u>\$ 46,000,000</u>	<u>\$ 8,643,211</u>	<u>\$ 54,643,211</u>

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
Meeting of October 10, 2017

Item Number 2

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Administration Proposed Lease, 1628 Browning Road, Columbia

The Department of Administration (DOA) is requesting approval to lease 16,966 square feet of office space located at 1628 Browning Road in Columbia from Browning Office Investment, LLC.

DOA currently leases 16,545 square feet at this location for its SC Enterprise Information System (SCEIS) staff under a lease that expired on August 31 and is in holdover status. The additional space (421 square feet) is necessary to accommodate cubicles for eight additional SCEIS staff.

A solicitation was conducted, and five proposals were received. The selected location represents the lowest bid.

The term of the proposed lease will be for seven years beginning November 1, 2017. Base rent for the first year will be \$13.25 per square foot (\$224,800); thereafter, the base rent will increase by 2.5 percent annually. Total payout over the seven-year term will be \$1,696,770. All operating and maintenance expenses are included in the base rent.

The lease includes ample parking in a surface lot adjacent to the building.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar office space in the area range from \$16.00 to \$17.43 per square foot.

Lease payments will be paid from state appropriations. According to the Budget Approval Form submitted by the agency, there are adequate funds for the lease.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the Department of Administration.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated October 10, 2017
- 2) Letter from Ed Pearce, SCEIS Deputy Director, dated September 15, 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: October 10, 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: SC Department of Administration Lease at 1628 Browning Road in Columbia

3. Summary Background Information:

The SC Department of Administration (Admin) is requesting approval to lease 16,966 SF located at 1628 Browning Road in Columbia from Browning Office Investment, LLC (the "Landlord") for its SC Enterprise Information System (SCEIS) staff. Admin currently leases 16,545 SF for SCEIS at this location under a lease that expired August 31, 2017 and is in holdover status. The additional 421 SF is necessary to accommodate cubicles for eight (8) additional FTEs.

A solicitation was conducted and five proposals were received, of which the selected location represents the lowest bid. The space meets the state standard of 210SF/person with a density of 135SF/person. The term of the lease shall be for seven (7) years beginning on November 1, 2017. Basic rent for the first year of the term shall be \$13.25/SF, which includes all operating and maintenance costs. Thereafter, basic rent shall increase by two and one-half (2 ½) percent annually as follows:

TERM	PERIOD: FROM - TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
YEAR 1	11-01-2017 to 10-31-2018	\$224,799.48	\$18,733.29	\$13.25 rounded
YEAR 2	11-01-2018 to 10-31-2019	\$230,398.32	\$19,199.86	\$13.58 rounded
YEAR 3	11-01-2019 to 10-31-2020	\$236,166.72	\$19,680.56	\$13.92
YEAR 4	11-01-2020 to 10-31-2021	\$242,104.80	\$20,175.40	\$14.27 rounded
YEAR 5	11-01-2021 to 10-31-2022	\$248,042.88	\$20,670.24	\$14.62 rounded
YEAR 6	11-01-2022 to 10-31-2023	\$254,490.00	\$21,207.50	\$15.00
YEAR 7	11-01-2023 to 10-31-2024	\$260,767.44	\$21,730.62	\$15.37 rounded
TOTAL		\$1,696,769.64		

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

Tenant	Location	Rate
Vacant	220 Stoneridge Drive	\$17.00/SF
Vacant	107 Westpark Boulevard	\$16.50/SF
Office of the Adjutant General	810 Dutch Square Boulevard	\$17.43/SF
Vacant	121 Executive Center Drive	\$16.00/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q2 2017 report indicates an average rate of \$20.21 in the Columbia market. The lease also provides for free use of the surface lot surrounding the facility which has sufficient parking to accommodate staff and visitors.

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

4. What is JBRCasked to do? Approve the proposed lease for the SC Department of Administration at 1628 Browning Road in Columbia.

5. What is recommendation of the Department of Administration? Approve of the proposed lease for the SC Department of Administration at 1628 Browning Road in Columbia.

6. List of Supporting Documents:

- SC Code of Laws Sections 1-11-55 and 1-11-56
- SC Department of Administration, SCEIS Letter Dated September 15, 2017



Henry McMaster, Governor
Marcia S. Adams, Executive Director

**SC ENTERPRISE INFORMATION
SYSTEMS**

Ed Pearce, Deputy Director
1628 Browning Road
Columbia, SC 29210
803.734.8083
803.734.0179 Fax

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

September 15, 2017

RE: Lease for 1628 Browning Rd

Dear Ms. Lancaster:

The South Carolina Enterprise Information System, a Division of The Department of Administration, requests approval by the State Fiscal Accountability Authority (SFAA) at its meeting on October 17, 2017; of a lease with Browning Office Investments, LLC represented by CE Richard Ellis for approximately 16,966 square feet of office space at 1628 Browning Road, Columbia, SC.

Five proposals were received in response to our solicitation. After evaluation we concluded that our current location best meets our needs and represent the least costly bid over the term. Among our considerations were the proximity of the location to our clients, stakeholders and partners, and avoiding the estimated \$100,000 cost of moving and the associated loss of productivity.

Additionally, we evaluated each proposed space not just in terms of the space itself, but also in terms of how well the building location and surrounding environment contribute to the overall safety and security of our employees and clients. Of the locations under consideration, our current location possesses the strongest combination of these attributes.

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

Sincerely,

Ed Pearce
SCEIS Deputy Director

South Carolina Department of Administration
1200 Senate Street, Suite 460 Columbia, SC 29201
Post Office Box 2825, Columbia, SC 29211

Ph: 803.734.8120
www.admin.sc.gov



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

- (1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.
- (2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.
- (3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.
- (4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.
- (5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

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**Item Number 3**Meeting of October 10, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Clemson University Proposed Lease, One Research Drive, Greenville

Clemson University is requesting approval to lease 12,845 square feet of office space located at One Research Drive in Greenville from LICAR, LLC.

Clemson currently leases 5,400 square feet at this location for its Center for Risk Engineering and Systems Analytics, a national resource center focused on integrating interdisciplinary research. The program has grown more quickly than anticipated, and the additional space will provide for additional research, training, lecture, and collaboration spaces to meet continued demand and provide services to industry partners.

A solicitation was conducted, and the selected location as the only bid received.

The term of the proposed lease will be for three years beginning upon completion of upfit of the space (estimated to be March 1, 2018). Base rent for the first year will be \$16.50 per square foot (\$211,493), and will increase by two percent annually. Total payout for the base rent over the three-year term will be \$648,673. In addition, Clemson will be responsible for all operating expenses which are estimated to be \$83,493 annually.

The landlord will provide an improvement allowance of \$180,000. The lease includes free garage parking.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar office space in the area range from \$23.50 to \$25.50 per square foot.

Lease payments will be paid from revenues generated by Clemson's work with industry partners and clients. 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 Clemson University.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated October 10, 2017
- 2) Letter from Brett A. Dalton, Executive Vice President, Finance and Operations, Clemson University, dated September 13, 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: October 10, 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: Clemson University Lease at 1 Research Drive in Greenville

3. Summary Background Information:

Clemson University is requesting approval to lease 12,845 square feet (SF) located at 1 Research Drive in Greenville from LICAR, LLC (the "Landlord").

Clemson University currently leases 5,400 SF at this location for the Clemson University Center for Risk Engineering and Systems Analytics (RESA), a program established by the University in 2015 as a national resource center focused on integrating interdisciplinary research. The program has grown more quickly than anticipated and the additional square footage will provide for additional research, training, lecture and collaboration spaces.

A solicitation was conducted for the full square footage required and the selected location was the only bid received.

The space will meet the state standard of 210SF/person with a density of 137SF/person. The landlord will provide an upfit allowance of \$180,000 and the term shall be for three (3) years beginning on completion of the upfit, which is estimated to be March 1, 2018. Basic rent for the first year of the term shall be \$16.50/SF. The University will be responsible for all operating expenses which are estimated to be \$6.50/SF or \$83,493 annually. After the first year, basic rent shall increase by two (2) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT/SF</u>
YEAR 1	\$211,942.50	\$17,661.88 rounded	\$16.50
YEAR 2	\$216,181.35	\$18,051.11 rounded	\$16.83
YEAR 3	\$220,548.65	\$18,379.05 rounded	\$17.17
TOTAL	\$648,672.50		

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

Tenant	Location	Rate
Vacant	369 Halton Road	\$25.50/SF
Vacant	651 Brookfield Parkway	\$23.50/SF
Vacant	105 N Spring Street	\$24.00/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q2 2017 report indicates an average rate of \$26.14/SF in the Greenville market.

The lease also provides for free parking 1,200 space parking garage.

There are adequate funds for the lease according to the Budget Approval Form submitted by the agency. The lease was approved by the Clemson University Board of Trustees on October 14, 2016 and the Commission on Higher Education on September 25, 2017.

4. **What is JBRC asked to do?** Approve the proposed lease for Clemson University at 1 Research Drive in Greenville.

5. **What is recommendation of the Department of Administration?** Approve the proposed lease for Clemson University at 1 Research Drive in Greenville.

6. **List of Supporting Documents:**

- SC Code of Laws Sections 1-11-55 and 1-11-56
- Clemson University Letter Dated September 13, 2017



September 13, 2017

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

SUBJECT: Clemson University Lease for Space
in Greenville, SC
1 Research Drive

Dear Ms. Lancaster:

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on October 10 and October 17, 2017, respectively, for a new lease between LICAR, LLC and Clemson University to expand Clemson's existing space located at 1 Research Drive in Greenville, South Carolina. This lease expansion was approved by the Clemson University Board of Trustees at its October 2016 meeting.

Clemson University currently leases approximately 5,400 square feet of space in Greenville for the Clemson University Center for Risk Engineering and Systems Analytics (RESA). RESA was established in 2015 by the College of Engineering and Science as a national resource center, serving industry partners and clients, focused on integrating interdisciplinary research in risk-related science and engineering.

RESA has grown more quickly than anticipated and Clemson is requesting approval of a new lease for approximately 12,845 square feet of space in Greenville to accommodate RESA's growth. The new lease will provide for additional research, training, lecture, and collaboration spaces which will allow RESA to meet continued demand and provide technical and research services to industry partners to understand and mitigate risks linked to natural and manmade phenomena to respond to and

recover from disasters. This lease will be 100% funded from revenues generated by RESA through its work for industry partners and clients.

A solicitation was conducted by the General Services Division of the Department of Administration, and the LICAR, LLC response was the only response received. Additionally, the current building in which RESA is located has space immediately adjacent which can accommodate RESA's expansion needs, resulting in lower costs to expand given the upfit that has already occurred, as well as costs savings related to moving to another location had one been available for consideration.

Once approved, please send two of the originals back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Thank you,



Brett A. Dalton
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

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.

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Health and Human Services Proposed Lease, 4130 Faber Place Drive, North Charleston

The Department of Health and Human Services (DHHS) is requesting approval to continue leasing 18,981 square feet of office space located at 4130 Faber Place Drive in North Charleston from REVA Kay Ashley Corporate Center, LLC, for its Medicaid Eligibility and Community Long-Term Care divisions.

A solicitation was conducted, and three proposals were received. The selected location represents the lowest bid.

The term of the proposed lease will be for seven years beginning January 15, 2018 (upon expiration of the current lease). Base rent for the first year will be \$17.00 per square foot (\$322,677); thereafter, the base rent will increase by three percent annually. The total payout over the seven-year term will be \$2,472,500. All operating and maintenance expenses are included in the base rent.

The landlord will provide an allowance of \$101,930 to renovate the space.

The lease includes ample parking in a surface lot adjacent to the building.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar office space in the area range from \$17.00 to \$29.75 per square foot.

Lease payments will be paid from federal funding (66.53%) and state appropriations (33.47%). 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 Department of Health and Human Services.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated October 10, 2017
- 2) Letter from Elizabeth Hutto, Deputy Director, Eligibility, Enrollment and Member Services, Department of Health and Human Services, dated September 14, 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: October 10, 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: SC Department of Health and Human Services Lease at 4130 Faber Place Drive in North Charleston

3. Summary Background Information:

The SC Department of Health and Human Services (DHHS) is requesting approval to continue leasing 18,981 square feet (SF) located at 4130 Faber Place Drive in North Charleston from REVA Kay Ashley Corporate Center, LLC (the "Landlord") for its Medicaid Eligibility and Community Long-Term Care divisions. Norvell Real Estate Group is the leasing agent for the facility.

A solicitation was conducted and three proposals were received. While one location was eliminated due to size, the selected location was the lowest bid of all three proposals received.

The space meets the state standard of 210SF/person with a density of 165SF/person. The landlord will provide an upfit allowance of \$101,930 in order to renovate the space to make it the largest processing center for DHHS in the State. The current lease term ends on January 14, 2018 and the term of the new lease shall be for seven (7) years beginning on January 15, 2018. Basic rent for the first year of the term shall be \$17.00/SF, which includes all operating and maintenance costs. Thereafter, basic rent shall increase by three (3) percent annually as follows:

TERM	PERIOD: FROM - TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
YEAR 1	01-15-2018 to 01-14-2019	\$322,677.00	\$26,889.75	\$ 17.00
YEAR 2	01-15-2019 to 01-14-2020	\$332,357.28	\$27,696.44	\$ 17.51 rounded
YEAR 3	01-15-2020 to 01-14-2021	\$342,328.08	\$28,527.34	\$18.04 rounded
YEAR 4	01-15-2021 to 01-14-2022	\$352,597.92	\$29,383.16	\$18.58 rounded
YEAR 5	01-15-2022 to 01-14-2023	\$363,175.80	\$30,264.65	\$19.13 rounded
YEAR 6	01-15-2023 to 01-14-2024	\$374,071.08	\$31,172.59	\$19.71 rounded
YEAR 7	01-15-2024 to 01-14-2025	\$385,293.24	\$32,107.77	\$20.30 rounded
TOTAL		\$2,472,500.40		

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

Tenant	Location	Rate
Vacant	4401 Leeds Avenue	\$29.75/SF
Vacant	4105 Faber Place Drive	\$25.50/SF
College of Charleston	3800 Paramount Drive	\$18.14/SF
Department of Motor Vehicles	1757 Ashley River Road	\$17.00/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q2 2017 report indicates an average rate of \$23.47/SF in the North Charleston area and \$25.01 in the Charleston market overall. The lease also provides for free use of the surface lot surrounding the facility which has sufficient parking to accommodate staff and visitors.

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 DHHS at 4130 Faber Place Drive in North Charleston.

5. **What is recommendation of the Department of Administration?** Approve of the proposed lease for DHHS at 4130 Faber Place Drive in North Charleston.

6. List of Supporting Documents:

- SC Code of Laws Sections 1-11-55 and 1-11-56
- DHHS Letter Dated September 14, 2017

September 14, 2017

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

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings, to consider a seven-year lease with the Reva Kay Ashley Corporate Center, located at 4130 Faber Place Drive, Suite 201, North Charleston South Carolina 29405.

The SCDHHS administers the South Carolina Medicaid Program, which provides health care coverage for about one quarter of the population of South Carolina. The Community Long Term Care and Eligibility, Enrollment, and Member Services Teams have been housed in this space under the current lease since January 15, 2011. The current lease expires January 14, 2018.

SCDHHS in coordination with Facilities Management and Property Services, a Division of the SC Department of Administration initiated a competitive solicitation in August 2017 for available space to lease, in order to determine whether other suitable commercial office space alternatives were available, and to obtain the best value for the State. After reviewing the proposals submitted as a result of this solicitation, SCDHHS has determined that the current location best meets our space requirements and needs.

The proposed lease is to begin January 15, 2018, with an expiration date of January 14, 2025. The basic rental rate begins at \$17.00 in the first year and increases 3% each year thereafter.

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

Sincerely,



Elizabeth Hutto, Deputy Director
Eligibility, Enrollment and Member Services

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.

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Juvenile Justice Proposed Lease, 220 Executive Center Drive, Columbia

The Department of Juvenile Justice (DJJ) is requesting approval to lease 49,550 square feet of office space located at 220 Executive Center Drive in Columbia from LSREF2 NEWTON, LLC. The space is needed to relocate 228 non-direct care administrative staff and to provide training space outside the perimeter fence at the main DJJ facilities on Broad River Road. (The vacated space will be repurposed to increase DJJ's capacity to house juveniles.)

A solicitation was conducted, and five proposals were received. The selected location represents the lowest bid.

The term of the proposed lease will be for ten years beginning on completion of renovations, which is estimated to be January 1, 2018. Base rent for the first year will be \$15.05 per square foot; however, the rent for the first seven months will be abated, creating an effective rate of \$6.27 per square foot. After the first year, base rent will increase by three percent annually. Total payout over the ten-year term will be \$8,114,349. All operating and maintenance expenses are included in the base rent.

The landlord will provide an upfit allowance of \$16.00 per square foot to renovate the space.

The lease includes ample parking in a surface lot adjacent to the building.

The Department of Administration's Facilities Management and Property Services reports comparable lease rates of similar office space in the area range from \$16.00 to \$17.43 per square foot.

Lease payments will be paid from state appropriations. 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 Department of Juvenile Justice.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated October 10, 2017
- 2) Letter from Freddie B. Pough, Acting Director, Department of Juvenile Justice, dated September 13, 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: October 10, 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: SC Department of Juvenile Justice Lease at 220 Executive Center Drive in Columbia

3. Summary Background Information:

The SC Department of Juvenile Justice (DJJ) is requesting approval to lease 49,550 square feet (SF) located at 220 Executive Center Drive in Columbia from LSREF2 NEWTON, LLC (the "Landlord"). Colliers International is the leasing agent for the facility and on-site building management is provided through Cushman and Wakefield.

The purpose of the lease is to relocate 228 non-direct care administrative staff and training space from within the perimeter fence at the main DJJ facilities on Broad River Road to allow for repurposing existing buildings within the perimeter fence as well as certain facilities on Shivers Road to increase capacity for housing juveniles. A solicitation was conducted and five proposals were received, of which the selected location represents the lowest bid.

The space will meet the state standard of 210SF/person with a density of 161SF/person. The landlord will provide an upfit allowance of \$16.00/RSF and the term shall be for ten (10) years beginning on completion of the upfit, which is estimated to be January 1, 2018. Basic rent for the first year of the term shall be \$15.05/SF, which includes all operating and maintenance costs. The rent for for the first seven months of the first year of the term will be abated, creating a new effective rate of \$6.27 for that year and \$16.38 over the ten year term. After the first year, basic rent shall increase by three (3) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT/SF</u>
YEAR 1 (first 7 months)	\$0	\$0	\$0
YEAR 1 (last 5 months)	\$310,719.80	\$62,143.96	\$15.05 rounded
YEAR 2	\$768,024.96	\$64,002.08	\$15.50 rounded
YEAR 3	\$791,313.48	\$65,942.79	\$15.97 rounded
YEAR 4	\$815,097.48	\$67,924.79	\$16.45 rounded
YEAR 5	\$839,376.96	\$69,948.08	\$16.94 rounded
YEAR 6	\$864,647.52	\$72,053.96	\$17.45 rounded
YEAR 7	\$890,413.56	\$74,201.13	\$17.97 rounded
YEAR 8	\$917,170.56	\$76,430.88	\$18.51 rounded
YEAR 9	\$944,423.04	\$78,701.92	\$19.06 rounded
YEAR 10	\$973,161.96	\$81,096.83	\$19.64 rounded
TOTAL	\$8,114,349.32		

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

Tenant	Location	Rate
Vacant	220 Stoneridge Drive	\$17.00/SF
Vacant	107 Westpark Boulevard	\$16.50/SF
Office of the Adjutant General	810 Dutch Square Boulevard	\$17.43/SF
Vacant	121 Executive Center Drive	\$16.00/SF

Above rates are subject to escalations over the term.

The CBRE MarketView Columbia Office Q2 2017 report indicates an average rate of \$20.21 in the Columbia market. The lease also provides for 6 parking spaces per 1,000 RSF (297 spaces) in building parking lot free of charge to accommodate staff and visitors. If needed, additional visitor parking is available free of charge in the building parking lot and adjacent parking lots.

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 DJJ at 220 Executive Center Drive in Columbia.

5. **What is recommendation of the Department of Administration?** Approve the proposed lease for DJJ at 220 Executive Center Drive in Columbia.

6. **List of Supporting Documents:**

- SC Code of Laws Sections 1-11-55 and 1-11-56
- DJJ Letter Dated September 13, 2017

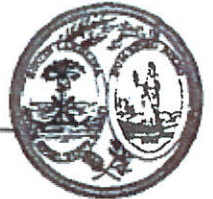


South Carolina
DEPARTMENT OF
JUVENILE JUSTICE

Freddie B. Pough, Acting Director

P.O. Box 21069
Columbia, SC 29221-1069

www.state.sc.us/djj



Henry McMaster
Governor
State of South Carolina

September 13, 2017

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 408
Columbia, South Carolina 29201

RE: New Lease for 220 Executive Center Drive, Columbia, SC 29210

Dear Ms. Lancaster:

At the October 10, 2017 meeting of the Joint Bond Review Committee (JBRC), the S.C. Department of Juvenile Justice (SCDJJ) requests approval to enter into a lease agreement with Colliers International for approximately 49,550 square feet of office space located at 220 Executive Center Drive in Columbia.

Acceptance of this lease agreement will allow for relocation of non-direct care staff and thereby afford SCDJJ the opportunity to re-purpose existing buildings within the perimeter fence on Broad River Road Campus (BRRRC) and Shivers Road to increase capacity for housing additional juveniles. Five (5) proposals were received in response to SCDJJ's request for solicitation with only two (2) of the proposals meeting solicitation requirements. After an evaluation of both proposals, 220 Executive Center Drive is selected as the preferred property site based on its proximity to SCDJJ campuses on Broad River and Shivers Road; available square footage aligns with space requirements for the agency; and tenant improvement allowances identified in the lease proposal.

For the reasons identified above, SCDJJ respectfully seeks approval of the lease with Colliers International which will allow for expansion of services currently provided by SCDJJ.

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

Sincerely,

Freddie B. Pough
Acting Director

FBP/kab

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**Item Number 6**Meeting of October 10, 2017**AGENCY:** Department of Administration, Executive Budget Office**PROJECT/SUBJECT:** Clemson University, Tennis Center Construction

Clemson University is requesting approval for full design and construction of a new state-of-the-art tennis center for its men's and women's varsity tennis teams to be funded with Athletic Facilities Revenue Bonds.

Permanent Improvement Project

The project was established for Phase I in September 2016. The approximately 60,000 square-foot facility will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, players' lounge, laundry, coaches' offices, ticket office, public restrooms, two new outdoor courts, and related site work. (The existing outdoor competition courts and 700-seat stadium will be retained.)

The existing facilities were constructed in 1987 and 1993 and are not sufficient for today's needs. The new facilities will enhance recruiting efforts, improve student playing experiences, provide better pedestrian circulation and vehicular access, and improve opportunities for NCAA regionals and other championships.

The facility will be used daily by 12 coaches and support staff and 20 athletes. In addition, Clemson Campus Recreation will host intramurals and other recreation activities as well as community-centered events such as summer camps and City of Clemson sponsored tournaments.

The new facility will be constructed to meet Two Green Globes Certification standards with projected operating savings of \$736,596 over a 30-year period. Operating costs are estimated to be \$36,000 to \$37,454 per year and will be paid from existing Athletic Department operating funds.

This request will add \$12,187,500 to the project, bringing the total cost to \$12,500,000. The source of funds for the project is Athletic Facilities Revenue Bonds.

Clemson projects January 2018 for execution of the construction contract with completion of construction expected in August 2018.

Athletic Facilities Revenue Bonds

Clemson is requesting issuance of not exceeding \$14,000,000 in Athletic Facilities Revenue Bonds to fund the construction of the permanent improvement project, fund a debt service reserve account, pay interest during construction of the project, and pay expenses associated with issuance of the Bonds.

Title 59, Chapter 119 of the South Carolina Code of Laws authorizes Clemson University to issue Athletic Facilities Revenue Bonds for athletic facilities provided the debt is secured by a pledge of revenues derived from the operation of the Athletic Department, proceeds of admissions fees, and special student fees. (Clemson reports that it does not impose, nor does it contemplate imposing, any special student fee to fund the debt service associated with this project.) State law limits Clemson's total outstanding Athletic Facilities Revenue Bonds to \$200 million (current outstanding is \$130.6 million; this request will bring total to \$144.6 million).

The term of the proposed revenue bonds will be 30 years. The source of funding for debt service will be the net revenues of the Athletic Department and gross receipts from admissions fees. The sum of the pledged revenues for Fiscal Year 2016-17 totaled \$15,827,423. Exhibit A reflects the debt service requirements for all of Clemson's existing and proposed Athletic Facilities Revenue Bonds; the maximum composite debt service is \$9,956,535. Holding FY 2016-17 revenues constant, the debt service coverage ratio is projected to range from 1.59 to 20.91 times the annual debt service (Exhibit B).

While the project is not expected to directly result in any quantifiable additional revenue, continued investment and success in athletics will increase fundraising efforts.

Clemson reports that if pledged revenues are not sufficient to pay debt service the Athletic Department will request additional support from IPTAY.

No special student fee increase (as authorized by Title 59, Chapter 119 of the South Carolina Code of Laws) is currently imposed or contemplated to pay the debt service on the proposed bonds. Pursuant to Section 59-119-960 of the South Carolina Code of Laws, the bonds will not commit the full faith and credit of Clemson University or the State of South Carolina. Further, no mortgage or lien will be given on any real property of Clemson.

COMMITTEE ACTION:

- 1) Review and make recommendation regarding Clemson University's request for Phase II, Full Design and Construction of a new tennis center funded with the issuance of not exceeding \$14,000,000 in Athletic Facilities Revenue Bonds.
- 2) Pursuant to Section 59-119-940 of the South Carolina Code of Laws, review and make recommendation related to Clemson University's request for issuance of Athletic Facilities Revenue Bonds in an amount not to exceed \$14,000,000.

ATTACHMENTS:

- 1) Department of Administration, Capital Budget Office Agenda Item Worksheet dated April 26, 2017
- 2) A-1, A-49, Questionnaire, and LEED Cost-Benefit Analysis
- 3) Letter from Pope Flynn Law Firm, dated September 5, 2017 (including Bond Information Report and Exhibits A and B)
- 4) Sections 59-119-940 and 59-119-960 of the South Carolina Code of Laws

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
- 3) Draft Resolution

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 10, 2017

Regular Agenda

1. Submitted By:

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



Rick Harmon, Director, Capital Budget Office

2. Subject: Clemson University Tennis Center Construction

3. Summary Background Information:

To establish the construction budget to construct a new state-of-the-art tennis center for the men's and women's varsity tennis teams. The existing tennis center and indoor practice facilities were constructed between 1987 and 1993 and are not sufficient for today's needs. This project was included in Clemson University's FY17 CIP with the priority 5 of 6. This project was established in September 2016 for Phase I, which is now complete. The new center will retain and continue to utilize existing tennis facilities, including outdoor competition courts and a 700 seat permanent stadium. The new approximately 60,000 square foot tennis center will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, two new outdoor courts, and related site work. The existing indoor facility lacks two needed courts for practice and competition in inclement weather. There is currently no designated tennis parking or suitable vehicular or disabled access to the site, which is located along Highway 93. Existing office and support facilities are too small for today's needs. The new facilities will enhance recruiting efforts, improve student athlete playing experiences, improve opportunities for NCAA regionals and other championships, and provide for better pedestrian circulation and vehicular access. Renovating the existing indoor court building was considered but demolishing it and constructing a new facility was determined to be a more feasible alternative due to siting, ventilation, seismic and other issues. The facility will be constructed to meet Two Green Globes Certification and \$736,596 in anticipated operating cost savings over a 30 year life are expected. The primary users of the new facilities will remain the NCAA varsity men's and women's tennis programs. Each program has approximately three coaches, three support staff members and ten student athletes, totaling approximately 32 individuals who will use the facility. Additionally and as available, Clemson Campus Recreation will host intramurals, club team, and other recreation activities at the facility, as well as community-centered events such as summer tennis camps and City of Clemson sponsored tennis tournaments. Further, Clemson anticipates a total of 5,000 spectators per year for men's and women's tennis matches will also use the facilities. The agency estimates that the complete project will cost approximately \$12,500,000 and will be funded with Athletic Facilities Revenue Bonds, with additional annual operating costs of \$36,000 in year 1, \$36,720 in year 2, and \$37,454 in year 3. The agency also reports the projects date for execution of the construction contract is January 2018 and for completion of construction is August 2018.

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 MAR 16 2017

26

(For Department Use Only)

2-2018 (A)

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY

Cod H12 Name Clemson UniversityContact Person John McEntire Phone 864-656-1238

2. PROJECT

Project # 9932 Name Tennis Center ConstructionFacility # _____ Facility Name Tennis Center

County Code	39
New/Revised Budget	\$12,500,000.00

Project Type	Construct Additional Facility
Facility Type	Athletic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL

CPIP priority number 5 of 6 for FY 2016-17

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

Establish Project		Decrease Budget		Close Project	
Establish Project - CPIP		Change Source of Funds		Change Project Name	
Increase Budget	X	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.)

This request is to establish the Phase II construction budget to construct a new state-of-the-art tennis center for the men's and women's varsity tennis teams. The new center will retain and continue to utilize existing tennis facilities, including outdoor competition courts and a 700-seat permanent stadium. The new approximately 60,000 square foot tennis center will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, two new outdoor courts and related sitework.

The existing tennis center and indoor practice facilities were constructed between 1987 and 1993 and are not sufficient for today's needs. The existing indoor facility lacks two needed courts for practice and competition in inclement weather. There is currently no designated tennis parking or suitable vehicular or disabled access to the site, which is located along Highway 93. Existing office and support facilities are too small for today's needs. The new facilities will enhance recruiting efforts, improve student athlete playing experiences, improve opportunities for NCAA regionals and other championships, and provide for better pedestrian circulation and vehicular access. Renovating the existing indoor court building was considered but demolishing it and constructing a new facility was determined to be a more feasible alternative, due to siting, ventilation, seismic and other issues.

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: Sep-16 Estimated Completion Date: December 2018
 Estimated expenditures: Thru current FY: \$ 500,000.00 After current FY: \$ 12,000,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

9932

1. _____ Land Purchase ----> Land: _____ Acres
 2. _____ Building Purchase ----> Floor Space: _____ Gross Square Feet
 3. \$1,110,000.00 Professional Services Fees
 4. _____ Equipment and/or Materials ----> Information Technology \$ _____
 5. _____ Site Development
 6. \$10,200,000.00 New Construction ----> Floor Space: 60,000 Gross Square Feet
 7. _____ Renovations - Building Interior --> Floor Space: _____ Gross Square Feet
 8. _____ Renovations - Utilities
 9. _____ Roofing - _____ Roof Age
 10. _____ Renovations - Building Exterior
 11. _____ Other Permanent Improvements
 12. _____ Landscaping
 13. _____ Builders Risk Insurance
 14. _____ Other Capital Outlay
 15. _____ Labor Costs
 16. _____ Bond Issue Costs
 17. \$550,000.00 Other: FF&E, Project Admin, inspections, etc.
 18. \$640,000.00 Contingency

\$ 12,500,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.,) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____

Monitoring \$ _____

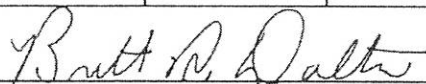
Abate/Remed \$ _____

Total Costs \$ _____

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) Capital Improvement Bonds, Gro _					8115		3043	3043
(1) Dept Capital Improvement Bonds Grou _					8115		3143	3143
(2) Institution Bonds								3235
(3) Revenue Bonds		\$ 12,500,000.00	\$ 12,500,000.00		8212	38800100		3393
(4) Excess Debt Service Type								3497
(5) Capital Reserve Fund					8895		3603	3603
(6) Appropriated State Program Source -					8895	68800100	1001	3600
(7) Federal						78800100		3787
(8) Athletic						88800100		3807
(9) Other (Specify) Athletic Improvement	\$ 312,500.00	\$ (312,500.00)			7201	98800100	4243	3907
TOTAL BUDGET	\$ 312,500.00	\$ 12,187,500.00	\$ 12,500,000.00					

10. SUBMITTED BY:



Signature of Authorized Official and Title

Brett A. Dalton, Executive Vice President for Finance and Operations

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 2/23/16

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

1. AGENCY
Code HI2 Name Clemson University
2. PROJECT
Project # 9932 Name Tennis Center Construction

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

XX ☐ 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) 2017-18	\$	\$	\$36,000.00	\$36,000.00
2) 2018-19	\$	\$	\$36,720.00	\$36,720.00
3) 2019-20	\$	\$	\$37,454.00	\$37,454.00

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

Athletic Operating Funds

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

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

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Utilities		26,000.00
2. Maintenance		10,000.00
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$36,000.00

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

9. Submitted By: Brett A. Dalton _____
Signature of Authorized Official and Title Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE II CONSTRUCTION BUDGET**

Tennis Center Construction

February 9, 2017

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. \$12,500,000.00
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.

Athletic Facilities Revenue Bonds

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.)

Athletic Facilities Revenue Bonds are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with a combination of Athletic net revenues, ticket surcharges, and private gift funds.

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

There is currently no bond balance for Athletic Facilities Revenue Bonds. The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with the Phase II construction budget approval.

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 State Fiscal Accountability Authority approval?

The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with Phase II construction budget approval.

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. N/A

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

No student tuition or fee increase is required for construction of this facility. Existing tuition and fees, including the FY 17-18 increase, are sufficient to cover any costs associated with this project, although the identified funding sources are not generated from 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 facility will be certified to Two Green Globes Certification. The cost benefit analysis and Green Globe checklist are attached.

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.

N/A – The project will be certified to Two Green Globes Certification.

10. What is the projected date (month and year) for execution of the construction contract? January 2018

11. What is the projected date (month and year) for completion of construction? August 2018

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

The men's and women's tennis programs will use the new tennis center when it is completed.

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

A new approximately 60,000 square foot tennis center will be constructed as part of this project. The construction will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, along with two new outdoor courts and related sitework.

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? N/A

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

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

The primary space expansion within the project is the indoor practice courts portion of the tennis complex. The current facility houses four indoor courts. In order to operate efficient and effective NCAA varsity tennis matches and postseason events, six indoor courts are needed. This allows for all six singles matches to be conducted concurrently, instead of staggered, reducing total match times by approximately 33%. Similarly, the expansion to six courts provides 50% more court opportunity for effective practice scheduling for both the men's and women's tennis programs.

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.)

The primary users of the new facilities will remain the NCAA varsity men's and women's tennis programs. Each program has approximately three coaches, three support staff members and ten student-athletes, totaling approximately 32 individuals who will use the facility. Additionally and as available, Clemson Campus Recreation will host intramurals, club team, and other recreation activities at the facility, as well as community-centered events such as summer tennis camps and City of Clemson-sponsored tennis tournaments. Further, Clemson anticipates a total of 5,000 spectators per year for men's and women's tennis matches will also use the facilities.

18. If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase? N/A
19. If the contingency is more than 10%, please explain why. N/A
20. If funds are being transferred from another project, what is the current status of the project from which funds are being transferred? N/A
21. Has the project been included in a previous year's CIP? If so, what was the last year the project was included and for which year, 1-5? 2016 CIP, Year One
22. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The economic impact of this project will be substantial. Approximately \$12.5 million in construction will mean a large number of jobs for architects, engineers, builders, and tradesmen during the course of the project.

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

Maintenance of this facility will be provided through annual operations, utilizing the existing Athletic Improvement Fund.

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

As required by bond covenants, an Athletic Improvement Fund has been established and is funded with Athletics Operations fund to maintain and renovate facilities constructed with Athletic Facilities Revenue Bonds. As of 12/31/16, the Athletic Improvement Fund had an uncommitted balance of \$3,839,190.

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?

N/A – see response to question 23.



CLEMSON UNIVERSITY

EXECUTIVE SUMMARY

Schematic Design Budget Review

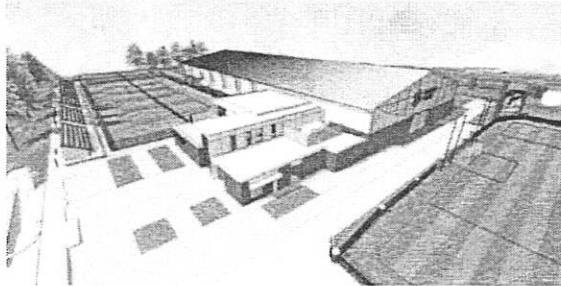
SD Documents

Project Information

Client Clemson University
Project Tennis Center Construction
 Clemson, SC
 State Project H12-9932-1M

Architect LSPP

Estimator Andy Sherman
Square Feet 60,700
Project Duration 8 Months
Date February 3, 2017



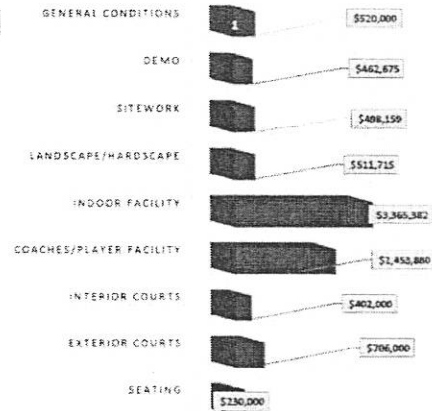
Building Type New Construction

Construction Area 60,700 SF

Project Costs Summary

TOTAL INVESTMENT	\$	10,177,265
COST PER (Unit)	\$	168

01	General Conditions	\$	520,000
02	Demo	\$	462,675
03	Sitework	\$	498,159
04	Landscape/Hardscape	\$	511,715
05	Indoor Facility	\$	3,365,382
06	Coaches/Player Facility	\$	2,453,880
07	Interior Courts	\$	402,000
08	Exterior Courts	\$	706,000
09	Seating	\$	230,000



SUBTOTAL	\$	9,149,811
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Addons

Surety Bond	\$	112,991
Insurance	\$	56,496
Pre-Construction	\$	66,708
Taxes & Ins On Labor	\$	77,349
Sales Tax		Incl. in Abv.
Fee	\$	446,315
Contingency	\$	267,594
Permits, Licenses, Etc.		Not Required

TOTAL	\$	10,177,264.59
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Sustainability Cost Benefit Analysis

Certification Level Threshold: 2 Green Globes
Building Area (Gross Square Footage)

60,000

Administrative & Equipment Cost Summary

Certification Costs (Two Green Globes Target)			\$83,500
Registration Fees		\$1,500	
Certification Review Fees	\$/gsf	\$10,000	
Design	\$0		
Construction	\$10,000		
LEED Professional Administration Costs		\$35,000	
Fundamental & Enhanced Commissioning Costs		\$22,000	
Energy Modeling		\$15,000	
Increased Equipment & Construction Costs			\$97,904
Total Premium Costs for Certification			\$181,404

Operational Cost Summary

	Annual \$/GSF	Annual Costs	Life Cycle Costs (30 yrs)
Baseline Annual Building Operation Costs			
Building Systems Utility Costs	2.00	\$120,000	\$3,600,000
Potable Water	0.50	\$30,000	\$900,000
Building Maintenance and Repair	1.60	\$96,000	\$2,880,000
Total Costs			\$7,380,000
Certified Building Estimated Operational Costs			
Building Systems Utility Costs (10% reduction)	1.80	\$108,000	\$3,240,000
Potable Water (30% reduction)	0.35	\$21,000	\$630,000
Building Maintenance and Repair (10% reduction)	1.44	\$86,400	\$2,592,000
Total Costs			\$6,462,000

Payback Analysis

Operational Cost Savings	\$918,000
Total Premium Costs for Certification	-\$181,404
Net Savings	\$736,596

Increased equipment & construction costs include:
High Efficiency HVAC Equipment & Control Systems
LED/High Efficiency Lighting & Control Systems; Daylighting
High Efficiency Glazing and Building Envelope
Solar Heat Gain Mitigation
Sustainable Material Selections & Low VOC Products

GBI Project Checklist for Green Globes for New Construction



Globes Rating Scale:

Four	>	85
Three	70 -	85
Two	55 -	70
One	34 -	55

Date:

8-Feb-17

Project Name:

CU Indoor Tennis Facility

WATER		Maximum Points: 110	Y	N	?	N/A
4.1	Water Consumption	42	42			
4.2	Cooling Towers	9				9
4.3	Boilers and Water Heaters	4	4			
4.4	Water Intensive Applications	18				
4.4.1	Commercial Food Service Equipment	6				6
4.4.2	Laboratory and Medical Equipment	5				5
4.4.3	Laundry Equipment	4	4			
4.4.4	Special Water Features	3				3
4.5	Water Treatment	3	3			
4.6	Alternate Sources of Water	5	5			
4.7	Metering	11	5	5		1
4.8	Irrigation	18	18			

MATERIALS & RESOURCES		Maximum Points: 125	Y	N	?	N/A
5.1	Building Assembly (Core & Shell including Envelope)	33	33	0	0	0
5.2	Interior Fit-Out (including Finishes and Furnishings)	16	16	0	0	0
5.3	Reuse of Existing Structures	26				
5.3.1	Facades	6	6			
5.3.2	Structural Systems	6	6			
5.3.3	Non-Structural Elements	14	14			
5.4	Waste	9				
5.4.1	Construction Waste	7	7			
5.4.2	Operational Waste	2	2			
5.5	Building Service Life Plan	7	7			
5.6	Resource Conservation	6				
5.6.1	Minimized Use of Raw Materials	3	1	2		
5.6.2	Multi-Functional Assemblies	1	1			
5.6.3	Deconstruction and Disassembly	2		2		
5.7	Building Envelope - Roofing/Opening	10				
5.7.1	Roofing Membrane Assemblies and Systems	3	3			
5.7.2	Flashings	3	3			
5.7.3	Roof and Wall Openings	4	4			
5.8	Envelope - Foundation, Waterproofing	6				
5.8.1	Foundation Systems	4	4			
5.8.2	Below Grade Wall Slabs and Above Grade Horizontal	2	2			
5.9	Envelope - Cladding	5				
5.9.1	Exterior Wall Cladding Systems	3	3			
5.9.2	Rainscreen Wall Cladding	2	1	1		
5.10	Envelope - Barriers	7				
5.10.1	Air Barriers	4	4			
5.10.2	Vapor Retarders	3	3			
		366	140	0	32	

EMISSIONS		Maximum Points: 50	Y	N	?	N/A
6.1	Heating	18	18			
6.2	Cooling	29				
6.2.1	Use of New or Existing Cooling Equipment (informational only)	0				
6.2.2	Ozone-Depleting Potential	10	10			
6.2.3	Global Warming Potential	10	10			
6.2.4	Leak Detection	9				9
6.3	Janitorial Equipment	3	3	0	0	0

INDOOR ENVIRONMENT		Maximum Points: 160	Y	N	?	N/A
7.1	Ventilation	37				
7.1.1	Ventilation Air Quantity	11	11			
7.1.2	Air Exchange	8	8			
7.1.3	Ventilation Intakes and Exhausts	8	8			
7.1.4	CO2 Sensing and Ventilation Control Equipment	5	5			
7.1.5	Air Handling Equipment	5	3	2		
7.2	Source Control and Measurement of Indoor Pollutants	46				
7.2.1	Volatile Organic Compounds	10	10			
7.2.2	Leakage, Condensation and Humidity	8	8			
7.2.3	Access for HVAC Maintenance	4	4			
7.2.4	Carbon Monoxide Monitoring	4	4			
7.2.5	Wet Cooling Towers	2				2
7.2.6	Domestic Hot Water Systems	2	2			
7.2.7	Humidification and Dehumidification Systems	3	3			
7.2.8	Pest and Contamination Control	3	2	1		
7.2.9	Other Indoor Pollutants (Tobacco, Radon)	8	4	2	2	
7.2.10	Ventilation and Physical Isolation for Specialized Activities	2	2			
7.3	Lighting Design and Systems	30				
7.3.1	Daylighting	17	13	4		
7.3.2	Lighting Design	13	11	2		
7.4	Thermal Comfort	18				
7.4.1	Thermal Comfort Strategies	12	6			6
7.4.2	Thermal Comfort Design	6	6			
7.5	Acoustic Comfort	29				
7.5.1	Acoustic Comfort Design	18	13	3	2	
7.5.2	Mechanical, Plumbing, and Electrical	11	9		2	
Sub-Total		465	295	81	0	79
Previous Column Sub-total		535	366	140	0	32
Total		1000	661	221	0	111
TOTAL PTS AVAILABLE (EXCLUDES N/A)		889				
% SCORE (TOTAL PTS/TOTAL AVAILABLE PTS)		74%				
Globes Rating		3				



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POPE FLYNN
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September 5, 2017

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

Re: Not Exceeding \$14,000,000 of Athletic Facilities Revenue Bonds, Series 2017
of Clemson University, South Carolina (the "Bonds")

Dear Dianne:

On behalf of Clemson University, we respectfully request that the Joint Bond Review Committee review the proposed issuance of the Bonds pursuant to Section 59-119-940 of the Code of Laws of South Carolina 1976, as amended, at its meeting scheduled for October 10, 2017. In aid of such review, please find enclosed each of the follow items:

1. Information detailing the proposed financing in accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, and amended on September 13, 2016;
2. A copy of a bond resolution adopted by the Board of Trustees of Clemson University (the "Board of Trustees") on April 16, 1999 providing for the issuance of Athletic Facilities Revenue Bonds of Clemson University; and
3. A copy of a series resolution adopted by the Board of Trustees on February 3, 2017, authorizing the issuance of the Bonds, subject to review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

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: Rick Petillo, Director of Debt and Capital Financing, Clemson University
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer

Enclosures

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$14,000,000 of Clemson University
Athletics Facilities Revenue Bonds, Series 2017

September 5, 2017

Revenues Pledged to Pay the Bonds. Clemson University's Athletic Facilities Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues of the Athletic Department and the gross receipts from the imposition of the Admissions Fee and any Special Student Fee ("Pledged Revenues"). The University does not impose, nor does it contemplate imposing, any Special Student Fee. Such Pledged Revenues for the fiscal year ended June 30, 2017, totaled \$15,827,423. The estimated debt service requirements on all existing, authorized, and proposed Athletic Facilities Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$9,956,535 in fiscal year 2025, and debt service coverage ranging from 1.59 to 20.91 times annual debt service.

New Revenue Generation. The proposed tennis center project does not directly result in the creation of additional revenues. However, continued investment and success in athletics is associated with increasing fundraising success.

Other Funds Available to Pay Bonds. The University prudently and rigorously manages both its athletic debt portfolio and operations to ensure that athletic Pledged Revenues remain well in excess of debt service obligations. Over the past 10-years Pledged Revenues have averaged 3 times greater than debt service and FY17 Pledged Revenues are well in excess of pro-forma maximum annual debt service. In the improbable event that athletic Pledged Revenues were insufficient to pay debt service, the University's Athletic Department could request additional support from IPTAY. Student Tuition and Fees would not be used to pay debt service on the bonds.

No Student Fees, No Credit of the State. No Mortgage. No Special Student Fee is currently imposed or contemplated. Neither the full faith and credit of Clemson University nor the State of South Carolina has been pledged to the payment of Athletic Facilities Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Clemson University. Currently an Admissions Fee is charged on certain tickets to athletic events.

Exhibit A

Athletic Facilities Revenue Bonds - Debt Service

Debt Service on Proposed Bond					
			Issue		
	Existing Debt	Debt Service On Authorized but Unissued			Total Composite
Fiscal Year	Service	Bonds	Principal	Interest	Debt Service
6/30/2018	\$ 9,199,460	\$ -	\$ 345,000	\$ 410,940	\$ 9,955,400
6/30/2019	9,198,110	-	310,000	444,642	9,952,752
6/30/2020	9,199,610	-	315,000	440,519	9,955,129
6/30/2021	9,199,460	-	320,000	435,573	9,955,033
6/30/2022	9,195,890	-	325,000	429,941	9,950,831
6/30/2023	9,195,090	-	335,000	423,474	9,953,564
6/30/2024	9,197,078	-	340,000	416,037	9,953,115
6/30/2025	9,198,828	-	350,000	407,707	9,956,535
6/30/2026	6,774,528	-	360,000	398,572	7,533,100
6/30/2027	6,772,013	-	370,000	388,636	7,530,649
6/30/2028	6,773,113	-	380,000	377,832	7,530,945
6/30/2029	6,768,863	-	390,000	366,318	7,525,181
6/30/2030	6,776,663	-	405,000	354,150	7,535,813
6/30/2031	6,768,163	-	415,000	341,190	7,524,353
6/30/2032	6,772,038	-	430,000	327,578	7,529,616
6/30/2033	6,773,038	-	445,000	313,130	7,531,168
6/30/2034	6,772,963	-	460,000	297,866	7,530,829
6/30/2035	6,775,613	-	475,000	281,812	7,532,425
6/30/2036	6,770,500	-	490,000	264,997	7,525,497
6/30/2037	6,773,575	-	510,000	247,455	7,531,030
6/30/2038	6,773,094	-	525,000	229,095	7,527,189
6/30/2039	6,777,863	-	545,000	209,933	7,532,796
6/30/2040	6,770,150	-	565,000	190,040	7,525,190
6/30/2041	6,774,188	-	585,000	169,418	7,528,606
6/30/2042	6,765,125	-	610,000	148,065	7,523,190
6/30/2043	6,768,400	-	630,000	125,800	7,524,200
6/30/2044	6,767,625	-	655,000	102,490	7,525,115
6/30/2045	6,772,600	-	680,000	78,255	7,530,855
6/30/2046	967,725	-	705,000	53,095	1,725,820
6/30/2047	-		730,000	27,010	757,010
Totals	\$ 209,991,366	\$ -	\$ 14,000,000	\$ 8,701,563	\$ 232,692,929

Exhibit B

Athletic Revenue Bonds - Coverage

Fiscal Year	FY17 Revenues		Coverage Ratio Based on FY17 Pledged Revenues	Pro Forma		Pro Forma Coverage Ratio
	Composite Debt Service	Pledged to Debt Service		Pledged Revenues	Total Pro Forma Pledged Revenues	
6/30/2018	\$ 9,955,400	\$ 15,827,423	1.59	\$ -	\$ 15,827,423	1.59
6/30/2019	9,952,752	15,827,423	1.59	-	15,827,423	1.59
6/30/2020	9,955,129	15,827,423	1.59	-	15,827,423	1.59
6/30/2021	9,955,033	15,827,423	1.59	-	15,827,423	1.59
6/30/2022	9,950,831	15,827,423	1.59	-	15,827,423	1.59
6/30/2023	9,953,564	15,827,423	1.59	-	15,827,423	1.59
6/30/2024	9,953,115	15,827,423	1.59	-	15,827,423	1.59
6/30/2025	9,956,535	15,827,423	1.59	-	15,827,423	1.59
6/30/2026	7,533,100	15,827,423	2.10	-	15,827,423	2.10
6/30/2027	7,530,649	15,827,423	2.10	-	15,827,423	2.10
6/30/2028	7,530,945	15,827,423	2.10	-	15,827,423	2.10
6/30/2029	7,525,181	15,827,423	2.10	-	15,827,423	2.10
6/30/2030	7,535,813	15,827,423	2.10	-	15,827,423	2.10
6/30/2031	7,524,353	15,827,423	2.10	-	15,827,423	2.10
6/30/2032	7,529,616	15,827,423	2.10	-	15,827,423	2.10
6/30/2033	7,531,168	15,827,423	2.10	-	15,827,423	2.10
6/30/2034	7,530,829	15,827,423	2.10	-	15,827,423	2.10
6/30/2035	7,532,425	15,827,423	2.10	-	15,827,423	2.10
6/30/2036	7,525,497	15,827,423	2.10	-	15,827,423	2.10
6/30/2037	7,531,030	15,827,423	2.10	-	15,827,423	2.10
6/30/2038	7,527,189	15,827,423	2.10	-	15,827,423	2.10
6/30/2039	7,532,796	15,827,423	2.10	-	15,827,423	2.10
6/30/2040	7,525,190	15,827,423	2.10	-	15,827,423	2.10
6/30/2041	7,528,606	15,827,423	2.10	-	15,827,423	2.10
6/30/2042	7,523,190	15,827,423	2.10	-	15,827,423	2.10
6/30/2043	7,524,200	15,827,423	2.10	-	15,827,423	2.10
6/30/2044	7,525,115	15,827,423	2.10	-	15,827,423	2.10
6/30/2045	7,530,855	15,827,423	2.10	-	15,827,423	2.10
6/30/2046	1,725,820	15,827,423	9.17	-	15,827,423	9.17
6/30/2047	757,010	15,827,423	20.91	-	15,827,423	20.91

SECTION 59-119-940. Borrowings; limitations on bonds.

Upon receiving the approval of the state board and upon review by the Joint Bond Review Committee, the trustees may from time to time borrow such sums as necessary to accomplish the purpose of this article and to evidence such borrowings by bonds issued pursuant to this article in the aggregate principal amount as they determine, except that other provisions of this article to the contrary notwithstanding, there must not be outstanding at any time bonds issued pursuant to this article in the aggregate principal amount as they determine, except that other provisions of this article to the contrary notwithstanding, there must not be outstanding at any time bonds issued pursuant to this article in excess of two hundred million dollars.

HISTORY: 1997 Act No. 144, Section 1; 2004 Act No. 198, Section 1, eff April 26, 2004; 2007 Act No. 17, Section 1, eff May 8, 2007.

SECTION 59-119-960. Pledge of state faith and credit prohibited; statement; personal liability.

The faith and credit of the State must not be pledged for the payment of the principal and interest of such bonds, and there must be on the face of each bond a statement plainly worded to that effect. Neither the trustees nor any other person signing the bonds is personally liable therefor.

HISTORY: 1997 Act No. 144, Section 1.

JOINT BOND REVIEW COMMITTEE

Meeting of October 10, 2017

Item Number 7

AGENCY: Department of Administration, Capital Budget Office and Division of Facilities Management and Property Services

PROJECT/SUBJECT: Northeastern Technical College, Industrial Training Center Renovations and Expansion and Conveyance of Real Property

Northeastern Technical College is requesting an exchange of real property and a scope revision to a permanent improvement project associated with its Bennettsville satellite campus.

Background

In 2002, Marlboro County donated three acres of land at 131 South Marlboro Street in downtown Bennettsville for the College's Bennettsville Campus. In 2008, the College and the County entered into an agreement that allowed the County to lease 1.86 of the acres and construct a 19,074 square-foot facility. The agreement provided that the College lease the land to the County for \$1 per year and that the County lease the constructed facility to the College for 25 years (with two additional terms of 10 years each) for a one-time payment of \$741,000. At the end of all terms, the County would retain ownership of the facility and the College would deed the 1.86 acres to the County.

The College has determined that the Bennettsville Campus is landlocked and cannot accommodate the College's industrial and manufacturing training, increased enrollment, or future growth.

Real Property Conveyance

The College is requesting that the 1.86 acres be conveyed to Marlboro County for no direct consideration but in exchange for 6.9 acres and a 45,000 square-foot building (former Winn Dixie) located at the intersection of Highway 38 and Highway 9 to be conveyed to the Northeastern Technical College Foundation. The property conveyance was approved by the Area Commission on May 23, 2017; the State Technical College Board on July 25, 2017; and the Commission on Higher Education on September 7, 2017.

Section 59-53-53 of the South Carolina Code of Laws authorizes the disposal of excess real property with the approval of the Joint Bond Review Committee and the State Fiscal Accountability Authority or the Department of Administration.

Lease

The College plans to terminate the existing lease agreement with Marlboro County (one-time payment of \$741,000 for 1.86 acres of land with 19,074 square-foot building; 25-year term; two additional 10-year terms) and initiate a new lease agreement with the Foundation for use of the 6.9 acres of land and 45,000 square-foot building as its Bennettsville Campus. The term of the new lease will be for five years beginning upon conveyance of the property to the Foundation,

with successive optional renewal terms of five years each. Annual rent will be \$40,000 per year, and the College will be responsible for all operating and maintenance costs.

While the proposed lease agreement is exempt from review and recommendation by the Joint Bond Review Committee pursuant to Section 1-11-55(2) of the Code of Laws, information regarding the proposed lease is provided as information.

Permanent Improvement Project

The original permanent improvement project, which was recommended for approval in December 2015, provided for construction of a new Industrial Training Center in Pageland and renovation of a former elementary school in Bennettsville for use as an Industrial Training Center. The Pageland construction has been completed.

The College is requesting a scope revision to renovate 14,000 square feet of the 45,000 square-foot facility (former Winn Dixie) owned by the Foundation for use as its Industrial Training Center--rather than renovating the former elementary school. Studies of the elementary school revealed that the cost to renovate the facility was not justifiable due to the deteriorated condition of the building. Proviso 25.9 of the Fiscal Year 2017-18 Appropriation Act authorizes funds appropriated for renovation of the elementary school to be used for an alternate facility provided the facility's use and purpose are similar and more cost-effective.

The former Winn Dixie building was constructed in 1999. Renovations will provide two 24-seat computer labs, four distance learning classrooms, a lobby, and a 20-booth welding/fabrication lab. In addition, a portion of the 5-acre parking lot will be used for CDL truck driving, heavy equipment, and fork lift training.

The total cost of the project--including the Pageland construction--is estimated to be \$1,900,000 funded from a Capital Reserve Fund appropriation (\$1,500,000) and Local Funds (\$400,000). The estimated cost of renovations at the Bennettsville location is \$1,109,537 plus professional services fees. *Estimated annual operating expenses were not available at the time the agenda package was completed; however, they will be available at the meeting.*

Student tuition or fees will not be increased as a result of this project.

Contract execution for renovation of the Bennettsville location is projected for early 2018 with completion of construction expected in July 2018.

COMMITTEE ACTION:

- 1) Pursuant to Section 59-53-53 of the South Carolina Code of Laws, review and make recommendation regarding Northeastern Technical College's conveyance of 1.86 acres of land with a 19,074 square-foot building to Marlboro County in exchange for 6.9 acres of land and a 45,000 square-foot building to be conveyed to the Northeastern Technical College Foundation.
- 2) Review and make recommendation regarding the scope revision to authorize renovation of 14,000 square feet of space in a 45-000 square-foot building located at intersection of

Highway 38 and Highway 9 owned by the Northeastern Technical College Foundation--rather than the renovation of the former Bennettsville Elementary School.

ATTACHMENTS:

- 1) Department of Administration, Division of Facilities Management and Property Services Agenda Item Worksheet dated October 10, 2017
- 2) Letter from Kyle Wagner, Ph.D., President, Northeastern Technical College, dated September 8, 2017
- 3) Sections 1-11-55, 1-11-56, 1-11-65, and 59-53-53 of the South Carolina Code of Laws
- 4) Department of Administration, Capital Budget Office Agenda Item Worksheet dated October 10, 2017
- 5) A-1 dated July 6, 2017
- 6) Proviso 25.9 of the Fiscal Year 2017-18 Appropriation Act
- 7) Letter from the Northeastern Technical College Legislative Delegation dated February 22, 2017
- 8) Letter from Scott A. Lambert, AIA, President, Lambert Architecture and Construction Services, dated January 10, 2017

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 10, 2017

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Division of Facilities Management
and Property Services
- (b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: Northeastern Technical College Conveyance of 1.86 Acres to Marlboro County

3. Summary Background Information:

Northeastern Technical College ("College") owns approximately 3 acres at 131 South Marlboro Street in downtown Bennettville, which serves as the College's Bennettville Campus. The land was donated by Marlboro County in 2002 for a satellite campus.

In 2008, Northeastern Technical College and Marlboro County entered into a joint-use agreement that allowed the County to lease 1.86 acres and construct a 19,074 square foot joint-use facility (library, classrooms and other facilities) and associated parking area on the College's Bennettville Campus. The joint-use agreement provided that the College lease the land to the County for \$1.00/year and that the County lease the constructed facility to the College for twenty-five (25) years with two (2) additional terms of ten (10) years each for a one-time up-front payment of \$741,000 to be used in construction of the facility. At the end of all of the terms, the County would retain ownership of the facility and the College would deed the 1.86 acre tract of land to the County. However, the downtown campus is landlocked and cannot accommodate the College's industrial and manufacturing training, increased enrollment or future growth.

As such, the College would like to terminate the agreement and transfer to Marlboro County the 1.86 acres it currently leases in exchange for 6.9 acres and a 45,000 square foot building located at the corner of Highway 38 and Highway 9 to be conveyed to the Northeastern Technical College Foundation which will in turn lease the property to the College for use as its Bennettville Campus. The term of the resulting lease will be for five (5) years beginning upon conveyance of the property to the Northeastern Technical College Foundation, with successive optional renewal terms of five (5) years each, and the annual rent is estimated to be \$40,000 per year. As such, the lease is subject to approval of the State Board for Technical and Comprehensive Education but exempt from approval by the Department of Administration, the Joint Bond Review Committee and the State Fiscal Accountability Authority pursuant to Section 1-11-55(2) of the South Carolina Code.

Northeastern Technical College requests that 1.86 acres be conveyed to Marlboro County for no direct consideration but in exchange for 6.9 acres and a 45,000 square foot building located at the corner of Highway 38 and Highway 9 to be conveyed to the Northeastern Technical College Foundation. The proposed property conveyance was approved by the Northeastern Technical College Area Commission on May 23, 2017 and the State Board for Technical and Comprehensive Education on July 25, 2017.

4. What is the Joint Bond Review Committee asked to do?

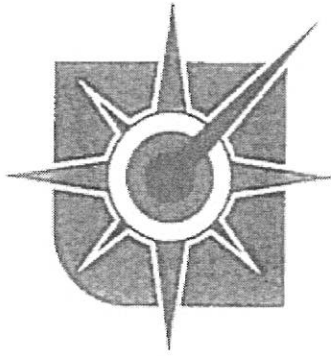
Consider approval of the conveyance of 1.86 acres from Northeastern Technical College to Marlboro County.

5. What is the recommendation of Department of Administration?

Consider approval of the property conveyance as requested.

6. List of Supporting Documents:

- (a) Letter from Northeastern Technical College dated September 8, 2017
- (b) SC Code of Laws Sections 1-11-56, 1-11-65 and 59-53-53



NORTHEASTERN

— TECHNICAL COLLEGE —

September 8, 2017

South Carolina Department of Administration
1205 Pendleton Street
Columbia, South Carolina 29201

Dear Ms. Gordon,

Currently Northeastern Technical College and Marlboro County have a joint-use agreement for the library in Marlboro County. The agreement allowed Marlboro County to build a 19,074 square-foot building on NETC's 1.86 acres. This agreement was approved by the SC Budget & Control Board in November 2008. NETC is now requesting to terminate this agreement and transfer the 1.86 acres of land to Marlboro County.

An appraisal of the 1.86 acres is attached referencing a value of \$83,000. The NETC Area Commission approved the transfer on May 23, 2017, and those minutes are included. In addition, the State Board for Technical and Comprehensive Education approved the transfer on July 25, 2017, and documentation is included.

NETC would like to terminate the agreement and transfer the land located 1.86 acres of the downtown property and interest in the library facility consisting of about 5,400 square feet of class A lecture classroom space. With the addition of the new facility in Marlboro County, NETC has excessive capacity of this space and this property in its downtown location does not allow for industrial type training nor the space to accommodate this type of training due to the traffic restrictions, limited space for parking lot operations, and noise associated to industrial type training.


Marlboro County is in the process of deeding a 45,000 square-foot facility on 6.7 acres located at the corner of Highway 38 and Highway 9 across the street from the Bennettsville Walmart. The 6.7 acre property includes a 45,000 square foot building, over 5 acres paved parking lot, loading docks, over 20,000 square feet of open space for advanced manufacturing training, space for a 30 booth welding center and explanation space on the property for future growth. Future plans include a 5 bay diesel mechanical shop to compliment the CDL/ heavy equipment program, a business outreach entrepreneur training center, and a soft landing industry manufacturing training center. The property will be deeded to the NETC Foundation in which the college will pay lease to the Foundation. The lease payment and increased cost of the operation of the larger facility will be covered with cost saving from transferring the downtown property to Marlboro County and a millage rate increase passed by Marlboro County in the 2016-2017 year. The lease payment will be held in a designated account to be used to expand the college operation within the county of Marlboro and used for leverage resources money for programs development in Marlboro County. This facility will provide mixed-use space for the college to develop as an industry training center and a location for the NETC Marlboro County Campus. In the first phase remodel, the facility will consist of 14,000 square feet of remodeled space including: two 24 seat computer labs, four distance learning classrooms, lobby, and a 20 booth welding/fabrication lab.

The corner of the parking lot facing Highway 38 is proposed the location of the Marlboro County CDL truck driving, heavy equipment, crane, and forklift training area. The building will also have 30,000 square feet of conditioned air in an open warehouse design for future development and industry training.

An asbestos survey was completed on April 17, 2017, and there were no findings of asbestos.

Please let us know if further documentation is needed.

Sincerely,

 Ph.D.

Kyle Wagner, Ph.D.
President, Northeastern Technical College

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.

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

SECTION 59-53-53. Borrowing by area commissions; special fees; disposing of excess real property.

(A) The area commission of any technical education institution under the jurisdiction of the South Carolina technical education system may borrow for capital improvements from a federal or other lending agency an amount not to exceed its ability to repay the loan through the imposition of a special fee. The terms of the loan may not exceed forty years. An area commission may issue covenants, enter into mortgages, and grant liens limiting the sale or use of certain parcels of real or personal property in its possession when required as a condition of accepting a grant, loan, or donation for specified capital improvement projects.

To amortize the loan, a special fee must be imposed within the limits established by the state board, the proceeds of which must be deposited in a special account to be used for payment of the loan in accordance with the terms negotiated by the commission and the lender. No funds other than the revenue from the special fee may be pledged for payment of the loan.

(B) The governing body for each technical college shall review the real property titled in the name of its institution to determine if such property is in excess of the institution's anticipated needs and is available for disposal. All real properties determined to be in excess may be disposed of with the approval of the State Board for Technical and Comprehensive Education, the State Fiscal Accountability Authority or the Department of Administration, as appropriate, and the Joint Bond Review Committee. The proceeds of such sales are to be disposed of as follows:

(1) if the property was acquired by gift, or through tuition, student fees, county funds, or earned income, the proceeds may be retained by the selling institution for use in accord with established needs;

(2) if the property was acquired through state appropriations, state capital improvement bonds, or formula funds, the proceeds shall revert to the state general fund.

The responsibility for providing any necessary documentation including, but not limited to, documenting the fund source of any real property proposed for sale rests with each respective institution.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 10, 2017

Regular Agenda

1. Submitted By:

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



Rick Harmon, Director, Capital Budget Office

- 2. Subject:** Northeastern Technical College - Industrial Training Center Renovations & Expansion
(Bennettsville & Pageland)
-

3a. Summary Background Information:

This revise scope request is to move the funds allocated for the former elementary school, previously used by the Marlboro County School District, to a more cost-effective alternative facility, which the college has identified as the former Winn-Dixie building. Proviso 25.9, effective July 1, 2017, allows the college to move the funds allocated for the previous facility to a more cost-effective alternative facility. The elementary school requires renovations to 9,228 square feet and the Winn-Dixie building requires renovations to 14,000 square feet. After Northeastern Technical College (NETC) solicited bids for the Marlboro County Training Center and received no responsive bidders, NETC re-evaluated the project and conducted several studies on the leased space known as the old Bennettsville Elementary School. This study revealed that, based on the deteriorated condition of the building and the identified use of the building, the cost was not justifiable. NETC continued to work with the industry partners, county government, city government, and the delegation to identify an alternate and newer facility, with more square footage. A new location was found with a current owner willing to donate the facility to the college foundation. The alternative location was constructed in 1999 and will be owned by the Northeastern Technical College Foundation. The new site will consist of 45,000 square feet of open space, loading dock, an existing sprinkler system through-out the building, newer zone roof-top A/C units, upgraded newer energy efficient roof and will require very little seismic up-fitting. The new building includes land with paved parking for students, lighted parking lot for student security, multiple access points for traffic flow, and a location in a highly visible location. The agency reports the total projected cost of this project is \$1,900,000 to be funded by FY16 Capital Reserve and Local Funds. The agency also reports the projects date for execution of the construction contract is early 2018 and for completion of construction is July 2018.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Revise Scope request

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

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

6. List of Supporting Documents:

- a) Permanent Improvement Project Revise Scope Project approval

FOR DEPARTMENT USE ONLY

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

RECEIVED**By Kim at 3:00 pm, Jul 06, 2017**

For Department Use Only)

2-2018

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY
Code H59 Name Northeastern Technical College
Contact Person Debbie Cheek Phone 843-921-6945

2. PROJECT
Project # 6114 Name Industrial Training Center Renovations & Expansion (Bennettsville & Pageland)
Facility # _____ Facility Name _____

County Code	35 - Marlboro
New/Revised Budget	

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

3. CIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
CIP priority number 1 of 1 for FY 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		Revise Scope	<input checked="" type="checkbox"/>	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.)

This project included new construction at NETC's Pageland campus and renovations to a facility in Bennettsville. The Pageland construction is complete.

The Bennettsville project was originally approved for a facility (former Elementary school renovating 9,228 sq. ft.) previously used by the Marlboro County School District. However, Proviso 25.9, effective July 1, 2017, allows the college to move the funds allocated for the previous facility to a more cost-effective alternative facility, which the college has identified (former Winn-Dixie building renovating 14,000 sq. ft.).

Please see the attached documentation indicating the local delegation's support for this transition to the alternate facility. Also attached is documentation from the architect indicating the cost-effectiveness of the alternate facility.

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: December 2015 Estimated Completion Date: June 2018
Estimated Expenditures: Thru Current FY: \$846,808.72 After Current FY: \$1,053,191.28

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

6114

1. _____ Land Purchase ---->
2. _____ Building Purchase ---->
3. 175,000.00 Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. 615,463.00 New Construction ---->
7. 1,109,537.00 Renovations - Building Interior ---->
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. _____ Other: _____
18. _____ Contingency

Land: _____ Acres
 Floor Space: _____ Gross Square Feet

Information Technology _____

Floor Space: 9,800 Gross Square Feet
 Floor Space: 14,000 Gross Square Feet

\$1,900,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc...) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____
 Monitoring \$ _____
 Abate/Remed \$ _____
 Total Costs \$ 0.00

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB. Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB. Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund	1,500,000.00		1,500,000.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	88800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) Local	400,000.00		400,000.00 0.00 0.00			98800100		3907
TOTAL BUDGET	\$1,900,000.00	\$0.00	\$1,900,000.00					

10. SUBMITTED BY:

Debbie Cheek

VP of Administration & Finance

Signature of Authorized Official and Title

July 6, 2017

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 3/30/16

25.9. (TEC: Northeastern Technical College) Unexpended funds appropriated to the State Board for Technical and Comprehensive Education for Northeastern Technical College - Industrial Training Center in Act 93 of 2015, Section 1, item number 19, shall be eligible for expenditure in the current fiscal year for an alternate facility and/or location provided that the facility's use and purpose is similar and is demonstrably more cost effective than originally conceived.



Northeastern Technical College

February 22, 2017

The Honorable Hugh Leatherman
Chairman, Senate Finance
SC Senate
111 Gressette Building
Columbia, SC 29201

The Honorable Brian White
Chairman, House Ways and Means
SC House of Representatives
525 Blatt Building
Columbia, SC 29201

Dear Senator Leatherman and Representative White:

Northeastern Technical College's legislative delegation has reviewed the issues and concerns of the renovation request in Project number 6114. The delegation supports the college's request on the Form A-1 to reallocate the awarded funds for the Marlboro County Training Site to a more fiscally-responsible facility in Marlboro County.

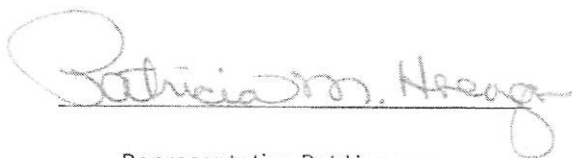
After Northeastern Technical College (NETC) solicited bids for the Marlboro County Training Center and received no responsive bidders, NETC re-evaluated the project and conducted several studies on the leased space known as the old Bennettsville Elementary School. This study revealed that, based on the deteriorated condition of the building and the identified use of the building, the cost was not justifiable. NETC continued to work with the industry partners, county government, city government, and the delegation to identify an alternate and newer facility, with more square footage. A new location was found with a current owner willing to donate the facility to the college foundation.

The delegation supports this change from the old Bennettsville Elementary School in Marlboro County as a training center to the alternative facility located in Marlboro County. The alternative location consists of a building that was built in 1999. The building will be owned by Northeastern Technical College Foundation. The new site will consist of 45,000 square feet of open space, loading dock, an existing sprinkler system through-out the building, newer zone roof-top A/C units, upgraded newer energy efficient roof and will require very little seismic up-fitting. The new building includes land with paved parking for students, lighted parking lot for student security, multiple access points for traffic flow, and a location in a highly visible location.

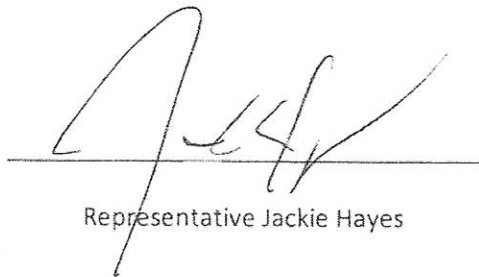
The delegation that represents Northeastern Technical College Service area including Marlboro County, Dillon County, and Chesterfield County, is in full support of this opportunity to bring a first-class college campus to Marlboro County.

Thank you.

The Northeastern Technical College Delegation



Representative Pat Henegan



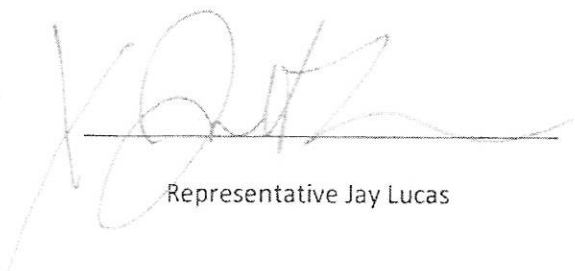
Representative Jackie Hayes



Representative Lucas Atkinson



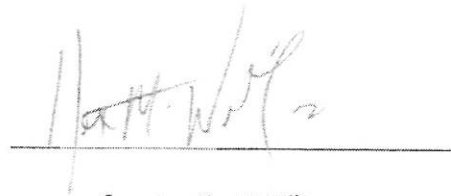
Representative Richie Yow



Representative Jay Lucas



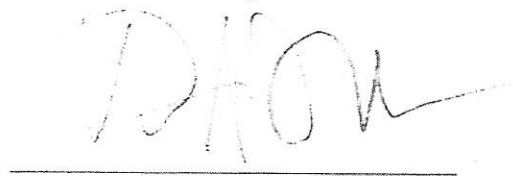
Senator Gerald Malloy



Senator Kent Williams



Senator Greg Hembree



Senator Vincent Sheheen



January 10, 2017

Dr. Kyle Wagner
President
Northeastern Technical College
1201 Chesterfield Highway
Cheraw, SC 29520

Reference: NETC Bennettsville New Campus Evaluation

Dear Dr. Wagner,

Per your request, Lambert Architecture + Construction Services provides the following evaluation of the previously designed and bid Industrial Training Center Project planned to be located at the abandoned Bennettsville Elementary School in comparison to two additional potential sites, both located at the intersection of Hwy 9 and Hwy 38 in Bennettsville, SC.

NETC recently received a bid for the Industrial Training Center Project at the abandoned Bennettsville Elementary School for \$1,331,930 with alternates for welding lab components, a new front entry element and screen wall totaling \$246,117, for a total project bid of \$1,578,047. The scope of work associated with this renovation was quite extensive in the welding lab area due to the limited ceiling heights, thus requiring the roof to be removed, new wall and roof structure be added at a higher elevation, all to accommodate the program goals. Other factors impacting the project cost included new site utilities required to support the new use, new roof insulation and roofing construction, installing a fire alarm system throughout the renovation area as well as adjacent (unused) connecting spaces. Due to the age of the building and associated construction techniques, the building is not seismically sound as it relates to current building code standards and the building is not equipped with a fire protection/sprinkler system, thus limiting future up-fit potential for areas not associated with the initial renovation scope. In summary, there was a significant amount of work required to the existing facility in order to support NETC's current and future planned uses.

One of the project site alternatives is an existing hospital facility previously occupied by McLeod Health totaling over 100,000 sf of existing spread out over 3 separate buildings. Although the main hospital building totally approximately 87,000 sf is in relatively good condition, the size of the facility is much larger than what would be required for NETC's proposed programs. The main building is divided up into many small patient rooms, exam rooms, etc., which is not consistent with the program goals of larger classroom spaces, industrial training areas, and welding facilities. The extent of demolition and renovation required to existing spaces to accommodate the program's needs would be quite costly and challenging given the current layout and expansive utilities required to support the original hospital use. With a 14' clear structural height, this facility lacks the high bay, clear structural height, envisioned for the types of programs that are anticipated to be housed at this training center. Additionally, given the nature of hospitals HVAC systems (100% outside air) and the overall size of the facility, maintaining and operating costs to keep all three buildings mechanically conditioned would result in significant yearly operating costs. The current paving is not configured in a way to accommodate CDL training programs,

and the overall size of the site would also result in higher maintenance costs. Given these items, we do not recommend that this facility be re-purposed for the proposed program of the industrial training center.

The other project site alternative that was reviewed is an abandoned 45,000 sf Winn Dixie building. This facility is in relatively good condition and lends itself to be very suitable for the anticipated program of the training center which includes: instructional lab classrooms, welding lab, restrooms and offices. This facility also provides ample additional square footage for future programs and the expansion of existing programs. The large paved parking is suitable for student/faculty parking and provides space for future CDL training programs. This is in stark contrast to the Elementary School site which had very little paved parking. With this structure having been built in the 1990's, the masonry walls are reinforced as opposed to the 1960's Elementary School and its unreinforced masonry walls. This greatly reduces any seismic up-fitting concerns. Since the Winn Dixie has an open floor plan with limited interior partition walls, demolition of existing building elements is minimized. Significant roof repair/replacement and the addition of a loading dock and overhead door were aspects of the Elementary School site that are already provided for at the Winn Dixie building since the roof is in relatively good shape and the building already has a loading door and service doors. Additionally, the existing building is equipped with a fire protection/sprinkler system that can be modified for future uses, thus limiting the costly fire rated construction associated with building not equipped with sprinkler systems.

We have prepared a cost estimate to renovate the Winn Dixie building to a comparable level of the base bid scope included in the Elementary School bid. The Winn Dixie construction cost would be approximately \$700,000 in order to accommodate similar program space as that bid at the Elementary School of \$1,331,930. This would result in a savings of approximately \$630,000 over the bid received for the Elementary School Site. The net saving associated with renovation at the Winn Dixie site may allow NETC to significantly increase the initial project scope and stay within the current overall project budget.

We appreciate the opportunity to evaluate the project sites noted above and welcome any questions that may arise from this information.

Sincerely,



Scott A. Lambert, AIA
President
P.O. Box 5250
Columbia SC 29250

AGENCY: Department of Administration, Capital Budget Office

PROJECT/SUBJECT: Additional Permanent Improvement Project Requests

There are 24 Permanent Improvement projects pending as follows:

- 6 Establish Phase I, Pre-Design Budget
- 1 Increase Phase I, Pre-Design Budget, Revise Scope, and Change Project Name
- 1 Increase Phase I, Pre-Design Budget and Revise Scope
- 12 Establish Phase II, Construction Budget
- 1 Increase Phase II, Construction Budget
- 1 Change Source of Funds
- 1 Final Land Acquisition, Revise Scope, and Change Project Name
- 1 Final Land Acquisition

COMMITTEE ACTION:

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

ATTACHMENTS:

Project Requests Worksheet - Summary 2-2018

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Capital Budget Office

SUMMARY 2-2018

Summary of Permanent Improvement
Project Actions Proposed by Agencies
July 8, 2017 through September 12, 2017

Forwarded to JBRC 10/2/2017

Permanent Improvement Projects

Summary Background Information:

Establish Project for A&E Design

- (a) Summary 2-2018: JBRC Item 1. (H12) Clemson University
Project: 9934, Child Care Facility Construction
Included in Annual CIP: Yes – CIP Priority 2 of 6 in FY17
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/9/16

Ref: Supporting document pages 1-13

<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, Prudential Settlement Funds	0.00	0.00	0.00	100,000.00	100,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>100,000.00</u>

Funding Source: \$100,000 Other, Prudential Settlement Funds, which are settlement proceeds and related earnings from a settlement with a private insurance company.

Request: Establish project and budget for \$100,000 (Other, Prudential Settlement Funds) to begin pre-design work to construct an approximately 12,700 square foot child care facility that will serve Clemson faculty, staff and students. The Phase I pre-design budget is requested at 2% of the estimated project cost and the additional amount will allow the University to provide for additional geotechnical investigations, surveys of the site, and the required LEED cost benefit analysis. The facility will include classrooms, outdoor play areas, laundry, office spaces, storage, parking and appropriate fencing and lighting to promote safety. The location on the periphery of campus will be easily accessible by using campus transit services and allows for convenient parent drop off and pick up. The facility will be constructed and managed to meet National Association for the Education of Young Children (NAEYC) accreditation standards. Currently, there are no nationally accredited child care facilities within 25 miles of Clemson, with the exception of Head Start and other at-risk programs. Further, Clemson is the only Top 25 public university in the United States and the only major university in South Carolina that does not offer child care services. Faculty and staff have consistently listed child care as a top priority for the University. Child care services will aid in the recruitment and retention efforts of top faculty, staff and doctoral students, as well as provide opportunities for enhanced work productivity. The center will be managed and operated through a third-party vendor and provide a safe, secure, and stimulating learning environment for infants,

toddlers, and preschool-aged children, ages six weeks to five years old. The facility is expected to serve a maximum of 132 children on a first come, first serve basis and approximately 30 full-time staff at full capacity provided by the third party vendor. The agency estimates that the completed project will cost approximately \$5,000,000 with additional annual operating costs of \$82,550 in year 1, \$84,201 in year 2, and \$85,885 in year 3.

- (b) Summary 2-2018: JBRC Item 2. (H51) Medical University of South Carolina
 Project: 9840, Basic Science Building Exterior Envelope Repairs
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Board Approved on 10/5/17

Ref: Supporting document pages 14-21

<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 Funds	0.00	0.00	0.00	105,000.00	105,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>105,000.00</u>	<u>105,000.00</u>

Funding Source: \$105,000 Other, Institution Capital Project Funds, which are excess debt service funds and remaining balances from closed projects.

Request: Establish project and budget for \$105,000 (Other, Institution Capital Project Funds) to begin Phase I schematic design to make exterior building envelope repairs to the Basic Science Building. The building had significant water intrusion during Hurricane Joaquin and Hurricane Matthew. The building is also prone to water intrusion during heavy rain storms. The work will include masonry repairs/modifications, complete window replacement, wet sealing of all existing fenestrations, complete cleaning of exterior building envelope, complete sealant replacement, prefabricated joint replacements, complete clear water repellent to exterior walls, sheet metal for roof and exterior walls, stucco repairs, and exterior waterproofing. The work also includes complete removal of the roof system down to structural deck and replacement, including all related sheet metal accessories and related work. The existing 20+ year old roof will be replaced with modified bitumen and will come with a 20 year warranty. The 47 year old building is 335,663 square feet and is utilized by 300 to 400 faculty and staff that are permanently housed in the building. In addition, this building is a major academic building with 400 to 500 students entering daily. The agency estimates that the completed project will cost approximately \$7,000,000 and no additional annual operating costs will result from the project.

- (c) Summary 2-2018: JBRC Item 3. (H51) Medical University of South Carolina
Project: 9841, Storm Eye Institute Chiller Replacement
Included in Annual CPIP: Yes – CPIP Priority 1 of 4 in FY18
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Board Approved on 10/5/17

Ref: Supporting document pages 22-29

<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 Deferred Maintenance Funds	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>37,500.00</u>

Funding Source: \$37,500 Other, Institution Deferred Maintenance Funds, which are funds allocated to this account based on the Responsibility Centered Management (RCM) budgeting model adopted in 2013. State appropriations, tuition/fees and grant indirect cost recoveries are allocated to this fund. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

Request: Establish project and budget for \$37,500 (Other, Institution Deferred Maintenance Funds) to begin Phase I schematic design to replace two existing 20+ year old failing air cooled chillers on the roof of the Storm Eye Institute. One existing 200 ton chiller has completely failed and the second existing 350 ton chiller has partially failed and currently can only operate at 50% capacity. These chillers will be replaced with one 600 ton water cooled chiller including associated cooling towers and pumps. The new chiller and tower water pumps will be located in an enclosure to protect them from outside elements. The 42 year old building is 92,605 square feet and is utilized by 200 to 250 faculty/staff and 200 to 300 patients. The agency estimates that the completed project will cost approximately \$2,500,000 and no additional annual operating costs will result from the project.

- (d) Summary 2-2018: JBRC Item 4. (D50) Department of Administration
Project: 9992, Calhoun Building – Repair Parapets to Mitigate Water Infiltration
Included in Annual CPIP: Yes – CPIP Priority 4 of 10 in FY18
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 30-39

<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 Funds	0.00	0.00	0.00	6,905.00	6,905.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,905.00</u>	<u>6,905.00</u>

Funding Source: \$6,905 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies.

Request: Establish project and budget for \$6,905 (Other, Depreciation Reserve Funds) to stop the water infiltration problems in the 4 judges' chambers at the building corners of the 4th floor. The Phase I budget is requested at 2.00% of the estimated cost of the project because a \$2,405 contingency amount has been added for additional investigation of existing construction issues that may be encountered. Phase I will verify the causes of the water infiltration problems using information gathered in a recent limited study as well as the review and recommendations of the architectural conservator familiar with the Calhoun Building's historic construction. Once the causes are verified, a design will be developed in order to procure and make the needed repairs. The agency will retain the services of an architectural firm experienced in building envelope assessment and repair design to lead the design effort and ultimately produce the necessary construction documents. The 91 year old building was constructed in 1926 and is approximately 85,762 gross square feet. The building houses approximately 189 Judicial Department staff. The renovations to be included affect approximately 4,612 gross square feet of the S.C. Judicial Department – S.C. Court of Appeals. The agency estimates that the completed project will cost approximately \$322,143 and no additional annual operating costs will result from the project.

- (e) Summary 2-2018: JBRC Item 5. (D50) Department of Administration
Project: 9994, LLR Dorm Building #9 Renovation
Included in Annual CPIP: Yes – CPIP Priority 1 of 3 in FY18 (R36 – LLR)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 40-46

<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, LLR Fire Insurance Inspection Tax Funds	0.00	0.00	0.00	55,156.00	55,156.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>55,156.00</u>	<u>55,156.00</u>

Funding Source: \$55,156 LLR Other, Fire Insurance Inspection Tax Funds, which are other operating funds in the Division of Fire & Life Safety and generated from 1% insurance funds authorized by statute requiring a portion of the tax on the fire insurance premiums collected in SC 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.

Request: Establish project and budget for \$55,156 (Other, LLR Fire Insurance Inspection Tax Funds) to procure A&E services for a preliminary design and 3rd-party preliminary cost estimate to renovate the SC Fire Academy (SCFA) Dormitory Building 9 at the Monticello Road campus. The scope of work will address deferred maintenance needs and performance issues as well as recommend upgrades identified in the August 2017 feasibility study. The 23 year old dormitory was constructed in 1994 and is 22,752 square feet. The building systems are also original to the building. Approximately 6,000 persons occupy the dormitory on an annual basis. The agency estimates that the completed project will cost approximately \$3,677,039 and no additional annual operating costs will result from the project.

- (f) Summary 2-2018: JBRC Item 6. (E24) Office of the Adjutant General
Project: 9805, MTC Compass Road Bridge Replacement
Included in Annual CPIP: Yes – CPIP Priority 6 of 21 in FY18
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 47-52

<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, National Guard Bureau Funds	0.00	0.00	0.00	51,158.00	51,158.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51,158.00</u>	<u>51,158.00</u>

Funding Source: \$51,158 Federal, National Guard Bureau Funds, which is funding identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau.

Request: Establish project and budget for \$51,158 (Federal, National Guard Bureau Funds) to begin pre-design services for the demolition and replacement of the Compass Road Bridge over Colonels Creek at McCrady Training Center. The existing Compass Road Bridge is a wooden structure that was constructed over 50 years ago and has aged beyond its useful life. The bridge is structurally unstable and vehicular traffic is no longer allowed to cross the structure. Due to the presence on a main access road to the training area, non-use of the bridge requires military and training site employees to take alternate routes increasing access times to certain areas of the training areas in excess of 30 minutes. The Phase I budget is requested at 7.00% of the estimated project cost due to the complexity of the design and load requirements on the bridge. There are more upfront pre-design costs to determine an efficient final cost estimate. This project will replace the existing bridge with a pre-stressed concrete reinforced bridge structure. Concrete piers for the new bridge will be constructed outside the boundaries of the delineated jurisdictional wetlands. The bridge replacement will benefit the SC National Guard (Army and Air), because it is a main road to the ranges that soldiers train in. The agency estimates that the completed project will cost approximately \$648,000 and no additional annual operating costs will result from the project.

Phase I Increase, Revise Scope & Change Project Name

- (g) Summary 2-2018: JBRC Item 7. (H09) The Citadel
 Project: 9611, Academic Building Replacement (Capers Hall)
 Included in Annual CIP: Yes – CIP Priority 1 of 8 in FY20
 JBRC/SFAA Phase I Approval: October 2014

CHE Recommended Approval: Pending CHE Board Approved on 10/5/17

Ref: Supporting document pages 53-63

<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 Fee Funds	250,000.00	0.00	250,000.00	517,128.73	767,128.73
All Sources	<u>250,000.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>517,128.73</u>	<u>767,128.73</u>

Funding Source: \$767,128.73 Other, Capital Improvement Fee Funds, which is an institutional fund established to fund capital projects. This fund is a combination of Capers Hall Sinking Funds, Institutional Debt Tuition charged to students in FY18 and Foundation Cash Gifts on hand.

Request: Increase budget to \$767,128.73 (add \$517,128.73 Other, Capital Improvement Fee Funds) to increase the Phase I budget, Revise Scope and Change the Project Name to include funds to proceed with schematic design, along with adding a “Construction Manager” – At Risk” to the team to ensure this project’s success. The internal projected cost has increased since the original A-1 was submitted/approved due to the additional review of findings from a Capers Hall structural building evaluation completed as part of the early phases of programmatic design. The original estimate of \$26 million to \$37 million only minimally upgraded the seismic egress components of the original 1949 building which was to remain. The revised construction estimate of \$40 million to \$41 million accounts for future annual escalation and now includes phased demolition and construction of an entirely new facility that meets all current seismic codes. The structural building evaluation showed that upgrading the existing facility to meet full seismic requirements would equal or exceed the cost of replacing the original 1949 building. The increased cost also allows for the addition of specialty space for the new curricular area of Cybersecurity & Intelligence, plus Study Abroad programs, and accounts for the high cost of construction in the Charleston area. Because of the complex phasing aspects of this project, using a CM-At Risk delivery method will result in the most timely, economical, and successful completion of the project. The increased Phase I project budget includes fees for these professional services. The existing 68 year old Capers Hall was constructed in 1949 and is the most utilized building on campus. The vast majority of The Citadel’s student population attend classes in the building and it also houses offices for a large number of faculty and staff personnel. The 75,116 square foot building houses English, History, Math, Psychology and Education departments. The new building to be constructed will be 104,844 square feet and will consist of a three-story atrium, 37 flexible classrooms, 7 computer classrooms, a 250-seat auditorium, Study Abroad/Multicultural Support, Fine Arts classroom, art gallery, sensitive compartmented information facility (SCIF), psychology lab rooms, administrative and faculty offices, and common areas as well as core support spaces. The agency estimates that the completed project will cost approximately \$51,141,915 with additional annual operating costs of \$35,000 in year 1, \$40,000 in year 2, and \$45,000 in year 3.

Phase I Increase & Revise Scope

- (h) Summary 2-2018: JBRC Item 8. (D50) Department of Administration
 Project: 9956, Brown Bldg – 1st Floor Upfit for SCJD
 Included in Annual CIP: Yes – CIP Priority 6 of 7 in FY18
 JBRC Staff Phase I Approval: October 2015

CHE Recommended Approval: N/A

Ref: Supporting document pages 64-72

<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 Funds	3,500.00	0.00	3,500.00	0.00	3,500.00
Other, SC Judicial Department Funds	0.00	0.00	0.00	5,700.00	5,700.00
All Sources	<u>3,500.00</u>	<u>0.00</u>	<u>3,500.00</u>	<u>5,700.00</u>	<u>9,200.00</u>

Funding Source: \$3,500 Other, Depreciation Reserve, which is derived from the rent account which receives rent charged to agencies. \$5,700 Other, SC Judicial Department Funds, which is derived from magistrate court fees.

Request: Increase budget to \$9,200 (add \$5,700 SC Judicial Department Funds) to increase the Phase I budget and Revise Scope because new Phase I deliverables are needed as a result of the S.C. Judicial Department (SCJD) decision to relocate a different staff group to the Brown Building than originally planned. This requires a change to the preliminary layout and preliminary cost estimate. Phase I of this project for \$3,500 was approved at the JBRC Staff level and established October 2015 with a total projected cost of \$237,150. Phase I was approved to renovate 5,400 square feet on the 1st floor of the Brown Building in order to accommodate the SC Judicial Department's Office of Disciplinary Counsel. This project will now renovate approximately 5,300 square feet on the 1st floor of the Brown Building in order to accommodate SCJD's Information Technology (IT) group that is currently located in the Calhoun Building. The space will house 22 to 30 Judicial Department staff. The work will include demolition of select existing walls, new paint, new carpet, new vinyl floor and base, new ceiling grid, and new ceiling tile. The scope will also include new cabinets for the break room and door modifications will be provided as needed to accommodate a new SCJD security system which is planned under a separate project. Asbestos abatement is anticipated for the wall demolition as well as new door work due to the presence of the material in the existing drywall joint compound. Abatement of flooring mastic may also be necessary during floor tile and carpet replacement if the work causes the material to become friable. The Brown building is 156,182 gross square feet and is 45 years old. The agency estimates that the completed project will cost approximately \$448,910 and no additional annual operating costs will result from the project.

Establish Construction Budget

- (i) Summary 2-2018: JBRC Item 9. (H51) Medical University of South Carolina
 Project: 9836, Basic Science Building 7th Floor Biorepository & Histology Lab Renovations
 Included in Annual CIP: Yes – CIP Priority 4 of 4 in FY18
 JBRC/SFAA Phase I Approval: June 2017

CHE Recommended Approval: Pending CHE Board approval on 10/5/17

Ref: Supporting document pages 73-84

<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>
Other, College of Medicine Clinical Revenue Funds	22,500.00	0.00	22,500.00	1,477,500.00	1,500,000.00
All Sources	<u>22,500.00</u>	<u>0.00</u>	<u>22,500.00</u>	<u>1,477,500.00</u>	<u>1,500,000.00</u>

Funding Source: \$1,500,000 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Increase budget to \$1,500,000 (add \$1,477,500 Other, College of Medicine Clinical Revenue Funds) to begin Phase II final design and construction 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 10-15 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. The agency also reports the projects date for execution of the construction contract is April 2018 and for completion of construction is November 2018.

- (j) Summary 2-2018: JBRC Item 10. (H51) Medical University of South Carolina
Project: 9837, Clinical Sciences Building Cooling Towers Replacement
Included in Annual CPIP: Yes – CPIP Priority 1 of 4 in FY18
JBRC/SFAA Phase I Approval: June 2017

CHE Recommended Approval: Pending CHE Board approval on 10/5/17

Ref: Supporting document pages 85-91

<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 Deferred Maintenance Funds	27,000.00	0.00	27,000.00	1,823,000.00	1,850,000.00
All Sources	<u>27,000.00</u>	<u>0.00</u>	<u>27,000.00</u>	<u>1,823,000.00</u>	<u>1,850,000.00</u>

Funding Source: \$1,850,000 Other, Institution Deferred Maintenance Funds, which are funds allocated to this account based on the Responsibility Centered Management (RCM) budgeting model adopted in 2013. State appropriations, tuition/fees and grant indirect cost recoveries are allocated to this fund. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

Request: Increase budget to \$1,850,000 (add \$1,823,000 Other, Institution Deferred Maintenance Funds) to begin Phase II final design and construction 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 age of the cooling towers is estimated to date back to the 1990's. The building houses part of the ED department, clinic and office space, research labs, College of Medicine offices, and some space is leased to the hospital. The facility is utilized by 1,000+ people on a daily basis. The agency estimates that the completed project will cost approximately \$1,850,000 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 May 2018 and for completion of construction is April 2019.

- (k) Summary 2-2018: JBRC Item 11. (H51) Medical University of South Carolina
Project: 9838, Clinical Sciences Building 8th Floor Northwest Side Renovation
Included in Annual CPIP: Yes – CPIP Priority 4 of 4 in FY18
JBRC/SFAA Phase I Approval: June 2017

CHE Recommended Approval: Pending CHE Board approval on 10/5/17

Ref: Supporting document pages 92-99

<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 Funds	21,000.00	0.00	21,000.00	1,379,000.00	1,400,000.00
All Sources	<u>21,000.00</u>	<u>0.00</u>	<u>21,000.00</u>	<u>1,379,000.00</u>	<u>1,400,000.00</u>

Funding Source: \$1,400,000 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Increase budget to \$1,400,000 (add \$1,379,000 Other, COM Clinical Revenue Funds) to begin Phase II final design and construction 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. New Variable Air Volume HVAC units will be installed for comfort control. Additional electrical circuits will be installed to support increased occupancy in cubicle areas. 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. The agency also reports the projects date for execution of the construction contract is February 2018 and for completion of construction is August 2018.

- (1) Summary 2-2018: JBRC Item 12. (H51) Medical University of South Carolina
Project: 9839, Thurmond Gazes Building 6th Floor Alcohol Research Center Renovations
Included in Annual CPIP: Yes – CPIP Priority 4 of 4 in FY18
JBRC/SFAA Phase I Approval: June 2017

CHE Recommended Approval: Pending CHE Board approval on 10/5/17

Ref: Supporting document pages 100-105

<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 Funds	34,500.00	0.00	34,500.00	2,265,500.00	2,300,000.00
All Sources	<u>34,500.00</u>	<u>0.00</u>	<u>34,500.00</u>	<u>2,265,500.00</u>	<u>2,300,000.00</u>

Funding Source: \$2,300,000 Other, College of Medicine Clinical Revenue Funds, which is revenue generated from patient care.

Request: Increase budget to \$2,300,000 (add \$2,265,500 Other, COM Clinical Revenue Funds) to begin Phase II final design and construction 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. The agency also reports the projects date for execution of the construction contract is April 2018 and for completion of construction is October 2018.

- (m) Summary 2-2018: JBRC Item 13. (H59) Horry Georgetown Technical College
Project: 6128, Construction of Advanced Manufacturing Center - Georgetown
Included in Annual CIP: Yes – CIP Priority 1 of 2 in FY18
JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: 9/7/17

Ref: Supporting document pages 106-128

<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>
FY15-16 Capital Reserve Funds	0.00	0.00	0.00	1,500,000.00	1,500,000.00
FY16-17 Capital Reserve Funds	0.00	0.00	0.00	3,500,000.00	3,500,000.00
Federal, EDA Grant	0.00	0.00	0.00	2,785,000.00	2,785,000.00
Other, Georgetown School District Funds	0.00	0.00	0.00	2,000,000.00	2,000,000.00
Other, Georgetown County Funds	0.00	0.00	0.00	1,465,000.00	1,465,000.00
Other, College Funds	180,000.00	0.00	180,000.00	2,070,000.00	2,250,000.00
All Sources	<u>180,000.00</u>	<u>0.00</u>	<u>180,000.00</u>	<u>13,320,000.00</u>	<u>13,500,000.00</u>

Funding Source: \$1,500,000 FY15-16 Capital Reserve Funds. \$3,500,000 FY16-17 Capital Reserve Funds. \$2,785,000 Federal, EDA Grant. \$2,000,000 Other, Georgetown School District Funds, which are an allocation of bond funds approved by the voters of Georgetown County on November 8, 2016 for equipment purchases for the Advanced Manufacturing Center. \$1,465,000 Other, Georgetown County Funds, which have been authorized and committed by the Georgetown County Council for the construction of the Advanced Manufacturing Training Center and will be available no later than June 30, 2019. \$2,250,000 Other, College Funds, which are the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements.

Request: Increase budget to \$13,500,000 (add \$13,320,000 FY15-16 & FY16-17 Capital Reserve, Federal EDA Grant and Other, Georgetown School District, Georgetown County and College Funds) to establish the Phase II budget to construct and equip a 30,000 square foot commercial prefabricated metal building on its Georgetown campus. The building will be used to house the College's Advanced Manufacturing programs which include CNC/Machine Tool, Welding, Mechatronics and Robotics programs. The college has outgrown its existing academic space on this campus and has no available space to operate these high demand, highly skilled programs. With the construction of this facility, the college intends to increase its advanced manufacturing enrollment to more than 150 students. Graduates from these programs are in high demand across the state and have starting salaries well in advance of local averages. The facility will be used by more than 125 students and approximately 5 faculty. The project will meet Green Globes standards and with additional construction costs, fees and required Green Globes registrations, the project will result in additional net cost of \$34,277 over a 30 year life cycle. At Phase I the total projected cost of the project was \$12,000,000 but has increased primarily due to increased costs associated with ventilating the welding booths, and significantly

increased equipment costs. The agency estimates that the completed project will cost approximately \$13,500,000 with additional annual operating costs of \$37,500 in year 1 and \$75,000 in years 2 and 3. The agency also reports the projects date for execution of the construction contract is November 2017 and for completion of construction is June 2019.

- (n) Summary 2-2018: JBRC Item 14. (D50) South Carolina Law Enforcement Division
 Project: 9526, SLED Central Warehouse and Supply Facility Refurbishment
 Included in Annual CIP: Yes – CIP Priority 1 of 2 in FY18
 JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 129-137

<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, Agency Cash Balance Funds	7,240.00	0.00	7,240.00	443,315.00	450,555.00
All Sources	<u>7,240.00</u>	<u>0.00</u>	<u>7,240.00</u>	<u>443,315.00</u>	<u>450,555.00</u>

Funding Source: \$450,555 Other, Agency Cash Balances, which is revenue generated from Conviction Surcharges.

Request: Increase budget to \$450,555 (add \$443,315 Other, Agency Cash Balance Funds) to begin Phase II to develop construction documents, bid and complete the renovations to the structure. In June of 2016, SLED purchased the 45 year old, former Dutch Fork Masonic Lodge for a purchase price of \$230,000. This is an approximately 8,000 square foot facility located on 1.05 acres at 4300 Broad River Road. The property is adjacent to SLED's main campus located at 4400 Broad River Road. SLED currently does not have an adequate storage and warehouse facility. The only dedicated facility is a small office supplies facility of approximately 500 square foot located in the Forensics Laboratory. As a result, the storage of equipment, including tactical equipment, materials and supplies are scattered throughout the agency. This displacement results in inefficient materials handling, difficulty in maintaining accurate inventories, and reduced shelf life due to improper storage conditions. The Lodge facility's current open layout lends itself to re-purposing as a storage facility. The Phase I analysis confirms the building is structurally sound and can be readily adapted to its new purpose. The renovations include making some interior modifications, replacing obsolete ceiling and flooring materials and upgrading conditions to current code requirements. The agency estimates that the completed project will cost approximately \$450,555 with additional annual operating costs of \$12,000 in year 1 and \$24,000 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 April 2018.

- (o) Summary 2-2018: JBRC Item 15. (D50) Department of Administration
Project: 9987, Fire Station #8 - Renovation
Included in Annual CPIP: Yes – CPIP Priority 2 of 3 in FY17 (R36 – LLR)
JBRC/SFAA Phase I Approval: May 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 138-147

<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, LLR Fire Insurance Inspection Tax Funds	15,350.00	0.00	15,350.00	1,114,325.00	1,129,675.00
All Sources	<u>15,350.00</u>	<u>0.00</u>	<u>15,350.00</u>	<u>1,114,325.00</u>	<u>1,129,675.00</u>

Funding Source: \$1,129,675 LLR Other, Fire Insurance Inspection Tax Funds, which are other operating funds in the Division of Fire & Life Safety and generated from 1% insurance funds authorized by statute requiring a portion of the tax on the fire insurance premiums collected in SC 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.

Request: Increase budget to \$1,129,675 (add \$1,114,325 Other, LLR Fire Insurance Inspection Tax Funds) to begin Phase II design documents and construction for the renovation of the LLR Fire Station #8 located at LLR's Monticello Road location which houses the Division of Fire and Life Safety. The intent of the renovation is to construct additional training classrooms within the existing fire station bay area. When brought for Phase I, the total estimated cost of the project was \$756,920. During the Phase I concept study field investigation of the existing facility identified additional scope that will require modifications to the existing plumbing, HVAC, electrical and fire protection systems in the apparatus bay that will be necessary to accommodate the 2nd floor addition. In addition, the existing kitchen and dining spaces will be renovated to add benefit and value for the facility's users in support of SCFA programs. An HVAC design alternative option will also be considered that would cost approximately \$18,736 if accepted with the final construction bids. The fire station has a total of 6 drive-thru apparatus (fire truck) storage bays. The concept of the proposed construction is to build a two story interior classroom in the bay closest to the fire station living area. This renovation is essential to expanding operations considering the present demand for not only current classes at the Fire Academy but also the demand for an ever expanding curriculum that continues to grow as the responsibilities of today's firefighters continues to grow as well. At a minimum, the additional space will serve 4 - 8 week recruit schools, (30 students at a time) as well, an additional 50 classes with 18 students in each class. The fire station was constructed in 1994 and is 23 years old. Approximately 4,812 square foot of the 12,833 square foot facility will receive renovations to create the two classrooms. In 2017, this structure houses 4 Recruit classes annually of 25-30 basic firefighting recruit students that reside in this building for 8 straight weeks. The agency estimates that the completed project will cost approximately \$1,129,675 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 May 2018 and for completion of construction is November 2018.

- (p) Summary 2-2018: JBRC Item 16. (D50) Department of Administration
 Project: 9979, Caldwell Boylston House – Exterior Repairs
 Included in Annual CIP: Yes – CIP Priority 5 of 11 in FY17
 JBRC/SFAA Phase I Approval: March 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 148-156

<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 Funds	5,100.00	0.00	5,100.00	303,811.80	308,911.80
All Sources	<u>5,100.00</u>	<u>0.00</u>	<u>5,100.00</u>	<u>303,811.80</u>	<u>308,911.80</u>

Funding Source: \$308,911.80 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies.

Request: Increase budget to \$308,911.80 (add \$303,811.80 Other, Depreciation Reserve Funds) to obtain final design and construction services for the exterior repair at the Boylston House. Exterior wood siding, wood windows, wood shutters and wood columns are deteriorated and recommended to be repaired. The facility has 6,545 interior square feet, is 187 years old, and receives approximately 100 visitors per year. The agency estimates that the completed project will cost approximately \$308,911.80 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 December 2017 and for completion of construction is June 2018.

- (q) Summary 2-2018: JBRC Item 17. (D50) Department of Administration
Project: 9981, Sumter Street HVAC Replacement
Included in Annual CIP: Yes – CIP Priority 8 of 11 in FY17
JBRC/SFAA Phase I Approval: March 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 157-167

<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 Funds	17,600.00	0.00	17,600.00	581,060.00	598,660.00
All Sources	<u>17,600.00</u>	<u>0.00</u>	<u>17,600.00</u>	<u>581,060.00</u>	<u>598,660.00</u>

Funding Source: \$598,660 Other, Depreciation Reserve Funds, which is derived from the rent account which receives rent charged to agencies.

Request: Increase budget to \$598,660 (add \$581,060 Other, Depreciation Reserve Funds) to replace the existing HVAC systems 3, 4, 5, and 6 and adding fresh air intake to existing air handlers 1 and 2 in the Sumter Street Building. These systems are up to 23 years old, well past their life performance expectancy and were not replaced when the building was renovated in 2013. The new equipment will be more energy efficient and should lower operating costs of the air handlers themselves. With the addition of fresh air intake it will address the humidity problem that has been experienced in the Sumter Street Building. Additionally, the old units will be removed, asbestos will be abated and the mechanical rooms shall meet code requirements. The building is 104 years old and is 37,501 gross square feet. The building is occupied by the Arts Commission which includes 23 staff and 1,240 visitors and Human Affairs which includes 43 staff and 1,000 visitors for a total of 2,306 persons annually. The agency estimates that the completed project will cost approximately \$598,660 and additional annual operating cost savings cannot be quantified at this time. The agency also reports the projects date for execution of the construction contract is November 2017 and for completion of construction is June 2018.

- (r) Summary 2-2018: JBRC Item 18. (E24) Office of the Adjutant General
Project: 9801, McEntire AASF LED Lighting Upgrade
Included in Annual CPIP: Yes – CPIP Priority 19 of 21 in FY18
JBRC Staff Phase I Approval: June 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 168-176

<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, National Guard Bureau Funds	6,528.00	0.00	6,528.00	287,123.09	293,651.09
All Sources	<u>6,528.00</u>	<u>0.00</u>	<u>6,528.00</u>	<u>287,123.09</u>	<u>293,651.09</u>

Funding Source: \$293,651.09 Federal, National Guard Bureau Funds, which is funding identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau.

Request: Increase budget to \$293,651.09 (add \$287,123.09 Federal, The National Guard Bureau Funds) to establish a project to retrofit and replace existing hanger lighting with high efficiency LED lighting. Phase I of this project for \$6,528 was approved at the JBRC Staff level and established June 2017 with a total projected cost of \$183,800. The Phase II estimated cost of the project has increased due to the wrong fixtures being priced in the original estimate. The energy upgrades will reduce energy consumption by the South Carolina Army National Guard and will assist with compliance with Executive Order 13154, the Energy Independence Act of 2007, and other federal and state statutes and regulations. The Life Cycle Cost Analysis was conducted using a standard spreadsheet and data tables and provided annually by the National Institute of Standards and Technology. The McEntire Aviation Support Facility (AASF) has a total of 173,668 square feet and the area to receive the updates is 102,018 square feet. The AASF is used for support and maintenance of the SCARNG's Army Aviation inventory. One portion of the space undergoing lighting upgrades is 43 years old and the second portion is 4 years old. The current lighting ranges in age from 4 to 20 years old. 130 full time personnel use the hangar areas during the week with approximately 700 personnel or more using the areas during drill weekends. The agency estimates energy cost savings of 528,094 kWh/year with a simple payback period of 4.07 years. The agency reports the total projected cost of this project is \$293,651.09 with additional annual operating cost savings of \$37,582 each year, in years 1 thru 3. The agency also reports the projects date for execution of the construction contract is September 2017 and for completion of construction is February 2018.

- (s) Summary 2-2018: JBRC Item 19. (P28) Department of Parks, Recreation & Tourism
Project: 9763, Little Dee Pee State Park Dam Repair
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: May 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 177-195

<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, Motion Picture Incentive Funds	9,736.00	0.00	9,736.00	828,894.00	838,630.00
All Sources	<u>9,736.00</u>	<u>0.00</u>	<u>9,736.00</u>	<u>828,894.00</u>	<u>838,630.00</u>

Funding Source: \$838,630 Other, Motion Picture Incentive Funds, 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 \$838,630 (add \$828,894 Other, Motion Picture Incentive Funds) to establish Phase II construction budget to repair the swimming lake dam at Little Pee Dee State Park. The 75 year old dam at Little Pee Dee was compromised by flood waters of Hurricane Matthew and no longer retains water. The lake is the main attraction for visitors to this park which receives 50,000 visitors each year. FEMA reimbursement up to 75% is anticipated. The agency estimates that the completed project will cost approximately \$838,630 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.

- (t) Summary 2-2018: JBRC Item 20. (U12) Department of Transportation
Project: 9734, HQ Building Fire Sprinkler Installation and Waterproofing
Included in Annual CPIP: Yes – CPIP Priority 1 of 8 in FY16
JBRC/SFAA Phase I Approval: February 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 196-206

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, State Highway Funds	60,000.00	0.00	60,000.00	6,440,000.00	6,500,000.00
All Sources	<u>60,000.00</u>	<u>0.00</u>	<u>60,000.00</u>	<u>6,440,000.00</u>	<u>6,500,000.00</u>

Funding Source: \$6,500,000 Other, State Highway Funds, which are funds derived from the state motor fuel user fee.

Request: Increase budget to \$6,500,000 (add \$6,440,000 Other, State Highway Funds) to establish Phase II construction budget to install a fire sprinkler system and to fireproof certain building components at the Department of Transportation headquarters building. Phase I of this project for \$60,000 was approved by SFAA and established February 2016 with a total projected cost of \$3,748,500. The estimated cost to complete this project has increased significantly for several reasons. The agency estimate is now 2 years old, increased construction costs, additional electrical and mechanical work is required for the installation of the fire sprinkler system, and the additional cost to install a fully occupied building was accounted for in the agency estimate, but not to the extent necessary as deemed by their third party estimator. This building is 40 years old and 242,795 square feet. Life safety code violations were found within the building affecting the ability for persons to safely exit the building in the event of a fire. At a minimum, the agency was directed back in October 2002, to install a fire sprinkler system to mitigate the code violations found. Additionally, the building has not been sealed since its construction in 1978 so the interior walls and above basement walkways are also being waterproofed. The agency estimates that the complete project will cost approximately \$6,500,000. The agency also reports that two separate contracts will be issued for this project and no additional annual operating costs will result from the project. The agency also reports one contract will be executed for waterproofing in May 2018 with completion in January 2019 and the other contract will be executed for the fire sprinkler installation in May 2018 with completion in April 2020.

Phase II Increase

- (u) Summary 2-2018: JBRC Item 21. (H71) Wil Lou Gray Opportunity School
 Project: 9515, Shower Room Renovations (Dorms)
 Included in Annual CPIP: Yes - CPIP Priority 2 of 3 in FY17
 JBRC/SFAA Phase II Approval: October 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 207-212

<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>
FY15-16 Capital Reserve Funds	500,000.00	(165,000.00)	335,000.00	53,924.99	388,924.99
FY17 Carryforward Funds	0.00	0.00	0.00	90,000.00	90,000.00
Other, Special Deposit Funds	0.00	0.00	0.00	160,568.32	160,568.32
All Sources	<u>500,000.00</u>	<u>(165,000.00)</u>	<u>335,000.00</u>	<u>304,493.31</u>	<u>639,493.31</u>

Funding Source: \$388,924.99 FY15-16 Capital Reserve. \$90,000 FY17 Carryforward. \$160,568.32 Other, Special Deposit Funds, which are funds received from office space rental income.

Request: Increase budget to \$639,493.31 (add \$304,493.31 FY15-16 Capital Reserve, FY17 Carryforward and Other, Special Deposit Funds) to add additional funding to the project because bid tabulations indicate that the project is severely underfunded. The previous decrease in this project, which was approved in May 2017, was a result of eliminating the scheduled cafeteria and auditorium upgrades when another project, H71-9414 D-Dorm Day room, came up short in budget due primarily to earthquake standards for new construction. \$94,493.31 is now being requested to be transferred from H71-9511, and this project is complete and ready for closure. It was determined that the funds remaining in project H71-9511 would be better used improving the student residential environment and therefore the final phase of the project in the administrative building is not being completed. The revised scope of work in H71-9515 is not being changed and includes shower and bathroom upgrades in 4 of 5 residential dorms. The facilities were constructed in 1970, total approximately 4,960 square feet and are utilized by 375-425 students based on enrollment. The last renovations to the bathrooms were completed 7 years ago. The agency estimates that the completed project will cost approximately \$639,493.31 with annual operating savings of \$300 in year 1 and \$1,200 in years 2 and 3. The agency also reports the projected date for execution of the construction contract is December 2017 and for completion of construction is June 2018.

Change Source of Funds

- (v) Summary 2-2018: JBRC Item 22. (H59) Tri-County Technical College
Project: 6093, Pendleton Campus Student Success Center/Central Plant
Included in Annual CPIP: Yes – CPIP Priority 1 of 3 in FY16
JBRC/SFAA Phase II Approval: June 2014

CHE Recommended Approval: Pending CHE Board Approval on 10/5/17

Ref: Supporting document pages 213-220

<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>
FY17 Capital Reserve Funds	0.00	500,000.00	500,000.00	0.00	500,000.00
Other, Capital Project Maintenance Reserve Funds	324,000.00	16,500,000.00	16,824,000.00	0.00	16,824,000.00
Other, County Funds	300,000.00	6,750,000.00	7,050,000.00	(7,050,000.00)	0.00
Other, Foundation Supported Revenue Bond Funds	0.00	20,250,000.00	20,250,000.00	7,050,000.00	27,300,000.00
All Sources	<u>624,000.00</u>	<u>44,000,000.00</u>	<u>44,624,000.00</u>	<u>0.00</u>	<u>44,624,000.00</u>

Funding Source: \$500,000 FY17 Capital Reserve Fund. \$16,824,000 Other, Capital Project Maintenance Reserve Fund. \$27,300,000 Other, Foundation Supported Revenue Bonds, which are bond funds pledged to be repaid by Anderson, Pickens and Oconee Counties.

Request: To change the funding source for \$7,050,000 from Other, Pickens County to Other, Foundation Supported Revenue Bond Funds. Pickens County decided to participate in revenue bonds in lieu of supplying funds from their cash reserves. The project was established in June 2014 to construct a new Student Success Center, repurpose and refurbish Ruby Hicks Hall, and to construct an associated energy plant on the Pendleton Campus of Tri-County Technical College. The new Student Success Center will house a learning commons and associated group study space, computer labs, campus store, café and shipping and receiving area. The construction of the Student Success Center will allow for swing space to accommodate the renovation of Ruby Hicks Hall, which is currently houses the library and administrative office spaces. Upon renovation, Ruby Hicks will become a One-Stop/Student Services center. Ruby Hicks is approximately 30 years old, and most of the systems are original to the building. A new Central Plant, located in the basement of the Student Services Center, will provide cooling for campus buildings via an energy loop system. Several campus HVAC systems are approaching the end of life and the installation of a new, integrated system will result in energy savings and reduced maintenance costs. Enrollment at Tri-County Technical College has doubled since 2001, and in order to meet student demand for increased instructional space the amount of space dedicated to student support services has steadily declined to the point it is no longer adequate to meet the needs of the student population. The agency reports that the total projected cost of this project will remain at \$44,624,000 with annual operating costs of \$68,151 in year 1, \$61,751 in year 2, and \$60,122 in year 3. The agency also reports that the estimated date for completion of the project is February 2019.

Final Land Acquisition, Revise Scope & Change Project Name

- (w) Summary 2-2018: JBRC Item 23. (H27) University of South Carolina - Columbia
Project: 6121, SCANA Property Land Acquisition Project
Included in Annual CPIP: Yes – CPIP Priority 1 of 9 in FY18
JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: 8/3/17

Ref: Supporting document pages 221-269

<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 Capital Project Funds	75,000.00	0.00	75,000.00	9,300,000.00	9,375,000.00
All Sources	<u>75,000.00</u>	<u>0.00</u>	<u>75,000.00</u>	<u>9,300,000.00</u>	<u>9,375,000.00</u>

Funding Source: \$9,375,000 Other, Institutional 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 \$9,375,000 (add \$9,300,000 Other, Institutional Capital Project Funds), for the acquisition of 14.63 acres currently owned by the SCANA Corporation. The property is bounded by Assembly Street and Flora Drive. The 14.63 acre SCANA property is comprised of twelve parcels. One (1) parcel is located in the City of Columbia and the other eleven (11) parcels are in Richland County but not within the city limits. The parcels have street frontage on South Assembly Street and Flora Drive. The properties are in close proximity to university athletics, academic and housing facilities. It contains several existing buildings, including a 67,500 square foot 110 year old mill building that is available for immediate occupancy. Maintenance work is required prior to occupancy at a total estimated value of \$950,000. Funds to complete this work have been made available by Richland County as part of the Greene Street project. It will be used for offices, storage, and maintenance shops associated with Facilities Operations and Maintenance and University Technology Services. Outdoor student recreation space will also be developed on-site. An appraisal conducted in March 2017 provided the opinion that the Hypothetical Value of the property is \$10,000,000. This assumes that the property can be developed with a single, mixed-use purpose. Additionally, the Hypothetical Value conclusion has been undertaken assuming that it will take approximately two years to facilitate the zoning change and road closing. The property is being sold by SCANA for \$9,300,000. The Phase I Environmental Site Assessment found no RECs, HRECs, or CRECs except for portions of the property being historically used to store and manage PCB containing electrical equipment and petroleum products (REC), a parcel was used as a UST facility with documented petroleum releases and regulatory NFA status (HREC), and metals and PAHs in soil and groundwater above regulatory MCLs and screening levels (REC). The site's soil and ground water was studied for contamination. A Phase II environmental analysis, following the site clean-up by SCANA, determined that levels of PCBs and VOCs were not over laboratory detection limits. The agency estimates that the land acquisition will cost approximately \$9,375,000 with additional annual operating cost savings of \$104,000 in year 1 and 2, and \$53,500 in year 3. The cost savings are a result of relocating the Facilities and UTS functions to a less square footage site that has a more efficient layout.

Final Land Acquisition

- (x) Summary 2-2018: JBRC Item 24. (N04) Department of Corrections
 Project: 9741, Wateree River CI – Durai Property Acquisition
 Included in Annual CIP: No
 JBRC/SFAA Phase I Approval: May 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 270-295

<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, Canteen Funds	20,000.00	0.00	20,000.00	1,162,820.00	1,182,820.00
All Sources	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>1,162,820.00</u>	<u>1,182,820.00</u>

Funding Source: \$1,182,820 Other, Canteen Funds, which is revenue derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations.

Request: Increase budget to \$1,182,820 (add \$1,162,820 Other, Canteen Funds) for the acquisition of 192.85 +/- acres, located at 317 Swift Creek Road in Rembert. The property consists of two (2) parcels of land designated as TMS #375-00-00-003 in Kershaw County and TMS #082-00-01-022 in Sumter County. This property is being offered for sale by John & Mary Durai for the purchase price of \$1,150,000. An appraisal was completed for the property on June 5, 2017 by Property Solutions and the final opinion of market value was determined to be \$1,200,000. Additionally, a Phase I Environmental Site Assessment was completed and revealed no evidence of RECs, HRECs, or CRECs and no further assessment was recommended. Lastly, an asbestos assessment was conducted on June 1, 2017 on the six structures that are located on the property. Of the representative materials sampled and analyzed during the assessment, asbestos in concentrations >1% were not identified. This property includes irrigation, grain storage, and agricultural shop/sheds which are approximately 10,000 square feet. The buildings located on the property are usable in their current condition and will not need to be renovated. If acquired, the property will be utilized as farmland. The buildings located on the property were constructed between 1998 and 2014. The agency is in need of additional irrigated land and grain storage. The present grain storage at Wateree River CI is antiquated and does not provide ample storage for harvested grain. The additional irrigated land and grain storage will enable SCDC to increase farming operations and reduce cattle and poultry food costs. The use of farm grown grain is a money saving investment in feeding Wateree River Farm's cattle and poultry. In addition, having the flexibility to store grain for future use enables SCDC to condition the grain for maximum dollar value as well as anticipate and take advantage of market forecasts when selling commodities. The goal of SCDC is to obtain irrigation on all productive lands; irrigated land is more productive than dry land and therefore provides a higher per acre yield. The agency estimates that the land acquisition will cost approximately \$1,182,820 with additional annual operating cost savings of \$30,180 in year 1 and \$12,680 in years 2 and 3. The agency reports the estimated date to complete the land acquisition is December 2017.

JOINT BOND REVIEW COMMITTEE**Item Number 9**Meeting of October 10, 2017**AGENCY:** South Carolina Rural Infrastructure Authority**PROJECT/SUBJECT:** Annual Report for Fiscal Year 2016-17

Title 11, Chapter 50, of the South Carolina Code of Laws establishes the South Carolina Rural Infrastructure Authority to select and assist in financing qualified rural infrastructure by providing loans and other financial assistance to municipalities, counties, special purpose and public service districts, and public works commissions for constructing and improving rural infrastructure facilities. Section 11-50-160 directs the Authority to submit an annual report of any loans or other financial assistance--excluding grants--to the Joint Bond Review Committee.

In accordance with Section 11-50-160, the Authority has submitted its Fiscal Year 2016-17 annual report for the Committee's information.

The loan program offers low-interest financing for Clean Water and Drinking Water projects. Typical projects are wastewater treatment and collection, drinking water supply and distribution, water quality and storm water infrastructure. In summary, the Authority closed 16 loans totaling \$158.2 million in FY 2016-17, the largest amount in the program's history. A listing of the individual loans can be found on Page 112.

COMMITTEE ACTION:

Receive as information the Fiscal Year 2016-17 Annual Report of the South Carolina Rural Infrastructure Authority.

ATTACHMENTS:

South Carolina Rural Infrastructure Authority Annual Report for Fiscal Year 2016-17

South Carolina Rural Infrastructure Authority 2017 Annual Report



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www.ria.sc.gov

Board of Directors

After the first round of grants were awarded in 2013, the South Carolina Rural Infrastructure Authority (RIA) continues its effort to ensure all South Carolina communities – from distressed to developed – are positioned for success.

The RIA has led that effort through its statewide financing programs which have awarded grant assistance to advance 200 water and sewer infrastructure projects across South Carolina. Totalling more than \$74 million and benefiting more than 160,000 residential and business customers, these grant projects have significant environmental and economic benefits.

Since 2015, 27 loans financed through the State Revolving Loan Funds program were closed, reflecting close to \$206 million in additional infrastructure investment.

Working with local officials, RIA identifies the community projects most in need and works to address infrastructure issues that have the potential to hinder economic development and growth.

The work done at RIA is truly important to the state's economy as a whole. Such investments in infrastructure build the capacity that residents and businesses rely on and improve the quality of life for all who live, work and play in our state.



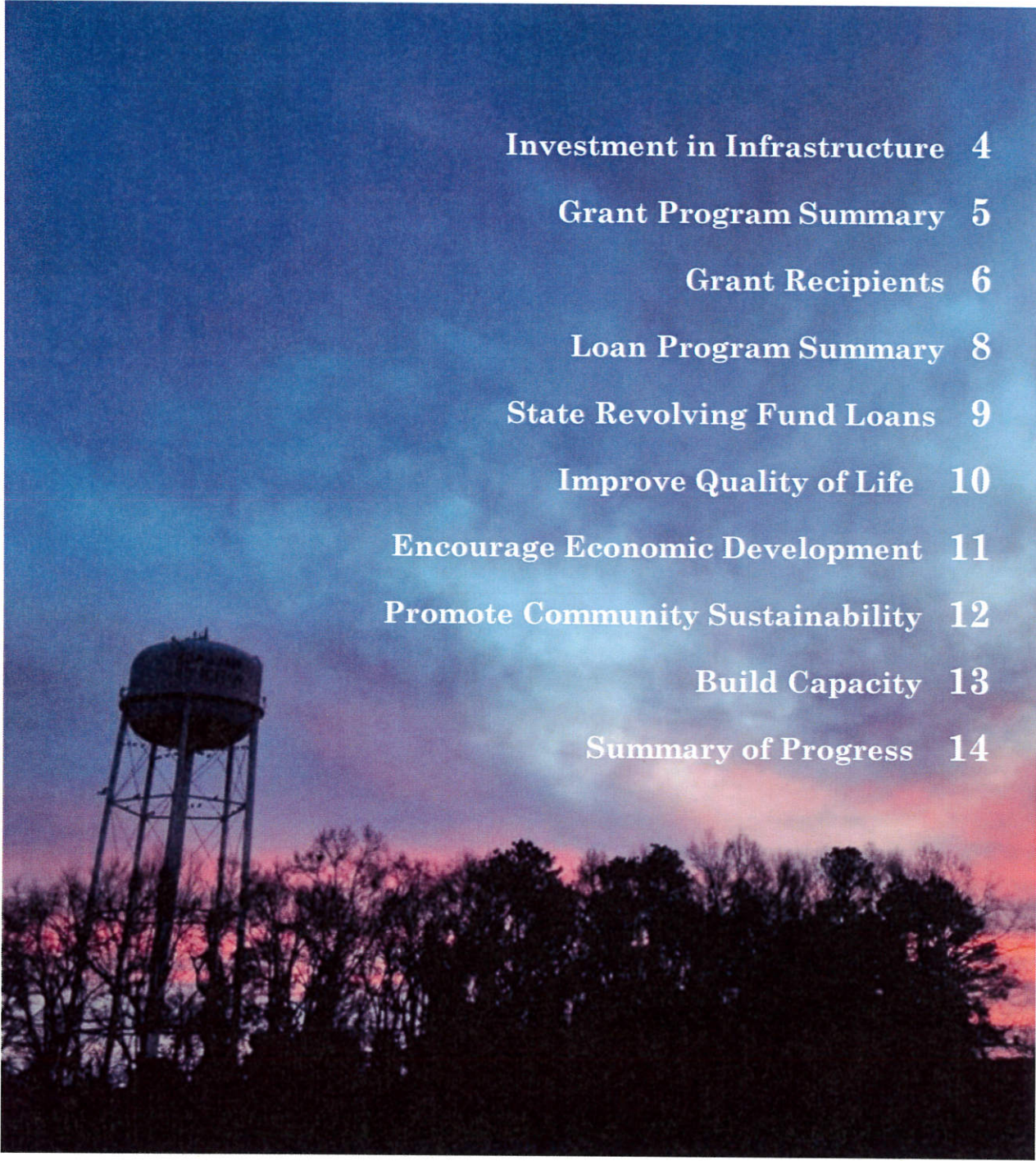
A handwritten signature in black ink, appearing to read 'R. Hitt'.

Robert M. Hitt III
Secretary, SC Department of Commerce
Chairman, SC Rural Infrastructure Authority

Rural Infrastructure Authority Board Members:

- | | |
|-------------------------|-------------------------------------|
| ♦ Robert M. Hitt III | Chairman, SC Department of Commerce |
| ♦ Michael A. Pitts | Vice-Chairman, State Representative |
| ♦ David E. Anderson | Anderson Brothers Bank |
| ♦ William Clyburn | State Representative |
| ♦ Michael Gambrell | State Senator |
| ♦ William Kellahan, Jr. | Kellahan & Associates |
| ♦ Jasper W. Shuler | Palmetto Agribusiness Council |

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The "SC Rural Infrastructure Authority Annual Report for Fiscal Year 2017" is submitted by the SC Rural Infrastructure Authority in compliance with the SC Rural Infrastructure Act (SC Code of Laws §11-50-160). Additionally, Act 119 of 2005 mandates that agencies provide all reports to the General Assembly in an electronic format.

Investment in Infrastructure

MISSION:

To help communities with financing for qualified water, wastewater and storm water drainage infrastructure projects

The Rural Infrastructure Authority (RIA) partners with communities statewide to make investments in infrastructure (water, sewer and storm water facilities) designed to address the following objectives: protect public health; address environmental quality standards; prepare for economic opportunities; and promote community sustainability. RIA offers grants, low-cost loans and technical assistance to help close financial gaps for areas in need of reliable infrastructure.

RIA began offering grants in 2013 for infrastructure in rural and distressed counties. In 2015, the Office of Local Government and the State Revolving Loan Funds program was moved from the SC Budget and Control Board to the RIA. This program makes low-cost loan financing available for infrastructure projects statewide. In 2016, the Statewide Water and Sewer Fund expanded the reach of the grant program to serve even more communities. RIA's financing programs are now available in every county, statewide.

While these programs provide financial assistance options for qualified infrastructure projects, there is a continuing need for training, technical assistance and capacity building. Rural, small and disadvantaged communities, in particular, often struggle to maintain affordability in the face of growing needs for infrastructure improvement. RIA works with stakeholders to identify, coordinate and leverage additional resources for immediate infrastructure needs while promoting greater sustainability in the future.

Fiscal Year 2017 Highlights

\$23.8M

Grants
Awarded



\$158.2M

in SRF loans
closed

Grant
Projects

61

11

Clean Water Loans

5

Drinking Water Loans

321

workshop
participants

205

technical
assists

70 percent

grant projects
in distressed and
least developed
areas

Proposed Jobs:

1,200

Planned Capital
Investment:

\$987M

50,826

residential
customers
impacted

6,502

businesses
served



Grant Program Summary

The RIA is authorized to provide grants statewide to local governments, special purpose and public service districts, as well as public works commissions. Not-for-profit water and sewer companies may be assisted if the local government served by the project is the applicant.

Eligible activities include upgrades, improvements or extensions of water, sewer and drainage systems. Funds are used for construction only.

In Fiscal Year 2017, RIA's Office of Grant Programs offered two competitive grant cycles (spring and fall) to provide multiple opportunities to access funds. Qualified projects were selected based on a comparative analysis of need, feasibility and impact.

The RIA Board approved 61 grants totaling \$23.8 million in two program categories:

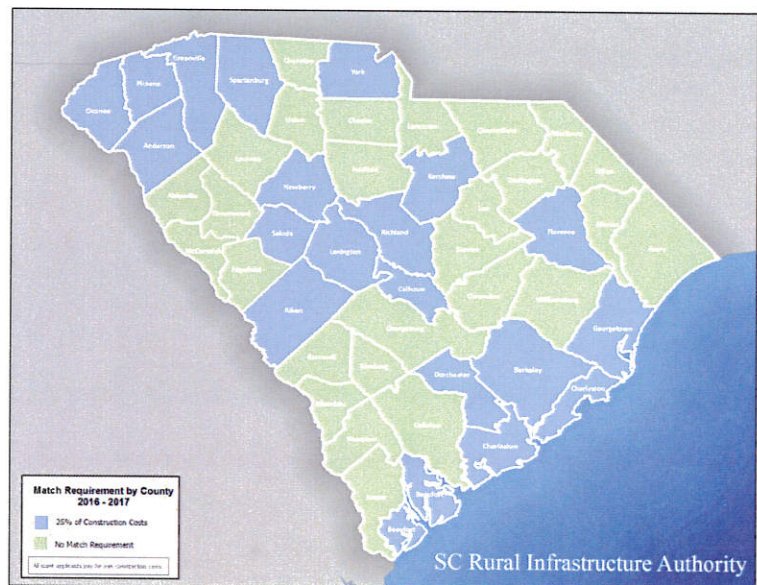
- **Basic Infrastructure** protects public health, brings systems into compliance with environmental requirements and improves existing infrastructure that has exceeded its useful life.
- **Economic Infrastructure** helps expand system capacity to support economic development opportunities for new or existing businesses that will lead to the creation of jobs and investment.

Applicants are required to cost share in project activities and are responsible for non-construction costs such as planning, engineering and acquisition. For projects in counties identified as Tier I or II by the SC Department of Revenue (shaded in blue at right), an additional 25% construction match is required. However, additional leveraging is encouraged to increase the impact of each project.

RIA staff regularly monitor the progress of all approved projects ensuring that performance requirements of the grant have been met. Technical guidance is provided to grantees throughout implementation of the project.

RIA leverages grant funding to maximize the impact of infrastructure projects.

**Return on Investment:
\$3.04 to \$1**

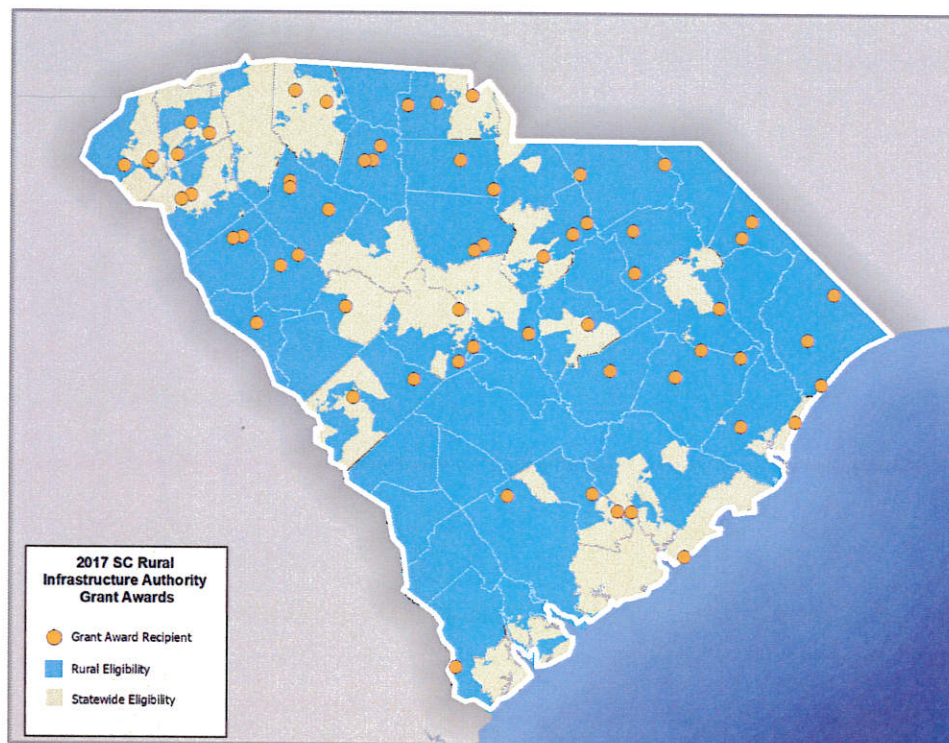


Grant Recipients

GRANTEE	COUNTY	PROJECT	AWARD
Aiken, City of	Aiken	Economic Water Infrastructure	\$500,000
Anderson County	Anderson	Economic Sewer Infrastructure	\$500,000
Anderson County	Anderson	Economic Sewer Capacity	\$500,000
Bethune, Town of	Kershaw	Water System Improvements	\$350,000
Calhoun County	Calhoun	Economic Water Infrastructure	\$500,000
Camden, City of	Kershaw	Sewer System Improvements	\$500,000
Central, Town of	Pickens	Economic Sewer Infrastructure	\$500,000
Cheraw, Town of	Chesterfield	Sewer System Improvements	\$500,000
Chester County Wastewater Recovery	Chester	Economic Sewer Infrastructure	\$500,000
Clinton, City of	Laurens	Economic Sewer Infrastructure	\$300,000
Conway, City of	Horry	Drainage System Upgrade	\$500,000
Dillon, City of	Dillon	Sewer System Improvements	\$498,125
Donalds-Due West WSA	Abbeville	Water Line Upgrades	\$307,500
Dorchester County	Dorchester	Economic Sewer Infrastructure	\$500,000
Dorchester County Water Authority	Dorchester	Water Line Upgrades	\$255,640
Due West, Town of	Abbeville	Sewer System Improvements	\$142,000
Easley Combined Utilities	Pickens	Sewer System Improvements	\$281,373
Eastover, Town of	Richland	Pump Station Upgrade	\$96,525
Fairfield County	Fairfield	Economic Water Infrastructure	\$500,000
Georgetown County	Georgetown	Economic Water Infrastructure	\$175,000
Georgetown County Water and Sewer District	Georgetown	Sewer System Improvements	\$500,000
Gray Court, Town of	Laurens	Water Line Upgrades	\$250,000
Great Falls, Town of	Chester	Sewer System Improvements	\$500,000
Greenwood Metropolitan District	Greenwood	Economic Sewer Infrastructure	\$500,000
Greenwood, City of	Greenwood	Drainage System Upgrade	\$147,598
Hardeeville, City of	Jasper	Economic Water and Sewer Infrastructure	\$365,000
Hartsville, City of	Darlington	Pump Station Upgrade	\$321,575
Hemingway, Town of	Williamsburg	Water System Improvements	\$500,000
Hickory Grove, Town of	York	Water System Improvements	\$138,262
Inman, City of	Spartanburg	Economic Sewer Infrastructure	\$500,000
Isle of Palms, City of	Charleston	Drainage System Upgrade	\$500,000
Jefferson, Town of	Chesterfield	Sewer System Improvements	\$497,500
Kershaw County & Lee County Regional Water Authority	Kershaw	Water Tank Construction	\$500,000
Kingstree, Town of	Williamsburg	Sewer System Improvements	\$306,834
Lamar, Town of	Darlington	Water Tank Improvements	\$500,000
Latta, Town of	Dillon	Water Line Upgrades	\$131,660
Laurens County Water and Sewer Commission	Laurens	Economic Sewer Infrastructure	\$324,500
Liberty - Chesnee - Fingerville Water District	Spartanburg	Water Line Upgrades	\$263,057
Loris, City of	Horry	Pump Station Upgrade	\$389,000
Manning, City of	Clarendon	Economic Water Infrastructure	\$500,000
McCormick Commission of Public Works	McCormick	Water System Improvements	\$390,000
North Charleston Sewer District	Charleston	Sewer System Improvements	\$500,000
Oconee County	Oconee	Economic Water and Sewer Infrastructure	\$500,000

Grant Recipients

GRANTEE	COUNTY	PROJECT	AWARD
Pamplico, Town of	Florence	Water System Improvements	\$325,500
Pickens, City of	Pickens	Water Line Upgrade	\$250,000
Ridgeway, Town of	Fairfield	Water Tank Construction	\$500,000
Saluda Commission of Public Works	Saluda	Pump Station Upgrade	\$500,000
Seneca, City of	Oconee	Sewer System Improvements	\$500,000
Smoaks, Town of	Colleton	Water Line Upgrade	\$500,000
Sumter, City of	Sumter	Well System Upgrade	\$222,480
Surfside Beach, Town of	Horry	Drainage System Upgrade	\$500,000
Swansea, Town of	Lexington	Water Line Upgrades	\$498,500
Tega Cay, City of	York	Water Tank Construction	\$500,000
Union County	Union	Water System Improvements	\$399,685
Union, City of	Union	Sewer System Improvements	\$220,000
Union, City of	Union	Economic Water Infrastructure	\$159,725
Wagener, Town of	Aiken	Pump Station Upgrade	\$319,125
West Columbia, City of	Lexington	Water Tank Improvements	\$500,000
Westminster, City of	Oconee	Sewer System Improvements	\$411,064
Williamsburg County Water & Sewer Authority	Williamsburg	Water Line Extension	\$318,219
York, City of	York	Sewer System Improvements	\$325,387
61 PROJECTS		TOTAL GRANTS AWARDED	\$23,880,834



Loan Program Summary

RIA's Office of Local Government (OLG) manages the financial functions of the State Revolving Fund (SRF), a federally capitalized loan program that offers low-interest financing for Clean Water and Drinking Water projects. Typical projects include wastewater treatment and collection, drinking water supply and distribution, water quality and storm water infrastructure. These low-interest loans are available to municipalities, counties and special purpose districts. To qualify, each applicant must have a dedicated repayment source with enough revenue to operate and maintain the system and pay debt service over the life of the loan.

The program is administered in conjunction with the SC Department of Health and Environmental Control (DHEC). DHEC manages the technical aspects of the program (including project selection and federal compliance), while OLG develops financial loan policies, evaluates credit worthiness, issues loan agreements, disburses funds and manages the loan portfolio. An annual review of program policies is conducted and adjustments are made as needed to address fund utilization and market trends.

This year a dual agency effort was undertaken to enhance coordination and raise awareness about the available funding. Such efforts included integration of the technical and financial program components, regular communication, joint workshops and outreach to stakeholders which highlighted the program's key advantages as a tool for infrastructure financing.

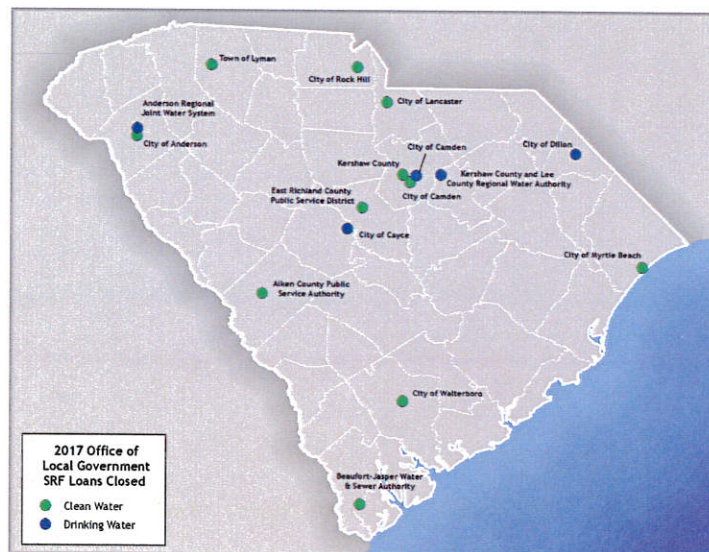
Demand for the low-cost loan program has significantly increased in the past two years. The SRF closed 16 loans totaling \$158.2M in FY17. This represents the largest amount closed in the program's history, exceeding the previously high level by \$56M. The number of new loan applications received this year is the third highest in program history.

The OLG manages \$975 million in current loans. There have been no defaults or audit findings on the loan function administered by the OLG.



Key Advantages

- Below-market interest rates (1.9 percent)
- 30-year, fixed term financing for qualifying projects
- Up to 100 percent financing of all eligible costs



State Revolving Fund Loans

Clean Water Loans			
SPONSOR	COUNTY	PROJECT	LOAN AMOUNT
Aiken County Public Service Authority	Aiken	Wastewater Treatment Plant Upgrade	\$47,833,220
Anderson, City of	Anderson	Pump Station Replacement	\$5,996,713
Beaufort-Jasper Water & Sewer Authority	Beaufort	Hardeeville Water Reclamation Facility Expansion	\$29,341,480
Camden, City of	Kershaw	Sewer Line Rehabilitation	\$7,089,206
East Richland County Public Service District	Richland	Sewer Interceptor	\$4,410,907
Kershaw County	Kershaw	Wastewater Treatment Plant Improvements	\$600,000
Lancaster, City of	Lancaster	Sewer Rehabilitation	\$3,612,367
Lyman, Town of	Spartanburg	Pump Station and Force Main	\$817,481
Myrtle Beach, City of	Horry	Pump Station Renovation and Sewer Line Relocation	\$6,345,371
Rock Hill, City of	York	Storm Water Improvements	\$4,834,164
Walterboro, City of	Colleton	Wastewater Treatment Plant Upgrade	\$1,480,000
11 LOANS	TOTAL CLEAN WATER LOANS CLOSED		\$112,360,909

Drinking Water Loans			
SPONSOR	COUNTY	PROJECT	LOAN AMOUNT
Anderson Regional Joint Water System	Anderson	Water Treatment Plant Upgrade	\$13,500,000
Camden, City of	Kershaw	Water Line Rehabilitation	\$5,236,780
Cayce, City of	Lexington	Water System Improvements	\$24,560,378
Dillon, City of	Dillon	Elevated Water Storage Tank	\$390,229
Kershaw County & Lee County Regional Water Authority	Kershaw & Lee Counties	Water System Improvements	\$2,188,558
5 LOANS	TOTAL DRINKING WATER LOANS CLOSED		\$45,875,945

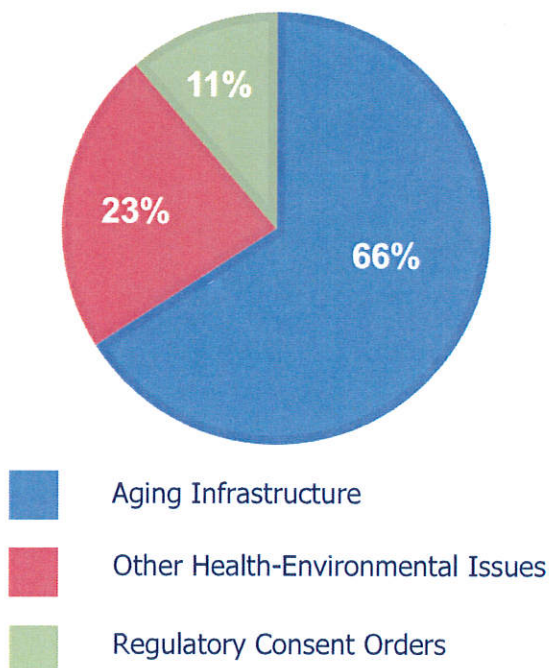
Improve Quality of Life

Addressing aging infrastructure as well as public health, environmental and regulatory concerns



City of Johnsonville:

Basic Infrastructure Grants: Project Outcomes



Leveraging funds from a Capital Sales Tax in Florence County, the City of Johnsonville was awarded an RIA grant of \$350,000 for a new elevated water storage tank. This was part of a \$3.5 million project to provide a public water system to the Vox community.

The city also constructed a new well and water treatment facility as well as installed more than 80,000 linear feet of water lines and about 40 fire hydrants.

In addition to the new customers, the improvements have provided system-wide benefits such as an additional source for quality drinking water and sufficient pressure for fire protection as well as satisfying DHEC requirements for additional storage.

44 Grants totaling \$16.5M

Encourage Economic Development

Building the infrastructure necessary to support economic opportunities



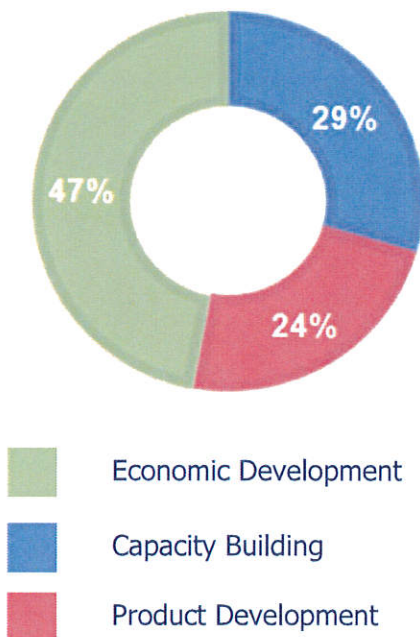
Anderson County:

In December 2016, Techtronic Industries (TTI) in Anderson County announced the construction of a new 300,000 sq. ft. Innovation Center to complement its existing manufacturing operations.

The county was awarded a \$500,000 RIA grant to provide a gravity sewer line to serve the new facility, leveraging an additional \$1.3 million in local funds to complete the project.

By investing \$75 million, the company is expected to create 250 new jobs with this project. In addition to serving the new development, the design and location of the gravity sewer will facilitate future growth on the TTI campus.

Economic Infrastructure Grants: Project Outcomes



17 Grants totaling \$7.3M

Promote Community Sustainability

Helping to maintain reliable and affordable infrastructure



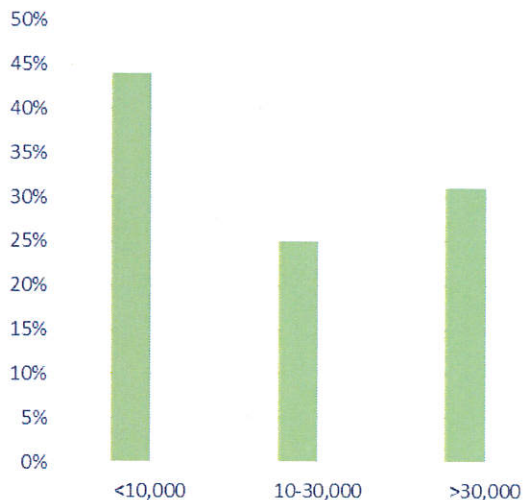
Myrtle Beach Outfall:

The 4th Avenue North Ocean Outfall project in Myrtle Beach eliminated nine outfalls that discharged storm water directly onto the beach from an 87 acre commercial and residential drainage basin.

The outfall was completed in 2016 and funded by a \$12 million SRF loan.

This project - along with other storm water management improvements in this area - protects public health by improving the beach water quality along the Grand Strand which attracts millions of visitors each year and generates billions of dollars annually for Myrtle Beach and surrounding municipalities.

Population Served by SRF Loans



**The loans represented in this chart combines the number of Clean Water and Drinking Water loans.*

16 Loans totaling \$158.2M

Build Capacity

Providing outreach and technical assistance to build community capacity

The RIA is focused on serving its customers and finding ways to fund infrastructure projects statewide. By serving as a resource for communities, whether the need is for technical or financial resources, RIA helps to build local capacity to identify affordable solutions. Information about RIA and other funding resources is communicated to stakeholders through various outreach methods. Training is offered annually to inform local officials about accessing grant and loan resources. This year, training was provided to 321 registered participants at three workshops. In addition, staff travels throughout the state providing resource information and problem solving assistance.

Technical Assistance

205 cases:

- ⇒ Project Development
- ⇒ Resource Identification
- ⇒ Grant Management

There is still much work to do to address the water and sewer infrastructure needs in the state. Limited local resources mean that budgets are stretched thin to cover capital improvements and operating needs. RIA takes a pro-active approach to identify and access all available resources by coordinating and leveraging other federal and state funding programs with local funds whenever possible. This increases the impact and promotes greater affordability and sustainability.



The SC Infrastructure Funders
Coordinating Committee's
participating agencies include:

- US Department of Agriculture - Rural Development (USDA-RD)
- US Economic Development Administration (EDA)
- SC Department of Commerce: Community Development Block Grant (CDBG) and Appalachian Regional Commission
- SC Department of Health and Environmental Control: State Revolving Funds (SRF)
- SC Rural Infrastructure Authority

Working Together for the Town of Timmonsville

Timmonsville (pop. 2,320) was issued both an EPA and SCDHEC consent decree for water and sewer violations. The City of Florence agreed to take over Timmonsville's water and sewer system and make comprehensive infrastructure upgrades and improvements.

Costs: \$13.8M

Funders: RIA Grant; SRF; CDBG; EDA; USDA-RD



Summary of Progress

Grant Programs: 2013 to 2017

\$74M

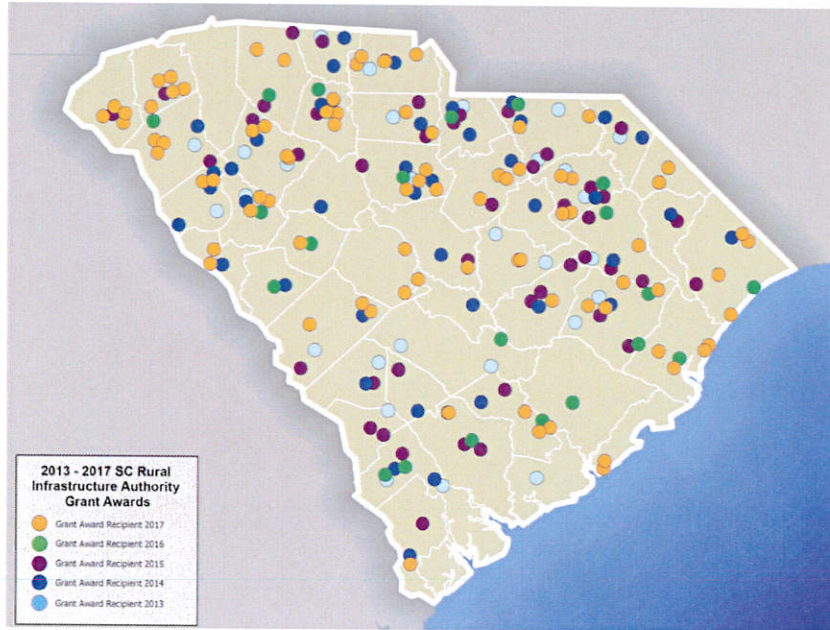
Awarded

200

Projects

\$269M

Leveraged



\$2.7B Capital Investment • **7,075** Proposed Jobs



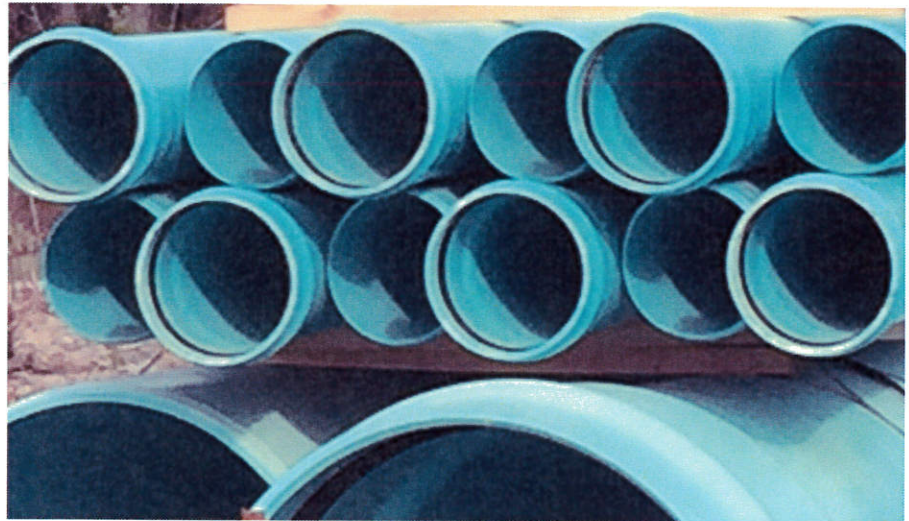
Summary of Progress

SRF Loan Programs: 1989 to 2017



250
Loans Closed
\$1.4B

\$975M
Current Loans
\$600M
Outstanding
Balance



Average Loan Size:

\$6M
Clean Water

\$4M
Drinking Water

JOINT BOND REVIEW COMMITTEE
Meeting of October 10, 2017

Item Number 10

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Future Meeting Schedule

The next tentatively-scheduled meeting of the State Fiscal Accountability Authority is December 12, 2017.

2017

January

Su	Mo	Tu	We	Th	Fr	Sa
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February

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June

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July

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August

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September

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October

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November

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December

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24	25	26	27	28	29	30
31						

Designed by Anny, annystudio.com

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None